



Emira Property Fund

*A property fund created under the Emira Property Scheme,
registered in terms of the Collective Investment Schemes Control Act*

JSE code: EMI ISIN: ZAE000050712
("Emira" or "the Fund")

Circular to Emira participatory interest ("PI") holders

relating to

- **the acquisition by Emira of 100% of the issued linked units of Freestone Property Holdings Limited; and**
- **a future specific issue of PIs for cash**

and including

- **revised listing particulars;**
- **a notice of general meeting; and**
- **a form of proxy (*blue*) for use by certificated and "own name" dematerialised Emira PI holders only.**

12 March 2007

**Merchant bank
and joint sponsor**



**Reporting accountants
and auditors**



Independent expert



Lead sponsor



Corporate information

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Emira Property Fund
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Company secretary and registered office of Freestone

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Lead sponsor

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Merchant bank and joint sponsor

Rand Merchant Bank, a division of
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Independent property valuers

CB Richard Ellis (Proprietary) Limited
Broll House
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Illovo, 2196
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CCI Properties cc
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Mills Fitchet KZN cc
29 Petrus Stroom Rd
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KwaZulu-Natal
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Old Mutual Property Group
Gardener Place
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This circular is available in English only. Copies may be obtained from the registered office of Emira at the address set out above.

Table of contents

	<i>Page</i>
Corporate information	Inside front cover
Action required by Emira PI holders	2
Important dates and times	3
Definitions	4
Circular to Emira PI holders	
1. Introduction	7
2. Rationale	7
3. Details of the acquisition	8
4. Information on Freestone	10
5. Details of the future specific issue of PIs for cash	13
6. Financial information	14
7. General meeting	17
8. Information on Emira	17
9. Details of the directors	20
10. Other information	24
11. Expenses	29
12. Experts' consents	29
13. Working capital statement	29
14. Directors' responsibility statement	30
15. Documents available for inspection	30
Annexure 1 Opinion of the independent professional expert on the acquisition	31
Annexure 2 Summary of independent valuers' reports on the Freestone property portfolio	36
Annexure 3 Details of Freestone's property portfolio	73
Annexure 4 Reporting accountants' report on the forecast income statement	76
Annexure 5 Opinion of the independent professional expert on the future specific issue of PIs for cash	79
Annexure 6 Historical financial information of Emira	83
Annexure 7 Historical financial information of Freestone	91
Annexure 8 Unaudited <i>pro forma</i> balance sheet of Emira	99
Annexure 9 Reporting accountants' report on the unaudited <i>pro forma</i> financial information	104
Annexure 10 Details of Emira's property portfolio	106
Annexure 11 Other directorships of the directors during the previous five years	110
Annexure 12 Extracts from Emira and STREM's statutory documents	115
Annexure 13 Price history of Emira PIs on the JSE	117
Annexure 14 Price history of Freestone linked units on the JSE	119
Notice of general meeting	121
Form of proxy (<i>blue</i>)	Attached

Action required by Emira PI holders

This circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, please consult your broker, banker, accountant, attorney or other financial advisor. If you have disposed of your Emira PIs, this circular should be handed to the purchaser of such Emira PIs or the broker or other agent who disposed of your Emira PIs for you.

A general meeting of Emira PI holders will be held at 09:00 on Tuesday 27 March 2007 at the registered office of Emira, 3 Gwen Lane, Sandton. The general meeting will be held to consider and if deemed fit, to pass, with or without modification, the resolutions set out in the notice convening the general meeting attached to this circular.

If you have dematerialised your Emira PIs without “own name” registration:

- If you have not been contacted by your CSDP or broker, it would be advisable for you to contact your CSDP or broker and furnish them with your voting instructions.
- If your CSDP or broker does not obtain voting instructions from you, they will be obliged to vote in accordance with the instructions contained in the agreement concluded between you and your CSDP or broker.
- You **must not** complete the attached form of proxy (*blue*).
- In accordance with the agreement between you and your CSDP or broker, you must advise your CSDP or broker if you wish to attend the general meeting in person, or if you wish to send a proxy to represent you at the general meeting and your CSDP or broker will issue the necessary Letter of Representation for you or your proxy to attend the general meeting.

If you have not dematerialised your Emira PIs or have dematerialised your Emira PIs with “own name” registration:

- You may attend and vote at the general meeting in person.
- Alternatively, you may appoint a proxy to represent you at the general meeting by completing the attached form of proxy (*blue*) in accordance with the instructions it contains, which form must be lodged with or posted to the transfer secretaries to be received by no later than 09:00 on Friday 23 March 2007.

If you wish to dematerialise your Emira PIs, please contact your CSDP or broker.

Important dates and times

2007

Last day to lodge form of proxy by 09:00 on	Friday 23 March
General meeting at 09:00 on	Tuesday 27 March
Results of general meeting released on SENS on	Tuesday 27 March
Results of general meeting published in the press on	Wednesday 28 March

Notes:

1. All or any of the above dates and times are subject to change.
2. Any material change to the above dates and times will be released on SENS and published in the press.

Definitions

In this circular, unless otherwise stated or the context otherwise indicates, reference to the singular shall include the plural and *vice versa* and words denoting one gender include the others. Expressions denoting natural persons include juristic persons and associations of persons and the words in the first column have the meanings stated opposite them in the second column, as follows:

“the Act” or “the Companies Act”	the Companies Act, No. 61 of 1973, as amended;
“the acquisition”	the acquisition by Emira of all the issued Freestone linked units from the Freestone linked unitholders, details of which are included in this circular;
“the acquisition consideration”	a maximum of 122 587 106 Emira PIs, to be issued by Emira in consideration for the acquisition of all the issued Freestone linked units, which will be reduced to the extent that Freestone linked unitholders elect the cash consideration;
“Avuka”	Avuka Investment Holdings (Proprietary) Limited (registration number 2005/037666), a company with limited liability duly incorporated according to the laws of South Africa;
“BEE”	Black Economic Empowerment;
“BNewco”	Micawber 410 (Proprietary) Limited (registration number 2005/000809/07), a company with limited liability duly incorporated according to the laws of South Africa, which is the vehicle through which Shalamuka, Avuka, Mr Ben van der Ross and black employees of RMB Properties hold their investment in Emira;
“cash consideration”	Freestone linked unitholders may elect to receive a portion of the Freestone consideration in cash, of R8.20 per Freestone linked unit, up to a maximum of R223 380 948, being 20% of the acquisition consideration;
“circular”	all the documents and annexures, including the notice of general meeting and form of proxy, contained in this bound circular, dated 12 March 2007;
“CISC Act”	Collective Investment Schemes Control Act, No. 45 of 2002;
“Computershare”	Computershare Investor Services 2004 (Proprietary) Limited (registration number 2004/003647/07), a company with limited liability duly incorporated according to the laws of South Africa;
“consideration participatory interests”	0.9 Emira PIs per Freestone linked unit, rounded to the nearest whole number of Emira PIs;
“the Court”	the High Court of South Africa (Witwatersrand Local Division), which is located in the High Court Building, von Brandis Square, corner Pritchard and von Brandis Streets, Johannesburg;
“CSDP”	Central Securities Depository Participant;
“Deed”	Scheme Deed made and entered into between STREM and the Trustee to establish a collective investment scheme in property, approved by the Registrar on 15 September 2003;
“directors”	members of the STREM board;
“Emira Property Scheme”	Emira Property Scheme, registered in terms of the CISC Act;
“Emira” or “the Fund”	Emira Property Fund, a property fund created under the Emira Property Scheme, registered in terms of the CISC Act, the PIs of which are listed on the JSE;

“Emira PI” or “Emira participatory interest”	participatory interest in the total value of all assets of Emira including any income to be distributed after deduction of any relevant liabilities;
“Emira PI holders”	holders of Emira PIs;
“Emira property portfolio”	Emira’s portfolio of properties including the Freestone property portfolio, details of which are set out in paragraph 8.4 of this circular;
“FirstRand”	FirstRand Limited (registration number 1929/001225/06), a public company listed on the JSE;
“Freestone”	Freestone Property Holdings Limited (registration number 2001/011887/06), a public company listed on the JSE;
“Freestone board”	board of directors of Freestone;
“Freestone consideration”	the amount which will become payable to each Freestone linked unitholder once the scheme becomes unconditional and is implemented;
“Freestone linked unit”	a linked unit comprising one Freestone share and five Freestone debentures, which are linked and not capable of disposal independently of each other;
“Freestone linked unitholders”	holders of Freestone linked units;
“Freestone property portfolio”	Freestone’s portfolio of properties, details of which are set out in paragraph 4.3 of this circular;
“FSB”	Financial Services Board;
“future specific issue of PIs for cash”	the issue of up to a maximum 17 466 657 Emira PIs by Emira to Tiso Property and/or BNewco and/or Shalamuka upon the exercise by Tiso Property and/or BNewco and/or Shalamuka of their rights of subscription at any time during the period commencing on Tuesday 27 March 2007 and terminating six months thereafter, at the then market price per PI, being the then 30-trading day volume weighted average ruling price thereof as published in the official lists of the JSE, ex the entitlement to any distributions relating to the income earned up to that date, less a 6% discount;
“general meeting”	general meeting of Emira PI holders to be held at 09:00 on Tuesday 27 March 2007 at the registered office of Emira, 3 Gwen Lane, Sandton, to consider and, if deemed fit, pass, with or without modification, the resolutions contained in the notice of general meeting;
“GRA”	the lettable area of the property portfolio as determined by the guidelines set out by the South African Property Owners’ Association;
“Hawley Road Developments”	Hawley Road Developments (Proprietary) Limited (registration number 1986/000771/07, a company with limited liability duly incorporated according to the laws of South Africa and a subsidiary of FirstRand;
“JSE”	JSE Limited (registration number 2005/022939/06), a company with limited liability duly registered and incorporated under the laws of South Africa and licensed as an exchange under the Securities Services Act;
“last practicable date”	Monday 5 March 2007, the last practicable date prior to finalisation of this circular;
“Listings Requirements”	Listings Requirements of the JSE;
“Momentum”	Momentum Group Limited (registration number 1904/002186/06), a company with limited liability duly incorporated according to the laws of South Africa and a wholly-owned subsidiary of FirstRand;
“Penreach programme”	a school-based programme, based in Mpumalanga, with the goal of uplifting the standard of education in under resourced communities;

“Registrar”	Registrar of Collective Investment Schemes;
“reporting accountants”	PricewaterhouseCoopers Advisory Services (Proprietary) Limited (registration number 1999/024417/07);
“RMB”	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06);
“RMB Properties”	RMB Properties (Proprietary) Limited (registration number 1984/000319/07), a company with limited liability duly incorporated according to the laws of South Africa and a wholly-owned subsidiary of FirstRand;
“scheme”	the scheme of arrangement in terms of section 311 of the Act proposed by Emira, between Freestone and the Freestone linked unitholders, in terms of which all the Freestone linked units will be acquired from Freestone linked unitholders in exchange for the Freestone consideration;
“scheme meeting”	the scheme meeting of Freestone linked unitholders at which Freestone linked unitholders will vote on the scheme;
“Securities Services Act”	the Securities Services Act, No. 36 of 2004, as amended;
“Shalamuka”	Shalamuka Foundation (master’s reference number IT8901/06), which trust is for the benefit of the Penreach Programme;
“South Africa”	Republic of South Africa;
“SRP”	Securities Regulation Panel;
“STRATE”	the settlement and clearing system utilised by the JSE for all transactions concluded on the JSE, managed by STRATE Limited (registration number 1998/022242/06);
“STREM”	Strategic Real Estate Managers (Proprietary) Limited (registration number 1997/020911/07), a manager registered by the Registrar to manage Emira and a wholly-owned subsidiary of FirstRand;
“STREM board”	board of directors of STREM;
“Tiso”	Tiso Group (Proprietary) Limited (registration number 1999/010875/07), a company with limited liability duly incorporated according to the laws of South Africa;
“Tiso Property”	Tiso Property (Proprietary) Limited (registration number 2006/001375/07), a company with limited liability duly incorporated according to the laws of South Africa and a wholly-owned subsidiary of Tiso; and
“Trustee”	ABSA Bank Limited (registration number 1986/004794/06), the party appointed in terms of the CISC Act to act as trustee of Emira’s assets and ensure compliance by STREM with the Deed.



Emira Property Fund

*A property fund created under the Emira Property Scheme,
registered in terms of the Collective Investment Schemes Control Act*

JSE code: EMI ISIN: ZAE000050712

Directors of STREM

Executive

J W A Templeton (*Chief Executive Officer*)
W K Schultze

Non-executive

B J van der Ross (*Chairman*)
L Barnard
L Basson
N E Makiwane
M S B Nesor
N L Sowazi

Circular to Emira PI holders

1. Introduction

Emira PI holders were advised in an announcement dated 18 December 2006 that the STREM board, on behalf of Emira, had resolved to acquire all the issued Freestone linked units.

The purpose of this circular is to provide Emira PI holders with information relating to the acquisition and the future specific issue of PIs for cash and to convene a general meeting at which Emira PI holders will be requested to vote on the resolutions required to authorise, approve and implement the acquisition and the future specific issue of PIs of cash, which resolutions are contained in the notice of general meeting attached to and forming part of this circular.

2. Rationale

2.1 The acquisition

Emira is a Collective Investment Scheme in Property and is listed in the "Real Estate Investment Trusts" sector of the JSE lists. Emira invests in, holds and develops commercial, industrial and retail properties. Emira's current portfolio comprises 88 properties valued at approximately R4.0 billion.

Freestone is a property loan stock company and is listed in the "Real Estate – Real Estate Holdings and Development" sector of the JSE lists. Freestone owns a portfolio of commercial, retail and industrial properties across South Africa, comprising 81 properties valued at approximately R1.8 billion.

The acquisition will result in Emira owning 100% of the Freestone linked units and will therefore constitute Freestone as a wholly-owned subsidiary of Emira.

Emira PI holders will benefit from:

- an increased market capitalisation against a background of a general preference for larger more liquid funds as per international and local trends. The combined fund will become the fifth-largest listed property fund with a market capitalisation of approximately R5 billion;
- exposure to a more diversified portfolio of properties comprising approximately 170 commercial, industrial and retail properties;
- efficiencies arising from a more focused and enhanced infrastructure in the fund management of the combined Emira and Freestone portfolio;
- cost savings through economies of scale.

Emira has been intending to raise debt funding through the capital markets. As a result of the acquisition, Emira PI holders will be able to take advantage of the efficient debt funding opportunities in the merged fund using Freestone's existing commercial mortgage-backed securitisation platform.

2.2 The future specific issue of PIs for cash

Emira subscribes to the provisions of the Property Sector Transformation Charter. The acquisition and subsequent issue of Emira PIs as consideration therefor, will result in the dilution of Emira's BEE shareholding. The purpose of the future specific issue of PIs for cash is to maintain Emira's BEE shareholding at its current level and to ensure continued meaningful participation by historically disadvantaged individuals in the Fund.

3. Details of the acquisition

3.1 Terms of the acquisition

Emira will acquire 136 207 895 Freestone linked units for a consideration of a maximum number of 122 587 106 Emira PIs which will be reduced to the extent that Freestone linked unitholders elect to receive a portion of the Freestone consideration in cash in terms of the cash consideration.

In terms of the cash consideration, Freestone linked unitholders may elect to receive a portion of the Freestone consideration in cash, of R8.20 per Freestone linked unit, up to a maximum of R223 380 948, being 20% of the acquisition consideration.

The acquisition will be effective from the operative date of the scheme which is expected to be on Monday 16 April 2007.

The acquisition consideration will be paid to Freestone on Monday 16 April 2007 and the listing of the Freestone linked units will terminate with effect from Tuesday 17 April 2007.

Emira PI holders will receive an interim distribution to 31 December 2006 (payable in March 2007) prior to the acquisition. In addition a special distribution which will include the unpaid amounts available for distribution that will have accrued up to the last day of the month preceding the month in which the last of the conditions precedent is fulfilled will be paid to Emira PI holders registered as such on the date to be announced in respect of the special distribution. The special distributions will ensure that the Emira PIs will be ex-distribution at the beginning of the month in which the scheme becomes operative. The Freestone linked units will be acquired ex-distribution.

3.2 Conditions precedent

The acquisition will be subject to (and will become operative upon) the fulfilment, or where applicable, waiver of the following conditions precedent:

- 3.2.1 the acquisition having been approved by a simple majority of Emira PI holders (excluding the non-voting Emira PI holders), at a general meeting of Emira PI holders before or on 31 March 2007 or such other date as may be agreed between Freestone and Emira in writing;
- 3.2.2 the scheme having been approved by a majority representing three-fourths of the votes exercisable by the Freestone linked unitholders present and voting, either in person or by proxy, at the scheme meeting before or on 31 March 2007 or such other date as may be agreed between Freestone and Emira in writing;
- 3.2.3 approval of the acquisition by the Competition Authorities before or on 30 April 2007 or such other date as may be agreed between Freestone and Emira in writing;
- 3.2.4 the Court having sanctioned the scheme before or on 30 April 2007 or such other date as may be agreed between Freestone and Emira in writing; and
- 3.2.5 a certified copy of the Order of Court sanctioning the scheme having been registered, in terms of the Act, by the Registrar of Companies in South Africa, before or on the date seven business days from the date on which the Court sanctions the scheme.

3.3 Related parties

Emira's major PI holder is Momentum, a company in the FirstRand Group. At the last practicable date, Momentum owned approximately 36% of the PIs in issue in Emira. The FirstRand Group owns Emira's management company, STREM.

Momentum is also Freestone's major linked unitholder. At the last practicable date, Momentum owned approximately 37% of the issued Freestone linked units. Freestone's management company, Freestone Management Company (Proprietary) Limited, is a joint venture between Corovest Property Group Limited and RMB Properties, also a company in the FirstRand Group. Consequently, the acquisition is considered to be a "related party transaction" in terms of the Listings Requirements.

Accordingly:

- Emira PIs held by Momentum and its associates will be taken into account in determining a quorum at the general meeting, but their votes will not be taken into account in determining the results of voting on the resolution approving the acquisition; and
- KPMG has been appointed as the independent expert to advise the STREM board on whether the terms and conditions of the acquisition are fair and reasonable to Emira PI holders. Their report in this regard is contained in Annexure 1.

3.4 Independent valuers' reports

Independent valuation reports have been prepared in respect of each of Freestone's properties. A summary of the independent valuers' reports on the Freestone property portfolio are contained in Annexure 2. The aggregate value of Freestone's properties as per the valuations of the independent valuers is R1 795 311 000.

The acquisition consideration was determined with reference to the 30-day volume weighted average prices of Freestone linked units and Emira PIs on the JSE to Tuesday 14 November 2006, being the date before the first cautionary regarding the acquisition was announced. The aggregate value of the acquisition consideration has since increased due to the strong recent Emira PI price performance.

3.5 Opinions and recommendations

KPMG, the independent expert, has considered the terms and conditions of the acquisition insofar as they pertain to Emira PI holders and is of the opinion that the terms and conditions of the acquisition are fair and reasonable to Emira PI holders. The STREM board has been advised accordingly and the text of the opinion from KPMG in this regard is contained in Annexure 1.

The STREM board is of the opinion that the terms and conditions of the acquisition are fair and reasonable to Emira PI holders. Accordingly, the STREM board recommends that Emira PI holders vote in favour of the resolutions to authorise, approve and implement the acquisition.

The directors with direct and/or indirect interests in Emira, and who are not precluded from voting, intend to vote in favour of the resolutions to authorise, approve and implement the acquisition.

3.6 Approval by the Trustee

The Trustee has given its written consent to the acquisition in terms of the Deed. A copy of their consent letter is available for inspection in terms of paragraph 15 below.

3.7 Vendors

The acquisition is an acquisition of 100% of the issued linked units of Freestone pursuant to a scheme of arrangement.

The vendors of the Freestone linked units will be the Freestone linked unitholders on the operative date of the scheme which is expected to be on Monday 16 April 2007.

The vendors have not guaranteed the book debts, provided warranties and are not subject to any restraints. At least 80% of the consideration payable in terms of the scheme will be re-invested back into Emira in the form of consideration PIs.

The business of the Freestone group will remain unchanged and any liabilities of the Freestone group, including tax liabilities for accrued taxation to the date of the acquisition, which is expected to be on Monday 16 April 2007, will be settled in the ordinary course of business.

Other than in their capacity as holders of Freestone linked units, no director of Freestone has any beneficial interest, direct or indirect, in the acquisition.

No cash or securities have been paid or benefit given to any promoter, not being a director, within the three years preceding the date of this circular.

4. Information on Freestone

4.1 Incorporation and listing

Freestone is a property loan stock company and is listed in the “Real Estate – Real Estate Holdings and Development” sector of the JSE lists.

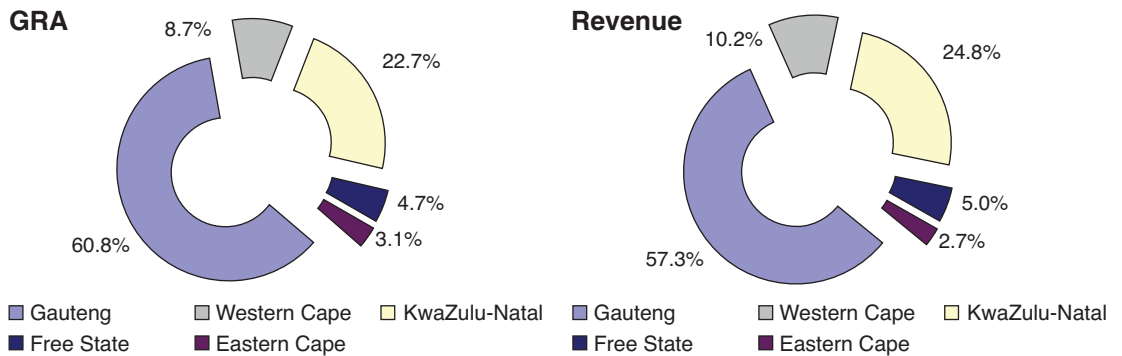
4.2 Nature of business

Freestone owns a portfolio of commercial, retail and industrial properties across South Africa, comprising 81 properties valued at approximately R1.8 billion.

4.3 The Freestone property portfolio

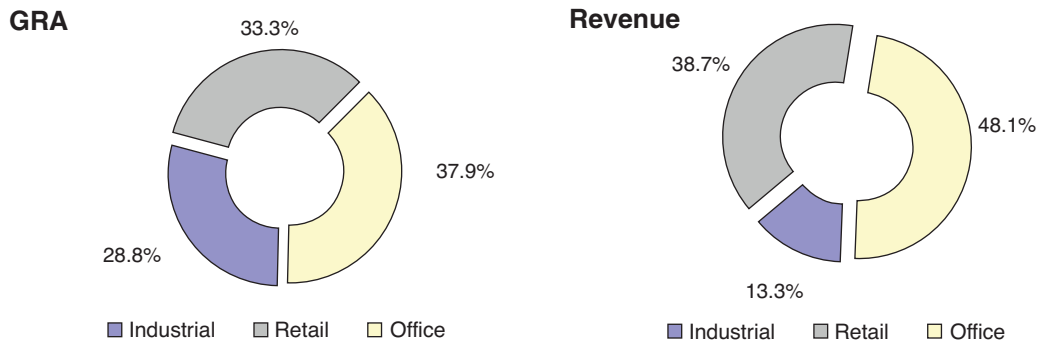
4.3.1 Geographical profile

The geographical profile of the Freestone property portfolio, based on GRA and forecast revenue for the period ending 30 June 2008, is as follows:



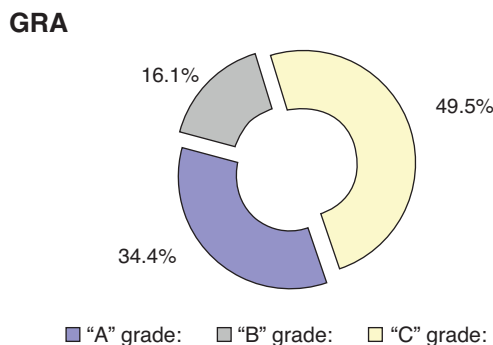
4.3.2 Sectoral profile

The sectoral profile of the Freestone property portfolio, based on GRA and forecast revenue for the period ending 30 June 2008, is as follows:



4.3.3 Tenant profile

The tenant profile of the Freestone property portfolio, based on existing leases, is as follows:



The tenants have been graded as follows:

- “A” grade: Large national tenants, large listed tenants, Government and major franchisees. These include, *inter alia*, The Department of Labour, Edgars Consolidated Stores, FirstRand Bank, Pepkor, Pick ‘n Pay Stores, The Standard Bank Group, Ster-Kinekor, Truworths International and Virgin Active.
- “B” grade: National tenants, listed tenants, franchisees and medium to large professional firms. These include, *inter alia*, Debonairs Pizza, Fishaways, John Dory’s, Mikes Kitchen, Rage Distribution, Torga Optical, UCS Group, Vodacom and Wimpy.
- “C” grade: Other tenants comprise all other tenants that do not fall into the above two categories.

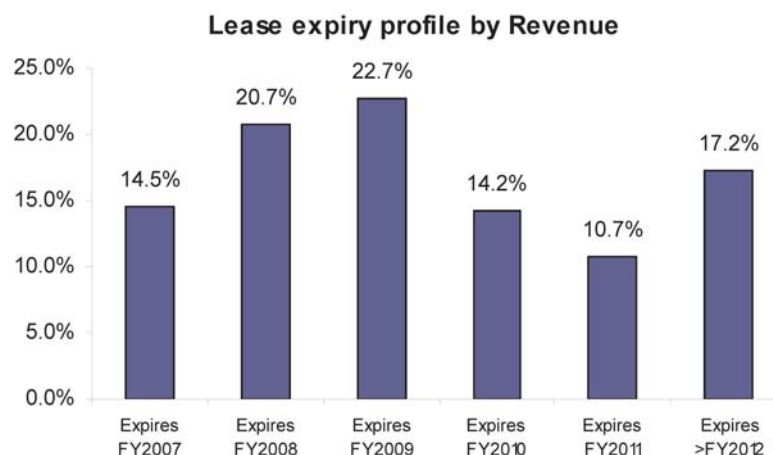
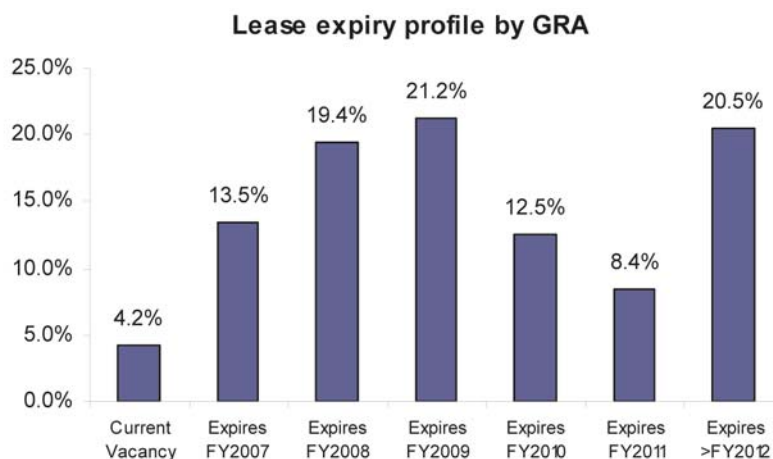
4.3.4 Vacancy profile

The current vacancy profile of the Freestone property portfolio is set out below:

	Vacancy (rentable area)
Offices	2.9%
Retail	0.1%
Industrial	1.1%
Freestone property portfolio	4.2%

4.3.5 Lease expiry profile

The lease expiry profile of the Freestone property portfolio, based on existing leases, by revenue and GRA respectively, is set out below:



4.3.6 Rental per square metre

The average rental per square metre of the Freestone property portfolio, weighted on the basis of GRA per sector, is R51.53.

4.3.7 Rental escalation profile

The average rental escalation of the Freestone property portfolio, weighted on the basis of GRA, excluding leases which are due to expire, is 8.7%. This comprises an escalation of 8.6% in the retail sector of the portfolio, 9.0% in the office sector and 8.4% in the industrial sector.

4.3.8 Annualised property yield

The average annualised property yield of the Freestone property portfolio, is 10.2%.

4.3.9 Property specific information

Information on each property in the Freestone property portfolio is set out in Annexures 2 and 3.

4.4 Forecast income statement of Freestone

Set out below is Freestone's forecast income statement for the three-month period ending 30 June 2007 and the financial year ending 30 June 2008. The reporting accountants' report on the forecast income statement is set out in Annexure 4.

The forecast income statement has been prepared in accordance with the format and accounting policies adopted by Emira in presenting its audited financial statements for the year ended 30 June 2006.

	3 month period ended 30 June 2007 (R'000)	Year ended 30 June 2008 (R'000)
Revenue	67 809	288 076
Property expenses	(25 057)	(107 967)
Administration and management expenses	(4 406)	(18 835)
Operating profit	38 346	161 274
Finance cost	(14 000)	(55 400)
Investment income	50	200
Net profit for the period	24 396	106 074

The forecast income statement has been prepared based on the following assumptions:

- revenue from the Freestone Property portfolio has been included in the forecast from 1 April 2007;
- revenue includes operating and electricity expense recoveries;
- there will be no changes to the Freestone property portfolio;
- contractual revenue is based on existing lease agreements;
- current vacant space and vacant parking bays have been forecast on a property-by-property basis and have been assumed to remain vacant unless it is deemed probable that such space will be let;
- no revenue has been assumed in respect of the premises being upgraded at Fleetway House, Cape Town and Hurlingham Office Park, Sandton, which premises have not yet been let;
- there will be no unforeseen economic factors that will affect the lessees' abilities to meet their commitments in terms of existing lease agreements;
- leases expiring during the period have been forecast on a lease-by-lease basis. After the expiry of the leases, the space has been forecast to remain occupied or stand vacant for a period of between one to three months on average to allow for sourcing of a new tenant or to refurbish the space of the existing tenant whilst in occupation;
- rentals are escalated on renewal subject to negotiations based on market rental assumptions reviewed every six months. Rentals have been assumed to escalate between 7% and 9% based on supply and demand of each economic zone. Cost of signing new leases is based on tariff, which equates to 2.5 times the first month's rent;
- monthly leases are assumed to continue at no escalation for a period of 12 months after listing;

- forecast property operating expenditure has been determined based on the individual property income statements. Each operating expense line item is escalated on 1 July of each year at either 6% or 8% depending on the nature of the expense;
- income generated from operating cost recoveries is based on the expense in the income statement. Income is escalated at the same rates, as that applied to the base rental;
- consumption-based recoveries are based on historical recoveries;
- no transaction costs have been taken into account;
- interest payable on the debt funding will be at an average rate of 9.65%;
- it has been assumed that no additional linked units will be issued in the forecast period; and
- net profit after interest paid (excluding any capital profits) will be distributed to Freestone linked unitholders in full.

The forecast income statement includes the following material expenditure items, being a category of expenditure exceeding 10% of the total expenditure:

	3 month period ended 30 June 2007 (R'000)	Year ended 30 June 2008 (R'000)
Maintenance	2 881	15 252
Electricity and gas	3 955	16 983
Rates	5 507	23 510

Maintenance expenses are forecast to increase by more than 15% in 2008 due to anticipated planned maintenance.

5. Details of the future specific issue of PIs for cash

5.1 Introduction

The acquisition and subsequent issue of Emira PIs as consideration therefor, will result in the dilution of Emira's BEE shareholding. The purpose of the future specific issue of PIs for cash is to maintain Emira's BEE shareholding at its current level and to ensure continued meaningful participation by historically disadvantaged individuals in the Fund.

5.2 Emira's current BEE partners

BEE partner	Percentage of issued PIs held (%)
Tiso	9.9
Shalamuka	1.3
BNewco	3.0
- Avuka	1.0
- Ben van der Ross	0.7
- Black employees	1.3
	14.2

5.3 Mechanics of the future specific issue of PIs for cash

Emira will issue up to a maximum of 17 466 657 Emira PIs to Tiso Property and/or BNewco and/or Shalamuka in the anticipated ratio of 12 111 906 Emira PIs to Tiso Property, 3 772 551 Emira PIs to BNewco and 1 582 200 Emira PIs to Shalamuka, upon the exercise of Tiso Property's and/or BNewco's and/or Shalamuka's rights of subscription at any time during the period commencing on Tuesday 20 March 2007 and terminating six months thereafter, in terms of a specific issue for cash at the then market price per PI, being the then 30-trading day volume weighted average ruling price thereof as published in the official lists of the JSE, ex the entitlement to any distributions relating to the income earned up to that date, less a 6% discount.

Should any of the BEE partners not be able to take up their allocation, then the other BEE partners will have the right to take up the remaining PIs.

Tiso Property and BNewco are non-public PI holders in terms of the Listings Requirements.

5.4 Related parties

BNewco owns 13 698 671 Emira PIs. Mr Benedict James van der Ross, a director and chairman of STREM, holds 18.2% of the issued share capital of BNewco. Avuka owns 26% of BNewco. Ms Nocawe Makiwane, a board member of STREM, holds a 25% stake in Avuka. Mr Nkululeko Sowazi, the deputy chairman of the Tiso Group and a director of STREM has an 18% shareholding in Tiso. Tiso owns Tiso Property therefore resulting in Mr Sowazi indirectly holding PIs in Emira. As a result of the future specific issue of PIs for cash, these directors will receive indirect benefits via BNewco and Tiso Property.

The future specific issue of PIs for cash is considered a small related party transaction in terms of Section 10.7 of the Listings Requirements as it results in an indirect issue of PIs to directors, Mr Ben van der Ross, Ms Nocawe Makiwane and Mr Nkululeko Sowazi.

Emira PIs held by Tiso Property, BNewco, Shalamuka and their associates will be taken into account in determining a quorum at the general meeting, but their votes will not be taken into account in determining the results of voting on the resolutions approving the future specific issue of PIs for cash.

KPMG has been appointed as the independent expert to advise the STREM board on whether the terms and conditions of the future specific issue of PIs for cash are fair and reasonable to Emira PI holders. Their report in this regard is contained in Annexure 5.

5.5 Opinions and recommendations

KPMG, the independent expert, has considered the terms and conditions of the future specific issue of PIs for cash insofar as they pertain to Emira PI holders and is of the opinion that the terms and conditions of the future specific issue of PIs for cash are unfair but reasonable to Emira PI holders and the potential effect of the future specific issue of PIs for cash on the Emira PI holders is a dilution of 0.2%. The STREM board has been advised accordingly and the text of the opinion from KPMG in this regard is contained in Annexure 5.

The STREM board is of the opinion that the future specific issue of PIs for cash is beneficial to Emira and Emira PI holders in that it maintains Emira's BEE shareholding at its current level and ensures continued meaningful participation by historically disadvantaged individuals in the Fund. In addition, the future specific issue of PIs for cash results in minimal dilution to Emira PI holders. Accordingly, the STREM board recommends that Emira PI holders vote in favour of the resolutions to authorise, approve and implement the future specific issue of PIs for cash.

The directors with direct and/or indirect interests in Emira, and who are not precluded from voting, intend to vote in favour of the resolutions to authorise, approve and implement the future specific issue of PIs for cash.

5.6 Approval by the Trustee

The Trustee has given its written consent to the future specific issue of PIs for cash in terms of the Deed. A copy of their consent letter is available for inspection in terms of paragraph 15 below.

6. Financial information

6.1 Historical financial information of Emira

The historical financial information of Emira is set out in Annexure 6.

6.2 Historical financial information of Freestone

The historical financial information of Freestone is set out in Annexure 7.

6.3 Unaudited *pro forma* financial effects

The unaudited *pro forma* financial effects of the future specific issue of PIs for cash and the acquisition for which the STREM board is responsible, are presented for illustrative purposes only and may not give a fair reflection of Emira's financial position or future performance.

The independent reporting accountants' report on the *pro forma* financial effects is set out in Annexure 9.

6.3.1 Income statement effects

No *pro forma* income statement effects are presented as the cash raised in respect of the future specific issue of PIs for cash will be used for future investment opportunities and it is therefore uncertain at this stage what the impact will be on the income statement of Emira.

6.3.2 Balance sheet effects

The table below sets out the unaudited *pro forma* financial effects of the acquisition and future specific issue of PIs for cash based on the published balance sheet of Emira at 31 December 2006 and on the assumption that the acquisition and the future specific issue of PIs for cash had been implemented on that date:

	Before the acquisition and the future specific issue of PIs for cash (cents)	Pro forma after the acquisition and the future specific issue of PIs for cash (cents)	Percentage change
Consideration participatory interests only offer			
Net asset value per PI	922	978	6.1
Net tangible asset value per PI	922	932	1.1
Consideration participatory interests and cash offer			
Net asset value per PI	922	976	5.9
Net tangible asset value per PI	922	934	1.3

6.4 Pro forma financial information

The *pro forma* balance sheet of Emira at 31 December 2006, showing the effects of the acquisition and the future specific issue of PIs for cash, based on the assumption that they had been implemented on 31 December 2006, is included as Annexure 8.

No *pro forma* income statement is presented as the cash raised in respect of the future specific issue of PIs for cash will be used for future investment opportunities and it is therefore uncertain at this stage what the impact will be on the income statement of Emira.

The independent reporting accountants' report on the *pro forma* financial information of Emira is set out in Annexure 9.

6.5 Capital of the Fund

The table below shows the issued capital of the Fund before and after the acquisition and the future specific for cash, based on the issued capital as at the last practicable date and based on the assumption that all Emira PIs have been issued in terms of the acquisition and the future specific for cash.

	(R'000)
Issued capital before the acquisition	
359 220 921 PIs	2 018 961
Issued capital after the acquisition <i>(assuming 80% of the purchase consideration is settled in consideration participatory interests)*</i>	
457 290 605 PIs	3 022 214
Issued capital after the acquisition <i>(assuming 100% of the purchase consideration is settled in consideration participatory interests)*</i>	
481 808 027 PIs	3 273 027
Issued capital after the acquisition and the future specific issue of PIs for cash <i>(assuming 80% of the purchase consideration is settled in consideration participatory interests)*</i>	
474 757 262 PIs	3 200 898
Issued capital after the acquisition and the future specific issue of PIs for cash <i>(assuming 100% of the purchase consideration is settled in consideration participatory interests)*</i>	
499 274 683 PIs	3 451 711

* Using the Emira PI price of 1 023 cents at the last practicable date.

The directors are authorised by way of general authority for 15 months from 30 September 2006, to issue units in the authorised but unissued capital of the Fund, not exceeding 15% of the number of the Fund's units already in issue in any one financial year, for cash.

Emira does not have securities listed on any stock exchanges other than the JSE.

There have been no consolidations or sub-divisions in respect of the capital of the Fund during the three years preceding the date of this circular.

6.6 Major Emira PI holders

At the last practicable date, based on information available to the directors, the following PI holders held direct and indirect beneficial interests of more than 5% in the issued capital of Emira:

Holder	Number of Emira PIs held	Percentage of issued Emira PIs held
Before		
Momentum Life Assurers Limited	130 296 545	36.3
Tiso Property	35 491 905	9.9
Stanlib Property Income Fund	18 933 857	5.3
	184 722 307	51.5
After the acquisition¹		
Momentum Life Assurers Limited	175 296 545	36.4
Tiso Property	35 491 905	7.4
Stanlib Property Income Fund	22 071 267	4.6
	232 859 717	48.3
After the acquisition and the future specific issue of PIs for cash²		
Momentum Life Assurers Limited	175 296 545	35.1
Tiso Property	47 603 811	9.5
Stanlib Property Income Fund	22 071 267	4.4
	244 971 623	49.1

Notes:

1. Assuming that Momentum Life Assurers Limited (which currently owns 50 000 000 Freestone linked units) and Stanlib Property Income Fund (which currently owns 3 486 011 Freestone linked units) elect to receive 100% of the acquisition consideration payable to them in consideration interest.
2. Assuming that in addition to note 1 above, 17 466 657 PIs are issued by Emira to Tiso Property (12 111 906), BNewco (3 772 551) and Shalamuka (1 582 200).

There has been no change in controlling PI holder of the Fund since its creation on 14 September 2003 and there will be no change in controlling PI holder as a result of the acquisition and the future specific issue of PIs for cash.

The following PIs have been issued by Emira between the date of its listing and the last practicable date:

Date	Issued to	Number	Price (Rand)
Jun 2004	Simmetry Income Fund	230 500	5.00
	National Fund for Municipal Workers	92 800	5.00
	Momentum International Multimanager's Property Equity Fund	52 400	5.00
	Property Income Fund	5 316 700	5.00
	SIS Property Income Fund	5 857 300	5.00
	Investment Solutions	1 127 100	5.00
Feb 2005	Investment Solutions	483 200	5.00
	AECI	383 772	5.16
	BoE Property Performer	383 772	5.16
	M-Cubed	383 772	5.16
Aug 2006	One sta	383 772	5.16
	Momentum	3 187 331	10.50
Oct 2006	BNewco	13 698 671	8.03
	Momentum	18 021 713	8.29
	BNewco	1 992 528	8.03
	Tiso Property	35 491 905	8.03

7. General meeting

A general meeting of Emira PI holders will be held at 09:00 on Tuesday 27 March 2007 at the registered office of Emira, 3 Gwen Lane, Sandton. The general meeting will be held to consider and if deemed fit, to pass, with or without modification, the resolutions set out in the notice convening the general meeting attached to this circular.

A notice convening the general meeting and a form of proxy (*blue*), for use by holders of certificated Emira PIs and holders of dematerialised Emira PIs with own name registration who are unable to attend the general meeting and who wish to vote at the general meeting, form part of this circular. Duly completed forms of proxy must be received by the transfer secretaries by no later than 09:00 on Friday 23 March 2007. Holders of dematerialised Emira PIs, other than those with own name registration, must inform their CSDP or broker of their intention to attend the general meeting and obtain the necessary authorisation to attend, or provide their CSDP or broker with their voting instructions should they wish to vote and are not able to attend the general meeting in person. This must be done in terms of the agreement entered into between the Emira PI holders and the CSDP or broker concerned.

8. Information on Emira

8.1 Incorporation and listing

Emira is a collective investment scheme in property created under the Emira Property Scheme, registered in terms of the CISC Act in Pretoria by the Registrar on 15 September 2003. Emira listed in the "Real Estate" sector of the JSE lists on 28 November 2003.

8.2 Nature of business

Emira is a collective investment scheme in property, managed by STREM, which is registered by the Registrar to manage the Fund.

In terms of the Deed, the Fund is obliged to distribute all income earned to its PI holders. As a result of its distribution obligations, no income tax or Capital Gains Tax is payable by the Fund.

The Fund's principal objective is to grow earnings from a quality-based property portfolio. Growth will be sought by making strategic investments where yields are enhancing in the medium to long term. Management will further maintain the quality of the portfolio by disposals of assets, which no longer meet the strategic objectives of the Fund.

The strategic objectives of the Fund are to:

- optimise net income and growth in distributions;
- apply gearing to the portfolio to the extent that it enhances returns, limited to 30% as provided for in the CISC Act;
- increase market capitalisation, liquidity and spread of investors through selective acquisitions and capital raising;
- selectively recycle assets;
- broaden the Fund's geographic exposure to KwaZulu-Natal, the Western and Eastern Cape;
- increase exposure to the retail sector;
- dispose of non-performing or potentially underperforming properties;
- reduce vacancies and smooth the lease expiry profile of the portfolio.

8.3 Prospects

Subsequent to the purchase of Freestone by Emira, Emira PI holders will benefit from a significantly enlarged portfolio comprising approximately 170 properties and valued at in excess of R5 billion. This diversification will spread the risk to Emira PI holders through the exposure to a greater number of properties and tenants.

Once the portfolios have been merged, Emira will embark upon a process to dispose of non-core properties, re-investing the proceeds in the remaining investments and thereby improving the overall quality of the Fund's assets.

Through Emira's close relationship with RMB Properties and Momentum, the Fund managed to secure high quality investments to the value of R850 million in 2006. This is expected to remain a source of growth for the Fund in the future.

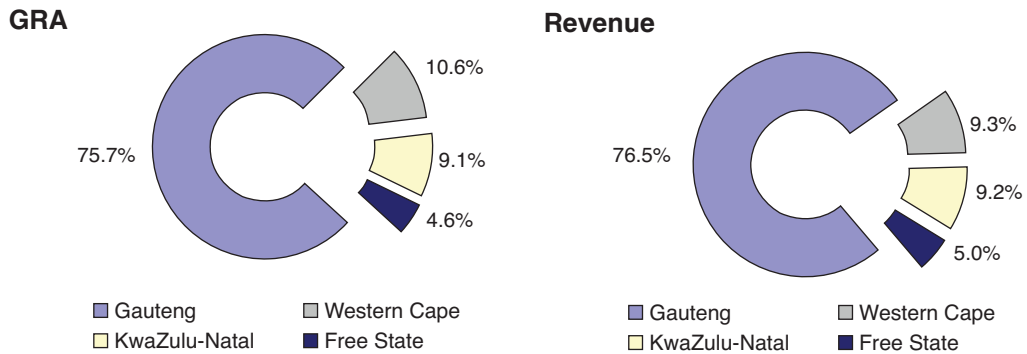
Liquidity in the Fund expected to improve as a result of the higher market capitalisation of approximately R5 billion and increased number of shareholders, estimated at in excess of two thousand. Investors have historically shown a preference for larger, more liquid, property funds.

Consistency in the day-to-day asset and property management of the portfolio will be maintained, as the management responsible for each sub-portfolio will be retained, allowing for a smooth transition after the effective date. In addition to this, the level of experience and skill of the senior management and board of directors of STREM is expected to be significantly enhanced following the acquisition.

8.4 The Emira property portfolio

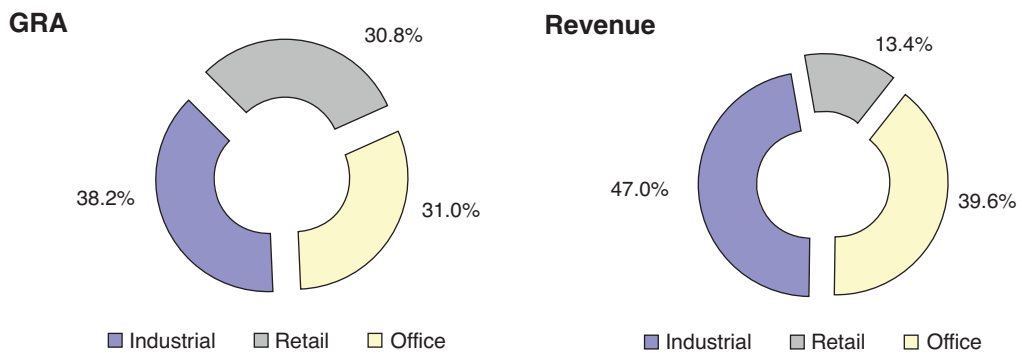
8.4.1 Geographical profile

The geographical profile of the Emira property portfolio (not including the Freestone property portfolio), based on GRA and forecast revenue for the period ending 30 June 2007, is as follows:



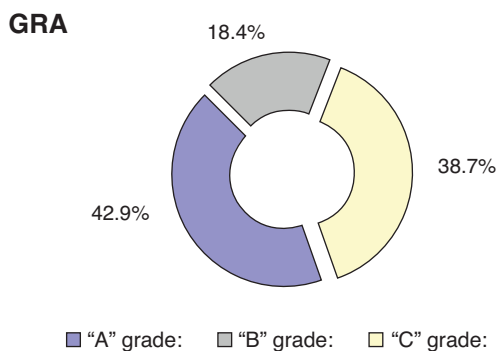
8.4.2 Sectoral profile

The sectoral profile of the Emira property portfolio (not including the Freestone property portfolio), based on GRA and forecast revenue for the period ending 30 June 2007, is as follows:



8.4.3 Tenant profile

The tenant profile of the Emira property portfolio (not including the Freestone property portfolio), based on existing leases, is as follows:



The tenants have been graded as follows:

- “A” grade: Large national tenants, large listed tenants, Government and major franchisees. These include, *inter alia*, The Department of Labour, Edgars Consolidated Stores, FirstRand Bank, Pepkor, Pick ‘n Pay Stores, The Standard Bank Group, Ster-Kinekor, Truworths International and Virgin Active.
- “B” grade: National tenants, listed tenants, franchisees and medium to large professional firms. These include, *inter alia*, Debonairs Pizza, Fishaways, John Dory’s, Mikes Kitchen, Rage Distribution, Torga Optical, UCS Group, Vodacom and Wimpy.
- “C” grade: Other tenants comprise all other tenants that do not fall into the above two categories.

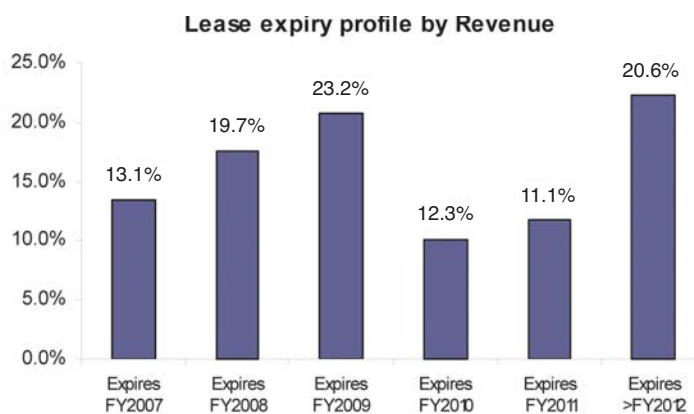
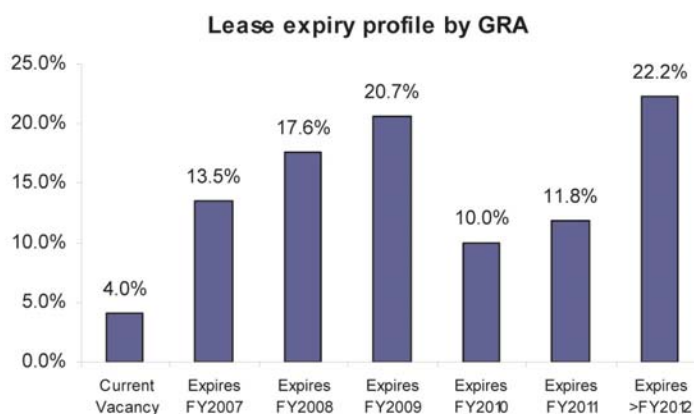
8.4.4 Vacancy profile

The current vacancy profile of the Emira property portfolio (not including the Freestone property portfolio) at 31 December 2006 is set out below:

	Vacancy (rentable area)
Offices	2.6%
Retail	0.8%
Industrial	0.6%
Total property portfolio	4.0%

8.4.5 Lease expiry profile

The lease expiry profile of the Emira property portfolio (not including the Freestone property portfolio), based on existing leases, by GRA and revenue, respectively, is set out below:



8.4.6 *Rental per square metre*

The average rental per square metre of the Emira property portfolio (not including the Freestone property portfolio), weighted on the basis of GRA per sector, is R70.42/m².

8.4.7 *Rental escalation profile*

The average rental escalation of the Emira property portfolio (not including the Freestone property portfolio), weighted on the basis of GRA, excluding leases which are due to expire, is 9.1%. This comprises an escalation of 7.3% in the retail sector of the portfolio, 9.5% in the office sector and 9.9% in the industrial sector.

8.4.8 *Annualised property yield*

The average annualised property yield of the Emira property portfolio (not including the Freestone property portfolio), is 9.1%.

8.4.9 *Property specific information*

Information on each property in the Emira property portfolio (not including the Freestone property portfolio) is set out in Annexure 10.

9. Details relating to the directors

9.1 Details of directors

As Emira is a Collective Investment Scheme in Property, it does not have a board of directors. The disclosures made below relate to the STREM board, which is the manager of the Fund in terms of the Deed.

The full names, age, qualifications, business address, occupation and profile of the directors are set out below:

Benedict James van der Ross (60)

(Non-executive Chairman)

Qualifications: Dip Law

Occupation: Company director

Business address: First Floor, 4 Merchant Place, Sandton

Mr van der Ross was admitted to the Cape Bar as Attorney in 1970 and practiced law in his own capacity until 1988. He has served as director of various companies including Executive Director for the Urban Foundation and Independent Development Trust.

He was appointed Commissioner to the First Independent Electoral Commission by the State President on the advice of the Transitional Executive Council and subsequently served as Deputy Chief Executive Officer of the Independent Development Trust and acting Chief Executive Officer of South African Rail Commuter Corporation.

He currently serves on the boards of FirstRand, Naspers, Momentum and is the chairman of RMB Asset Management.

James William Andrew Templeton (33)

(Chief Executive Officer)

Qualifications: BCom (Hons), CFA

Occupation: Chief Executive Officer of STREM

Business address: 3 Gwen Lane, Sandton

Mr Templeton joined RMB Properties in April 2004 as Business Development Executive. Previously he was employed at Barnard Jacobs Mellet Securities as an equities analyst for seven years.

He was the top-ranked analyst in the "Real Estate" sector according to the *Financial Mail* in 2002 and 2003 and was appointed CEO of STREM in July 2004. Mr Templeton currently also serves as the Chairman of the Association of Property Unit Trusts.

Michael Simpson Aitken (50)

(Independent non-executive director)

Qualifications: BA, LLB

Occupation: Company director

Business address: 135 Patricia Road, Sandton

Mr Aitken has over 20 years' experience in property-related activity, with specific expertise in asset and fund management related to directly held and listed property vehicles. He is the managing director of Corovest Property Group Limited, executive director of Freestone and non-executive director of Hyprop Investments Limited.

Mr Aitken will be appointed as a non-executive director after the effective date of the acquisition, which is expected to be on Monday 16 April 2007.

Liliane Barnard (42)

(Independent non-executive director)

Qualifications: BCom

Occupation: Consultant

Business address: 105 San Michele, 52 Victoria Road, Clifton

Ms Barnard has 18 years' experience in the asset management industry. She headed the asset management of Old Mutual Properties (Proprietary) Limited and had 11 years' experience in managing listed property portfolios for Old Mutual Asset Managers (Proprietary) Limited. She now acts as consultant to the listed property industry and its investors.

She is also an independent non-executive director of Redefine Income Fund.

Leon Basson (38)

(Non-executive director)

Qualifications: BCom (Hons) CTA, CA(SA)

Occupation: Chief Financial Officer of Momentum Retail Insurance

Business address: Momentum Building, 268 West Avenue, Centurion

Mr Basson has been with Momentum since January 1995. He served his articles at Price Waterhouse from 1991 to 1993 and subsequently worked for Price Waterhouse until the end of 1994.

Bryan Hugh Kent (61)

(Non-executive director)

Qualifications: CA(SA)

Occupation: Business consultant

Business address: 33 Humewood Links, Panner's Lane, Riverclub

Mr Kent was previously a partner at Price Waterhouse. He is currently a financial and business consultant with considerable experience in property matters and financial structuring. He is non-executive director of Freestone, Set Point Technology Holdings Limited, Cadiz Holdings Limited and CIC Holdings Limited (Namibia).

Mr Kent will be appointed as a non-executive director after the effective date of the acquisition, which is expected to be on Monday 16 April 2007.

Nocawe Makiwane (48)

(Non-executive director)

Qualifications: B.Soc.Science BA(Hons) Economics, Executive leadership programme (Wharton Business School), MBA

Occupation: Managing Director of Avuka Investments

Business address: 11 Nicholas Crescent, Stratford Gardens, Broadacres

Ms Makiwane has served on the boards of Sentech, National Electricity Regulator and Blitec, a 100% black owned IT company. Currently she serves as a non-executive director of National Housing Finance Corporation (NHFC), a parastatal specialising on wholesale financing for low-income housing, and Rural Housing Loan Fund, a section 21 company focusing on facilitating housing and finance to rural communities in South Africa.

Ms Makiwane was appointed as a non-executive director, effective from 24 August 2006.

Matthys Stefanus Benjamin Nesor (51)

(Independent non-executive director)

Qualifications: BSc (Building Management), MBA

Occupation: Director

Business address: Fairway Office Park, 52 Grosvenor Road, Bryanston East

Mr Nesor has been involved with the Abcon group of companies since 1981 and has acted as Chief Executive Officer for the various companies in the group since the early 1990s. He is active in the residential and commercial property field as well as in the juice, mushroom, flower and service station industries.

Warren Kirkwood Schultze (47)

(Executive director)

Qualifications: BCom, BAcc, CA(SA)

Occupation: Chief Executive Officer of RMB Properties

Business address: 3 Gwen Lane, Sandton

Prior to joining RMB Properties, Mr Schultze served his articles with Arthur Young and was later appointed as financial director for two property financing and property trading companies and during this time he gained extensive experience in property asset management, property financing and property trading activities.

He was appointed as Chief Operating Officer of RMB Properties in 2000 and Chief Executive Officer in 2004.

Nkululeko Leonard Sowazi (43)

(Non-executive director)

Qualifications: Masters degree in Urban and Regional Planning

Occupation: Deputy Chairman of the Tiso Group

Business address: Fairway Office Park, 52 Grosvenor Road, Bryanston East

Mr Sowazi is the founding deputy Chairman of the Tiso Group, a black empowerment investment company with interests in natural resources, industrial services and investment banking. He is currently a member of the boards of Grinaker-LTA, Trident Steel (Proprietary) Limited, African Explosives Limited, Alstom SA and Improchem. He is also Chairman of Idwala Industrial Holdings, The Home Loan Guarantee Company and The Financial Markets Trust.

He was previously Executive Deputy Chairman of African Bank Investments Limited and prior to that Managing Director of the Mortgage Indemnity Fund (Proprietary) Limited. He also served on the boards of Kagiso Trust Investment Company, Kagiso Media and Development Bank of South Africa.

Mr Sowazi was appointed as a non-executive director, effective from 24 August 2006.

Peter John Thurling (51)

(Executive director)

Qualifications: BCom, BAcc, CA(SA)

Occupation: Company director

Business address: 135 Patricia Road, Sandton

Mr Thurling is a Chartered Accountant with over 20 years' experience in the property industry, in particular with listed property vehicles. He is the financial director of Corovest Property Group Limited, executive director of Freestone and non-executive director of Hyprop Investments Limited.

Mr Thurling will be appointed as an executive director after the effective date of the acquisition, which is expected to be on Monday 16 April 2007.

All directors are South African citizens.

Details of other directorships and partnerships of the directors during the previous five years are set out in Annexure 11.

No director or Company Secretary has been involved in any or subject to any:

- bankruptcies, insolvencies or individual voluntary compromise arrangement;
- receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements, or any compromise or arrangement with creditors generally or any class of creditors of any company where the director is or was a director with an executive function at the time of or within 12 months preceding such events;

- compulsory liquidations, administrations, partnership voluntary arrangements of any partnership where the director was a partner at the time of or within 12 months preceding such events;
- receiverships of any asset/s of such person or of a partnership of which the individual is or was a partner at the time of or within 12 months preceding such events;
- public criticism by statutory or regulatory authorities or disqualified by a court from acting as a director or in the management or conduct of the affairs of any company; or
- offence involving dishonesty.

Extracts of the relevant provisions from Emira and STREM's statutory documents with regard to:

- qualification of directors;
- remuneration of directors;
- any power enabling the directors to vote remuneration to themselves or any members of the board;
- any power enabling a director to vote on a proposal, arrangement or contract in which he is materially interested;
- any power enabling the directors, in the absence of an independent quorum of the board, to vote on remuneration, including pension or other benefits to themselves or any members of the board;
- borrowing powers exercisable by the directors and how such borrowing powers can be varied; and
- retirement or non retirement of directors under an age limit;

are set out in Annexure 12.

9.2 Directors' interests

At the last practicable date, the directors owned the following Emira PIs:

	Beneficial		Non-beneficial		Total	Percentage of total issued Emira PIs
	Direct	Indirect	Direct	Indirect		
Non-executive						
Michael Aitken	20 000					<0.1
Nocawe Makiwane		890 414				0.2
Matthys Nesor		40 000				<0.1
Leonard Sowazi		6 388 543				1.8
Benedict van der Ross		2 493 158				0.7
Executive						
Warren Schultze		301 000				0.1
James Templeton	89 800					<0.1
Peter Thurling	14 000					<0.1

9.3 Directors' interests in transactions

BNewco owns 13 698 671 Emira PIs. Mr Benedict van der Ross, a director and chairman of STREM, holds 18.2% of the issued share capital of BNewco. Avuka owns 26% of BNewco. Ms Nocawe Makiwane, a board member of STREM, holds a 25% stake in Avuka. Mr Nkululeko Sowazi, the deputy chairman of Tiso and a director of STREM has an 18% shareholding in Tiso. Tiso owns Tiso Property therefore resulting in Mr Sowazi indirectly holding PIs in Emira. As a result of the future specific issue of PIs for cash, these directors will receive indirect benefits via BNewco and Tiso Property.

Other than as set out above, the directors have no interests, whether direct or indirect, in transactions which are or were either unusual in their nature or conditions or material to the business of Emira during the current financial year, the financial year ended 30 June 2006 or in any earlier financial year which remain in any respect outstanding or unperformed.

9.4 Directors' remuneration

Emira makes no payments to the directors, who are remunerated by STREM out of the management fee paid by Emira. There will be no variation to the remuneration receivable by any of the directors of STREM as a consequence of the acquisition and the future specific issue of PIs for cash.

STREM made the following payments to the directors for the year ended 30 June 2006:

	R
Non-executive	200 000
Liliane Barnard	60 000
Matthys Nesor	60 000
Benedict van der Ross	80 000
Executive	686 880
Warren Schultze	286 880
James Templeton	400 000
	886 880

The amount payable to STREM in terms of the Deed will increase as a result of the fact that STREM's remuneration is based on Emira's market capitalisation and outstanding debt balance.

10. Other information

10.1 Material contracts

Emira

In June 2006 Emira announced the acquisition of Wonderpark Shopping Centre for R406.4 million from Hawley Road Developments. Emira acquired the centre with effect from the transfer date, 19 October 2006. The purchase consideration in respect of the acquisition was funded via the issue of 32 004 981 Emira PIs at a price of 803 cents per Emira PI, which were placed with Tiso Property and 18 021 713 Emira PIs at a price of 829 cents per Emira PI, which were retained. An independent valuation was performed by CB Richard Ellis and dated 1 January 2006, which valuation, valued the centre at R406.4 million. No provision was made for goodwill.

Details of the vendor of Wonderpark Shopping Centre are given below:

Property	Vendor	Vendor's address
Wonderpark Shopping Centre	Hawley Road Developments	3 Gwen Lane Sandton, 2196

The vendor provided warranties normal for a transaction of this nature.

The acquisition agreement did not preclude the vendor from carrying on any business in competition with Emira or impose any other restrictions on the vendor and no restraint of trade agreement was entered into between Emira and the vendor.

Emira had no liability for accrued taxation in terms of the acquisition agreements.

No director had any beneficial interest in the vendor.

Other than in relation to the acquisition of Wonderpark set out above, no material securities, businesses, immovable properties or fixed assets were acquired within the previous three years by Emira, nor has any option been granted to Emira in respect of any such acquisition.

Emira did not make any material disposals with the three years preceding the date of issue of this circular.

Freestone

No material securities, businesses, immovable properties or fixed assets were acquired within the previous three years by Freestone, nor has any option been granted to Freestone in respect of any such acquisition. Freestone did not make any material disposals within the three years preceding the date of issue of this circular.

10.2 Material changes

Subject to the fulfilment of certain suspensive conditions, Emira has recently agreed to dispose of the property known as Fourways Game to Fourways Precinct (Proprietary) Limited for the sum of R120 million, which represents a premium to the December 2006 valuation of R58.1 million. The proceeds of this discount will be reinvested in the RTT Warehouse development, which is expected to be yield enhancing for the fund.

Other than for Fourways Game disposal set out above, there has been no material change in the financial or trading position of the Fund since 31 December 2006 and the last practicable date.

There has been no change in the business of the Fund since its creation on 15 September 2003 and the last practicable date.

There has been no change in the trading objects of the Fund since its creation on 15 September 2003 and the last practicable date.

There has been no material change in the financial or trading position of Freestone since 31 December 2006 and the last practicable date.

10.3 Price histories

The price history of Emira's participatory interests on the JSE is set out in Annexure 13.

The price history of Freestone's linked units on the JSE is set out in Annexure 14.

10.4 Information on STREM

STREM has been registered by the Registrar to manage Emira in terms of the Deed. STREM receives an amount equal to 0.5% of the total market capitalisation of the Fund, calculated monthly on the average daily closing price of the Fund as recorded by the JSE, plus the total long-term borrowings.

STREM shall be subject to dismissal if: (i) STREM is placed under provisional or final liquidation, or if STREM passes a resolution for voluntary liquidation or (ii) if the Registrar cancels the registration of STREM in terms of the CISC Act.

In terms of the asset management agreement concluded between STREM and RMB Properties on 31 October 2003, STREM appointed RMB Properties to attend to the administration of the Emira Property Scheme. RMB Properties is a recognised property asset manager with over 20 years' experience in the property sector.

The agreement has been concluded for a five-year period with an automatic extension for a further five-year period in the event that neither party terminates the agreement after the initial five-year period.

In terms of the management agreement, RMB Properties shall receive an asset management fee equal to the remuneration received by STREM in terms of the Deed concluded between the Trustee and STREM less statutory administration costs and staff salaries, amounting to no more than 20% of the remuneration.

10.5 Information on the property manager

RMB Properties has been appointed as the property manager for Emira, while RMB Properties and Alliance Property Group (Proprietary) Limited (1997/003121/07) have been appointed as property managers for Freestone. RMB Properties is a wholly-owned subsidiary of FirstRand and the directors are detailed below. Alliance Property Group is wholly-owned by the directors, whom are detailed below.

RMB Properties directorate: W K Schultze, H D P Basel, B de Loor, S Thorburn, J W A Templeton, A N Mhlongo, L Basson, C N Booth, A P Pullinger, J A Teegee and D J Wandrag.

Alliance Property Group directorate: J Lomas, W Talbot, R Alderdice, L Reid, I Morris and G Levene.

The function of the property manager is to, *inter alia*, collect rentals and operating cost recoveries on all buildings, prepare monthly accounts and annual budgets, procure all services, attend to the maintenance of each property and generally do all such things that appear necessary for the ongoing operation of the buildings.

The contracts have been concluded on a market related basis and are open for inspection in terms of the JSE Listing Requirements.

10.6 Corporate Governance

The directors acknowledge the importance of the principles of good corporate governance and support the Code of Corporate Practices and Conduct contained in the King II Report ("Code"). They recognise their responsibility to conduct the affairs of Emira with integrity, openness and accountability in accordance with generally accepted corporate practices. Although Emira is listed on the JSE and therefore subject to the Code, it is not a legal entity and is regulated in terms of the CISC Act. Certain requirements of the Code are therefore not directly applicable to the Fund. However, STREM has adopted the principles of the Code, being fairness, accountability, responsibility and transparency.

10.6.1 *The STREM board*

STREM has a unitary board structure. The roles of Chairman and Chief Executive Officer are completely separated. The directors have a wide range of skills, all with property experience in common.

The STREM board schedules to meet at least four times per year. All directors have unrestricted access to the advice and services of the Fund's public officer and to the Fund's records, information, documents and property. Non-executive directors also have unfettered access to management at any time.

The STREM board will ensure that it has the expertise, independence and diversity it needs to function independently. Independence of the STREM board from the management team will be maintained by:

- maintaining a non-executive chairman;
- maintaining a balance of executive and non-executive directors;
- the remuneration of the non-executive directors being unrelated to the financial performance of Emira;
- all directors being entitled to seek independent professional advice concerning the affairs of Emira at the Fund's expense.

The STREM board sets the strategic objectives of the Fund and determines the investment and performance criteria as well as being responsible for the proper management, control compliance and ethical behaviour of the business under its direction.

Unless recommended by the directors, the election of a director requires:

- a notice of a meeting not more than 14, but at least seven days prior to the meeting in question;
- a notice setting out a member's intention to propose a specific person for election as a director;
- a notice in writing by the proposed person of his willingness to be elected.

STREM shall have the power at any time to appoint any person as director either to fill a casual vacancy or as an additional director, but the total number of directors at any time shall not at any time exceed ten.

10.6.2 *Committees*

10.6.2.1 *Audit Committee*

The Audit Committee comprises five members of which the chairman is non-executive. The Audit Committee meets at least three times per year with the Fund's external auditors and executive management as well as the executives responsible for finance, the compliance officer and internal auditors. The primary objectives of the Audit Committee are to provide the STREM board with additional independent and objective assurance regarding the efficacy and reliability of the financial information used by the directors, to assist them in the discharge of their duties. The Audit Committee sets the principles for recommending the use of external auditors for non-audit services.

The Audit Committee is required to provide reasonable assurance to the STREM board that adequate and appropriate financial and operating controls are in place; that significant business, financial and other risks have been identified and are being suitably managed; and that satisfactory standards of governance, reporting and compliance are in operation. The Audit Committee also monitors proposed changes in accounting policies and discusses and advises the STREM board on the accounting implications of major transactions. The STREM board is responsible for the group's system of internal and operational control. The executive directors will be charged with the responsibility of ensuring that assets are protected, systems operate effectively and all valid transactions are recorded properly.

Comprehensive reviews and testing of the effectiveness of the internal control systems in operation will be performed by internal auditors, who report to the Audit Committee. The internal audit function will co-ordinate with other internal and external providers of assurance to ensure proper coverage of financial, operational and compliance controls. The Audit Committee has the co-operation of all directors, management and staff and is satisfied that controls and systems within the Fund have been adhered to and, where necessary, improved during the period under review.

10.6.2.2 Remuneration Committee

Due to the minimal staff employed by STREM, it is not deemed necessary for the STREM board to establish a Remuneration Committee.

10.6.2.3 Investment Committee

The Investment Committee comprises two executive directors and four senior staff employed by RMB Properties with the appropriate skills and experience. The Investment Committee meets on an *ad hoc* basis to assess acquisitions and disposals and makes recommendations to the STREM board.

10.6.3 Risk management

The STREM management philosophy on risk recognises that managing risk is an integral part of generating sustainable value for Emira PI holders and enhancing stakeholder interest. It also recognises that an appropriate balance should be struck between entrepreneurial endeavour and sound business practice. The underlying premise of STREM's enterprise risk management framework is that every entity exists to provide value for its stakeholders. All entities face uncertainty and the challenge for management is to determine how much uncertainty to accept as it strives to grow stakeholder value.

Value is maximised when management sets strategies and objectives to strike an optimal balance between growth and return goals and related risks, and efficiently and effectively deploys resources in pursuit of the entity's objectives.

Enterprise Risk Management in STREM encompasses:

- aligning risk appetite and strategy which considers the risk appetite in evaluating strategic alternatives, setting related objectives and developing mechanisms to manage related risks;
- enhancing risk response decisions by selecting alternative risk response, which includes risk avoidance, reduction, sharing or acceptance;
- reducing operational surprises and losses by gaining enhanced capabilities to identify potential events and establish responses;
- identifying and managing multiple cross-enterprise risks;
- seizing opportunities by identifying a full range of potential events; and
- improving deployment of capital by obtaining robust risk information to allow management to effectively assess overall capital needs and enhance capital allocation.

These capabilities inherent in enterprise risk management help management achieve the Fund's performance and profitability targets and prevent loss of resources. Enterprise risk Management helps to ensure effective reporting and compliance with laws and regulations, and helps avoid damage to the Fund's reputation and associated consequences.

10.6.4 Borrowing powers

In accordance with the objects and powers that STREM and the Trustee have agreed to execute under the CISC Act, the maximum amount of aggregate indebtedness incurred in connection with immovable properties included directly in the portfolio shall not at any time exceed an amount equal to 30% of the value of the underlying assets comprising the portfolio.

10.7 Material loans

10.7.1 Emira

At the last practicable date, Emira had R495 million worth of loans outstanding.

	Facility provider	Security	Rate	Term	Amount (R'm)	Percentage of debt (%)
1. Debt – Floating	The Standard Bank of South Africa Limited	Right, title and interest in and to lease agreements and insurances of the	Prime –2.00%	N/A	70.6	14.3
2. Debt – Floating	FirstRand Bank Limited		3-mth Jibar+ 1.25%	N/A	10.0	2.0
3. Debt – Fixed	The Standard Bank of South Africa Limited		9.24%	September 2007	100.0	20.2

	Facility provider	Security	Rate	Term	Amount (R'm)	Percentage of debt (%)
4. Debt – Fixed	FirstRand Bank Limited	Emira property	10.21%	November 2008	100.0	20.2
5. Debt – Fixed	FirstRand Bank Limited		11.26%	October 2009	88.5	17.9
6. Debt – Fixed	FirstRand Bank Limited		10.6%	November 2011	126.1	25.5
10.35%*					495.2	100.0

* Weighted average cost of debt assuming prime at 12.5% and 3-month JIBAR at 9.35%.

The acquisition is to be partially financed through a new loan of R223.4 million as follows:

	Facility provider	Security	Rate and term	Amount (R'm)
7. New Debt Facility	FirstRand Bank Limited	Right, title and interest in and to lease agreements and insurances of the Emira property portfolio	Emira will engage in swap arrangements with FirstRand Bank Limited to fix the cost of the new loan, the exact duration and cost of which are yet to be determined	223.4

In accordance with the objects and powers that STREM and the Trustee have agreed to execute under the CISC Act, the maximum amount of aggregate indebtedness incurred in connection with immovable properties included directly in the portfolio shall not at any time exceed an amount equal to 30% of the value of the underlying assets comprising the portfolio.

The borrowing powers have not been exceeded during the past three years.

10.7.2 Freestone

At the last practicable date, Freestone had R590 million worth of loans outstanding.

	Facility provider	Security	Rate	Term	Amount (R'm)	Percentage of debt
1. Freestone Finance Company (Proprietary) Limited CMBS Notes	FirstRand Bank Limited	Right, title and interest in and to lease agreements and insurances of the FPI property portfolio	9.2%	May 2011	500.0	82.0
2. Preference Shares	Nedbank Limited	Right, title and interest in and to lease agreements and insurances of the Arnold Property Investments property portfolio with a book value of R401.4m	64.0% of prime + STC	December 2009	90.0	18.0
9.17%*					590.0	100.0

*Weighted average cost of debt assuming prime at 12.5%.

10.8 Litigation statement

Emira

There are no legal or arbitration proceedings, which may or have during the 12 months preceding the date of this circular, had a material effect on the financial position of the Fund. STREM is not aware of any proceedings that would have a material effect on the financial position of the Fund or the Emira property portfolio or which are pending or threatened against the Fund or the property portfolio.

Freestone

With the exception of a summons issued against Freestone (which is being defended) brought by a tenant for the return of a property purchased by Freestone for R8 300 000 (valued at 30 June 2006 at R11 700 000) over which the tenant claims it had a pre-emptive right, there are no legal or arbitration proceedings (including any such proceedings that are pending or threatened), which may or have during the 12 months preceding the date of this circular, had a material effect on the financial position of Freestone. A counter claim will be made against the vendor of the property if the tenant's claim is successful.

11. Expenses

The estimated expenses payable by Emira and Freestone in relation to acquisition are estimated at R5.5 million (excluding VAT) as set out in the table below:

Cost	Payable to	(R'000)
Corporate finance advisory fees	Rand Merchant Bank	1 800
	Java Capital	750
SRP fees	SRP	198
Sponsor fees	PricewaterhouseCoopers	65
Press announcements	Ince (Proprietary) Ltd	250
Printing costs	Ince (Proprietary) Ltd	250
Competition Commission – Merger filing fee	Competition Commission	250
Competition Commission – Legal fees	Hofmeyr	75
Independent expert's fees	Deloitte and Touche	300
	KPMG	538
JSE documentation fees	JSE	49
JSE listing fees	JSE	232
Legal fees	Java Capital	75
Reporting accountants	PricewaterhouseCoopers	350
Valuation fees	CB Richard Ellis	80
	CCI Properties cc	13
	Mills Fitchet	100
	Old Mutual	107
		5 482

12. Experts' consents

Each of the merchant bank and joint sponsor, lead sponsor, independent property valuers, independent expert and reporting accountants and auditors have consented in writing to act in the capacities stated and to their names appearing in this circular and have not, prior to the publication of this circular, withdrawn their consent.

The reporting accountants and independent expert have given and have not, prior to the publication of this circular, withdrawn their consents to inclusion of their reports in this circular, in the form and context in which they appear.

13. Working capital statement

The STREM board, after considering the effects of the acquisition and the future specific issue of PIs for cash, are of the opinion that:

- Emira will be able to pay its debts in the ordinary course of business for a period of 12 months after the date of issue of this circular;
- the assets of Emira will be in excess of the liabilities of Emira for a period of 12 months after the date of issue of this circular. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the audited results of the Fund for the year ended 30 June 2006;
- the capital and reserves of Emira will be adequate for its requirements for a period of at least 12 months after the date of issue of this circular;
- the working capital available to Emira will be sufficient for its requirements for a period of at least 12 months after the date of issue of this circular.

14. Directors' responsibility statement

The directors, whose names are set out in paragraph 9 commencing on page 20 of this circular, collectively and individually, accept full responsibility for the accuracy of the information given in this circular in relation to Emira and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this circular contains all information required by the Listings Requirements.

15. Documents available for inspection

Copies of the following documents will be available for inspection by Emira PI holders at the registered office of the Fund situated at 3 Gwen Lane, Sandton during normal business hours from the date of issue of this circular until the day of the general meeting:

- the Deed;
- the audited annual financial statements of Emira for each of the last three financial years ended 30 June 2006;
- the fair and reasonable opinion letters of KPMG Services (Proprietary) Limited;
- the report of the reporting accountants on the *pro forma* financial information and financial effects;
- the valuation reports on the Freestone property portfolio prepared by the independent property valuers;
- the Trustee's consent to the acquisition;
- the Trustee's consent to the future specific issue of PIs for cash;
- the consent letters from the merchant bank and joint sponsor, lead sponsor, independent property valuers, independent expert and reporting accountants and auditors; and
- a signed copy of this circular.

For and on behalf of

EMIRA PROPERTY FUND

J W A Templeton
Chief Executive Officer
 STREM

W K Schultze
Executive Director
 STREM

Sandton
 12 March 2007

Opinion of the independent professional expert on the acquisition

“Emira Property Fund
PO Box 786130
Sandton
2196

7 March 2007

For the attention of the Board of Directors of Strategic Real Estate Managers (Proprietary) Limited (“STREM board”)

Dear Sirs

Report of the independent professional expert to the STREM board regarding the fair and reasonable opinion in respect of the proposed acquisition by Emira Property Fund (“Emira”) to acquire 100% of the issued linked units of Freestone Property Holdings Limited (“Freestone”)

1. Introduction

Further to both the Emira’s and Freestone’s cautionary announcements dated 15 November 2006, a further announcement was published by Emira on 18 December 2006. In the announcement, Emira participatory interest (“PI”) holders and Freestone linked unitholders were advised that the STREM board, the Manager of Emira, has submitted to the board of directors of Freestone (“the Freestone board”), Emira’s firm intention to make an offer to Freestone linked unitholders, to acquire 100% of the issued linked units of Freestone (“the offer or the acquisition”).

The mechanism of the offer will be by way of a scheme of arrangement (“scheme”) in terms of section 311 of the Companies Act, 1973 (“the Act”), to be proposed by Emira between Freestone and its linked unitholders (“the scheme participants”). Upon implementation of the scheme, an application will be made to the JSE Limited (“JSE”) to terminate the listing of all the issued linked units of Freestone on the JSE.

The scheme consideration will be 0.9 Emira PIs per Freestone linked unit, rounded to the nearest whole number of Emira PIs (“the consideration interest”), provided that a scheme participant shall be entitled to elect that, the scheme consideration in respect of up to 20% of such scheme participant’s Freestone linked units be discharged in cash at R8.20 per Freestone linked unit (“the cash consideration”).

Full details of the proposed transaction are contained in the announcement to both Emira and Freestone dated 18 December 2006.

2. Scope

Emira’s major PI holder is Momentum Life Assurers Limited (“Momentum”), a company in the FirstRand Group. At the last practical date, Momentum owned approximately 36% of the PIs in issue in Emira. The FirstRand Group owns Emira’s management company, STREM. Momentum is also Freestone’s major linked unitholder. At the last practicable date, Momentum owned approximately 37% of the issued Freestone linked units. Freestone’s management company, Freestone Management Company (Proprietary) Limited, is a joint venture between Corovest Property Group Limited and RMB Properties (Proprietary) Limited, also a company in the FirstRand Group. Consequently, the acquisition is considered to be a “related party transaction” in terms of Section 10.4(f) of the JSE Listings Requirements.

The STREM board is required to provide a fair and reasonable opinion from an independent professional expert, acceptable to the JSE, that the terms and conditions of the proposed transaction with the related party are fair and reasonable as far as the PI holders of Emira are concerned.

KPMG Services (Proprietary) Limited (“KPMG”) has been appointed by the STREM board, Emira’s Fund Manager, as the independent professional expert acceptable to the JSE to advise the STREM board on whether the terms and conditions of the proposed transaction are fair and reasonable to the Emira PI holders.

3. Responsibility

The circular and compliance with the JSE Listings Requirements are the responsibility of the STREM board. Our responsibility is to report on the terms and conditions of the proposed transaction.

4. Definition of the terms “fair” and “reasonable”

The assessment of fairness is primarily based on quantitative issues. The proposed transaction may be considered fair if the overall acquisition of Freestone enhances Emira’s PI value.

The assessment of reasonableness is generally based on qualitative considerations surrounding the transaction. Hence, even though the overall acquisition of Freestone may not enhance Emira’s PI value, the entire transaction may still be reasonable in certain circumstances after considering other significant qualitative factors.

5. Information and sources of information

In arriving at our opinion we have relied upon the following principal sources of information:

- audited annual financial statements for both Emira and Freestone for the financial years ended 30 June 2005 and 30 June 2006;
- Emira’s and Freestone’s unaudited published results for the period ended 31 December 2006;
- budgeted financial information for both Emira and Freestone for the financial year ending 30 June 2007, which has been approved by the Emira and Freestone boards, respectively;
- the valuations of the individual properties which comprise the Emira’s portfolio at 31 December 2006 (“the property valuations”). The property valuations were prepared using either discounted cash flow or comparative sale values by Ms Patience Luxomo and Ms Claire Everatt of RMB Properties (Proprietary) Limited, both of whom are registered property valuers;
- the valuations of the individual properties which comprise the Freestone’s portfolio at 31 December 2006 (“the property valuations”). The property valuations were prepared using either discounted cash flow by Mr Roger Hunting of CB Richards Ellis (Proprietary) Limited, Mr M J Carson of Edric Trust (Proprietary) Limited, Mr Tom Bate of Mills Fitchet Magnus Penny (Proprietary) Limited and Mr Trevor King of Old Mutual Property Group, all of whom are registered property valuers;
- discussions with the directors and management of Emira and Freestone on prevailing market, economic, legal and other conditions which may affect underlying value;
- discussions with the directors and management of Emira and Freestone on:
 - the rationale for the transaction;
 - the calculation of the cash consideration;
 - the actual and perceived benefits to be obtained from the transaction;
- publicly available information relating to both Emira and Freestone that we deemed to be relevant, including company announcements;
- the historic and current prices of both Emira PIs and Freestone linked units as traded on the JSE as well as information relating to the volume of the relevant property units and linked units traded;
- Emira’s letter of intent sent to the Freestone board on 14 December 2006;
- the *pro forma* financial information on the transaction as set out in the circular;
- the prevailing economic and market conditions relating to the listed property sector;
- the announcements to Emira PI holders and Freestone linked unitholders dated 18 December 2006; and
- the terms and conditions set out in the proposed agreement to be entered into between Emira and Freestone, with the anticipated effective at 1 April 2007.

6. Procedures performed

Key fairness considerations

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness of the transaction:

- consideration of the acquisition agreement between Emira and Freestone in terms of which Emira will acquire 100% of the issued linked units from Freestone by Emira issuing 0.9 Emira PIs per Freestone linked unit, rounded to the nearest whole number of Emira PIs (“the consideration interest”), provided that a scheme participant shall be entitled to elect that, the scheme consideration in respect of up to 20% of such scheme participant’s Freestone linked units, be discharged in cash at R8.20 per Freestone linked unit (“the cash consideration”);
- considered the fair net asset values of both Emira and Freestone, which included on a sample basis:
- an assessment of the valuations methodologies and assumptions applied by the respective valuers as detailed above, in their valuations of the properties by comparing to those described by Rode & Associates CC (a registered property valuer) in Rode’s Report on the South African Property Market, a quarterly report and Rode’s six-monthly report on South African Property Trends;
- based on the above assessment, we have considered and satisfied ourselves that the methodologies applied by the valuers are appropriate and that the principal assumptions applied in their valuations including, *inter alia*, projected rental income, rental growth rates, vacancy rates, property expenses and discount rates (at 31 December 2006) and capitalisation yields (at 31 December 2006) appear reasonable;
- considered the fact that the property valuers valued the portfolios at 31 December 2006 using market conditions relevant at that date;
- considered the quantifiable benefits anticipated to be derived by Emira as a result of the transaction. In this regard, we considered, based on discussions with management, the anticipated enhancements that will be available to Emira PI holders;
- reviewed the audited annual financial statements for both Emira and Freestone for the financial years ended 30 June 2005 and 30 June 2006;
- considered Emira’s and Freestone’s unaudited published results for the period ended 31 December 2006;
- considered Emira’s and Freestone’s budgets for 2007 and took into consideration both the interim and special distributions for both Emira PI holders and Freestone linked unitholders;
- considered the prospects of the business as outlined by management and assessed the reasonableness of the key assumptions set out in the financial information obtained by reference to publicly available or independently obtained information as appropriate. Key value drivers considered include the following: existing contract renewals, new business and new projects. Key assumptions made were in respect of: growth in annuity income, projects and new business; gross margins in respect of the above and related vacancy rates;
- assessed the prevailing economic and market conditions in the industry in which Emira and Freestone operate and that of their major competitors;
- obtained an understanding as to the nature and quantum of the potential benefits that could be realised by Emira as a result of Freestone becoming a wholly-owned subsidiary of Emira;
- based on the above, performed calculations of Emira PIs and Freestone linked units swap ratios before and after the proposed transaction, taking into account the scheme consideration and the cash consideration;
- reviewed the calculation applied in determining the cash consideration of R8.20;
- compared our calculated value per Freestone linked unit to the cash consideration;
- based on our understanding of the tax regimes applicable to both Emira and Freestone, considered and performed a separate calculation for the deferred tax liability in Freestone;
- assessed whether the Emira PIs value has been enhanced by the proposed transaction by comparing Emira PI value before and after the transaction;
- considered whether the value relating to the existing Emira PI holdings has not been diluted as a result of the proposed transaction; and
- considered any further material adjustments to value, if applicable, based on matters arising in the period from when the forecasts were prepared to the date of this opinion.

7. Key qualitative considerations

In arriving at our opinion, we have also considered the following key qualitative considerations in evaluating the reasonableness of the transaction:

- consideration of the rationale and potential benefits of the transaction as set out in the recommendation document dated 10 November 2006 and based on discussions with the STREM board and the directors of Freestone;
- consideration of the financial implications on Emira issuing Emira's PIs to Freestone linked unitholders; and
- our understanding of the extent of the negotiations and resulting agreement between Emira and Freestone in respect of the proposed transaction.

8. Opinion

KPMG has considered the terms and conditions of the proposed transaction and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the proposed transaction are fair and reasonable to Emira PI holders.

Our opinion is necessarily based upon the information available to us up to 6 March 2007, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the proposed transaction, have been fulfilled/obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revive or re-affirm.

9. Limiting conditions

This report and opinion is provided to the STREM board and Emira PI holders in connection with and for the purposes of the transaction. The opinion does not purport to cater for each individual PI holder's perspective, but rather that of the general body of Emira PI holders. Should an Emira PI holder be in doubt as to what action to take, he or she should consult an independent advisor.

An individual PI holder's decision as to whether to vote in favour of the transaction may be influenced by his or her particular circumstances. The assessment as to whether or not the STREM board decides to recommend the transaction is a decision that can only be taken by the STREM board.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussions with management of Emira, STREM board and management of Freestone, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information on both Emira and Freestone relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Freestone will correspond to those projected. Where practicable, we compared the forecast financial information to past trends and third party estimates as well as discussing the assumptions inherent therein with the STREM board. On the basis of these enquiries and such other procedures we consider appropriate to the circumstances, we believe that the forecasts have been prepared with due care and consideration.

We have also assumed that the transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of Freestone and Emira and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in the transaction will be legally enforceable.

10. Independence

In terms of Schedule 5.1(a) of the JSE Listings Requirements, we confirm that we have no direct or indirect interest in the PIs of Emira or the proposed transaction.

KPMG Inc is not the independent auditor of Emira. KPMG Inc and KPMG Services (Pty) Limited are both member firms of KPMG International, a Swiss co-operative.

Furthermore, we confirm that our professional fees are not contingent upon the success of the proposed transaction.

11. Consent

We consent to the inclusion of this letter and the reference to our opinion in the circular to be issued to the PI holders of Emira in the form and context in which it appears.

Yours faithfully

Warren Watkins
Director – Corporate Finance

Neeraj Shah
Director – Corporate Finance

KPMG Services (Proprietary) Limited
KPMG Crescent
85 Empire Road
Parktown
2193

KPMG Services (Proprietary) Limited
KPMG Crescent
85 Empire Road
Parktown
2193

Independent valuers' reports on the Freestone property portfolio

“Emira Property Fund
c/o Strategic Real Estate Managers (Proprietary) Limited
3rd Floor, 3 Gwen Lane
Sandton
2196

7 March 2007

Attention: Mr James Templeton

Dear Sir

SUMMARY VALUATION REPORT RELATING TO THE PORTFOLIO OF PROPERTIES TO BE ACQUIRED BY EMIRA PROPERTY FUND FROM FREESTONE PROPERTY HOLDINGS LIMITED (‘Freestone’)

1. Instruction

We have been instructed to perform a market valuation of a portfolio of certain of the properties currently owned by Freestone and which are to be acquired by Emira Property Fund (“Emira”). Detailed descriptions of those properties (“the scheduled properties”) are set out in the circular to holders of participatory interests in Emira.

In accordance with your instruction the inspections of the properties were carried out on 17 and 18 January 2007, in order to provide a market valuation of each of the properties at 31 December 2006.

This summary valuation report has been prepared for inclusion in the circular to shareholders of Emira as required in terms of the provisions of Section 13: Property Companies, of the Listings Requirements of the JSE Limited. The full valuation reports are available for inspection at the registered offices of Freestone and Emira.

2. Definition of market value

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

The JSE definition of market value is the amount, as determined by the external valuer, that a property would realise if sold on the date of valuation in the open market by a willing seller to a willing buyer.

3. Value calculation

In determining the market value of the various properties, we have adopted the discounted cash flow method of valuation. The net income derived from the properties is discounted at market-related rates after consideration of the tenant profile, lease duration and aspects of the properties. The discount rate is linked to the base rate or long bond yield rate, to which a risk premium for property is added in order to reflect a discount rate indicative of the return an investor would require for property.

4. Source and verification of information

The valuation of the properties has been based on information obtained from the local authorities, from a physical inspection of the properties as well as detailed research on property sales and lettings within the areas in which the properties are situated.

Where appropriate, we have satisfied ourselves that the information on which we have based our valuations is accurate.

5. Valuation assumptions

Provisions have been made for the letting up of space presently vacant within a sensible time frame at the then estimated market rental and for the adjustment of passing rentals, upwards or downwards, in cases where such rentals differ from our estimates of current market rentals for comparable space.

Our estimates of current market rentals are based on our research of the latest available market letting transactions in the areas where the properties are situated. Where such information is either unavailable or of limited application we have relied on our general knowledge of the market and have also, where appropriate, had regard to rental statistics published by recognised organisations.

6. Material contravention of statutory requirements

We are not aware of any material contravention of any statutory requirement relating to the properties.

7. Intra-group leases

Freestone is not listed as a tenant in any of the properties forming part of the portfolio to be acquired.

8. Qualifications

The valuations in respect of the properties contain no material qualifications which have an adverse effect on the values thereof.

9. Beneficial interests of directors

No instruction has been received by us from the directors of Freestone to provide separate valuations of any of the properties for the purpose of quantifying any benefit or detriment arising from contractual arrangements and/or options in respect thereof.

10. Options for party to purchase

We are not aware of any agreements in terms of which any party (other than Emira) has an option to acquire any of the properties or any shareholding or other interest therein.

11. Statutory requirements, Town Planning restrictions and conditions

The Town Planning requirements vary from property to property. To the best of our knowledge there are no material contraventions of any statutory requirements.

Lost income due to time delays has been taken into account by way of provisions for vacancies prior to premises being let.

Where appropriate, ongoing capital expense items relating to refurbishments have been taken into account.

All figures within the valuation report exclude VAT at 14% or transfer duty and agents commission if applicable. If the owner is a registered vendor it may be necessary to add VAT to our valuation to determine the sale price. If the purchaser of the asset is also a registered vendor, the VAT payment should be treated as an Input Tax and thus balanced against the Output Tax payable in the course of its enterprise.

12. Valuation

We are of the opinion that the aggregate value of the scheduled properties in Freestone valued by CB Richard Ellis (Proprietary) Limited at 31 December 2006 is **R561 700 000 (Five Hundred and Sixty-one Million, Seven Hundred Thousand Rand)**, plus VAT.

Property	Valuation (R'000)
Albury Park	55 100
Barvic House	10 300
CBC House	9 400
Dresdner House	7 300
Fluor Building	59 800
Georgian Place	35 100
Herdbuoys Building	51 500
Howick Gardens	13 900
Hurlingham Office Park	79 500
Hyde Park Lane	102 700
Linkview	4 600
Midrand Motor City	24 000
Mutual Mews	10 100
Olivedale Office Park	11 100
The Tramshed	42 900
UNDP House	32 500
Wierda Gables	11 900
	561 700

Our Executive Summary of the individual valuations is attached.

13. Caveats to the valuations

13.1 Mortgage bonds, loans, etc.

The properties have been valued as if wholly owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans and other charges. No deductions have been made in our valuations for costs of acquisition.

13.2 Contamination

Our valuations assume that a formal environmental assessment is not required and further that none of the properties are environmentally impaired or contaminated, unless otherwise stated in our report.

13.3 Calculation of areas

The rental areas quoted within the Valuation Reports are as supplied by Freestone and are assumed to be correct.

13.4 Structural condition

The properties have been valued in their existing state. In the event of its ownership or use changing in such a manner that the local authority will require the upgrading of the premises to comply with fire protection and other regulations, it may be necessary to reduce the valuation by the amount covering the cost of such compliance.

We have not carried out structural surveys of the improvements erected on the properties, nor inspected those areas, which were covered, unexposed or inaccessible, neither have we arranged for the testing of electrical, plumbing or other services. The valuations assume that the services and structures are in a satisfactory state of repair and condition, unless otherwise stated in our report. The valuations further assume that the improvements have been erected in accordance with the relevant building and town planning regulations.

We have assumed that no deleterious or hazardous materials or techniques were used in the construction of the buildings nor have since been incorporated.

13.5 Statutory notice and unlawful use

We have assumed that the properties and their values are unaffected by any statutory notice, and that neither the properties nor their conditions, nor their uses, nor their intended uses, are or will be unlawful.

The valuations have further assumed that the improvements have been erected in accordance with the relevant building and town planning regulations.

Our summary of the individual valuations is attached.

Yours faithfully

for: **CB RICHARD ELLIS (PTY) LIMITED**
Roger Hunting

MRICS Dip T.P. MIV(SA)
Chartered Valuation Surveyor
Registered Professional Valuer

Broll House
27 Fricker Road
Illovo
2196
(PO Box 1455, Saxonwold, 2132)"

	Albury Park	Barvic House	CBC House	Dresdner House	Fluor Building
Market valuation	R55 100 000	R10 300 000	R9 400 000	R7 300 000	R59 800 000
Address	Corner Jan Smuts Avenue and Albury Road	4 Burke Street	261 Surrey Avenue	2 North Road	1 Kikuyu Road
Registered description	Erven 190, 191, 192, RE of 193 and 194, Dunkeld West Ext. 21 and Erf 123, Craighall Park	Erf 531	Erf 1075	Remainder of Erf 197	Erf 933
Date of physical inspection	16 January 2007	15 January 2007	15 January 2007	15 January 2007	16 January 2007
Date of valuation	31 December 2006	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Description	Land and Buildings	Land and Buildings	Land and Buildings	Land and Buildings	Land and Buildings
GRA (square metres)	8 450	3 322	2 596	917	7 846
Existing use	Office Park	Office	Office	Office	Office
Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
Major tenants	Resolve SA, Frontrance Solutions	Platinum Reload, CRI Computers	Business Ventures, Advtech Resourcing	Dresdner Bank, Xybanetx	Fluor SA
Type of lease	Gross	Gross	Gross	Gross and Net	Net
Length of leases	Various	Various	Various	Various	60 months
Escalation rates	Various	Various	Various	Various	8%
Age of buildings	± 8 Years	± 8 Years	± 8 Years	± 4 Years	± 8 Years
Other matters which could materially affect value	Various assumptions on take up of vacant space and relet periods	Various assumptions on take up of vacant space and relet periods	Various assumptions on take up of vacant space and relet periods	Various assumptions on take up of vacant space and relet periods	Various assumptions on take up of vacant space and relet periods
Assumed market rental growth rate	5.75%	5.00%	5.00%	6.00%	5.75%
Discount rate	15.00%	16.50%	16.00%	15.50%	14.75%
Assumed effective vacancy factor	0.00%	2.50%	0.00%	0.00%	0.00%

	Georgian Place	Herdbuoys Building	Howick Gardens	Hurlingham Office Park	Hyde Park Lane
Market valuation	R35 100 000	R51 500 000	R13 900 000	R79 500 000	R102 700 000
Address	18 Southway Road	6 Kikuyu Road	Waterfall Business Park corner Mac Mac Road and Howick Close	Woodlands Avenue	Corner Jan Smuts Avenue and William Nicol Drive
Registered description	Erf 264	Remainder of Erf 1535	Erf 1343	Erven 483 and 484	Erf 407
Date of physical inspection	17 January 2007	16 January 2007	17 January 2007	16 January 2007	17 January 2007
Date of valuation	31 December 2006	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Description	Land and Buildings	Land and Buildings	Land and Buildings	Land and Buildings	Land and Buildings
GRA (square metres)	12 243	5 370	3 346	15 938	15 937
Existing use	Mixed use Office Park	Offices	Offices	Office Park	Office Park
Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
Major tenants	Harry Walt Assoc. Sweets from Heaven	Herdbuoys Mc Cann-Erickson	Altech Autopage Cellular, Association of SA Quality Surveyors	Hurlingham Office Suite CC, Consumer Goods Council of SA	Standard Bank
Type of lease	Gross	Net	Gross	Gross	Gross
Length of leases	Various	48 months	Various	Various	Various
Escalation rates	Various	12%	Various	Various	Various
Age of buildings	± 13 Years	± 8 Years	± 17 Years	± 18 Years	± 8 Years
Other matters which could materially affect value	Various assumptions on take up of vacant space and relet periods	Various assumptions on take up of vacant space and relet periods	Various assumptions on take up of vacant space and relet periods	Various assumptions on take up of vacant space and relet periods	Various assumptions on take up of vacant space and relet periods
Assumed market rental growth rate	5.00%	5.75%	5.50%	5.50%	5.75%
Discount rate	16.50%	15.50%	16.50%	15.50%	15.25%
Assumed effective vacancy factor	5.00%	0.00%	5.00%	2.50%	0.00%

	Linkview	Midrand Motor City	Mutual Mews	Olivedale Office Park	The Tramshed
Market valuation	R4 600 000	R24 000 000	R10 100 000	R11 100 000	R42 900 000
Address	260 Kent Avenue	Old Pretoria Main Road	333 Rivonia Boulevard	Corner Olive Road and Lima Street	Corner Schoeman and van der Walt Streets
Registered description	Erf 1076	Erf 45 Randjespark, RE of Erf 199, Erf No. 313. Portion 124 – Farm Waterval 5IR	Erf 48	Erf 932	Erf 3374
Date of physical inspection	15 January 2007	17 January 2007	17 January 2007	12 January 2007	17 January 2007
Date of valuation	31 January 2006	31 January 2006	31 January 2006	31 January 2006	31 January 2006
Description	Land and Buildings	Land and Buildings	Land and Buildings	Land and Buildings	Land and Buildings
GRA (square metres)	1 540	7 530	1 596	3 200	13 228
Existing use	Offices	Motor Retail	Retail	Office Park	Retail
Tenure	Freehold	Freehold	Freehold	Freehold	Leasehold
Major tenants	Aqua Engineering SA CTU Training Solutions	Action Cricket Midrand, Test & Drive	Boulevard Cellards Barcelos	Riskcon Security Holdings, Bentley Systems South Africa	Pick 'n Pay, The South African Post Office Virgin Active South Africa (Pty) Limited
Type of lease	Gross	Gross	Gross	Gross	Gross
Length of leases	Various	Various	Various	Various	Various
Escalation rates	Various	Various	Various	Various	Various
Age of buildings	± 6 Years	± 14 Years	± 17 Years	± 11 Years	85 Years
Other matters which could materially affect value	Various assumptions on take up of vacant space and relet period	Various assumptions on take up of vacant space and relet period	Various assumptions on take up of vacant space and relet period	Various assumptions on take up of vacant space and relet period	Various assumptions on take up of vacant space and relet period
Assumed market rental growth rate	5.00%	5.50%	5.75%	5.25%	6.00%
Discount rate	16.00%	15.00%	14.75%	16.50%	15.50%
Assumed effective vacancy factor	0.00%	0.00%	0.00%	2.50%	0.00%

	UNDP House	Wierda Gables
Market valuation	R32 500 000	R11 900 000
Address	Corner Leeuwkop and Naivasha Roads Portion 1 of Erf 989	98 Albertyn Avenue RE of Erf 6
Registered description		
Date of physical inspection	16 January 2007	10 January 2007
Date of valuation	31 December 2006	31 December 2006
Description	Land and Buildings	Land and Buildings
GRA (square metres)	4 350	2 044
Existing use	Offices	Offices
Tenure	Freehold	Freehold
Major tenants	United Nations Development	Digital Planet (Pty) Limited Sizanani Knowledge
Type of lease	Gross	Gross
Length of leases	60 months	Various
Escalation rates	6.50%	Various
Age of buildings	± 7 Years	± 13 Years
Other matters which could materially affect value	Various assumptions on take up of vacant and relet periods	Various assumptions on take up of vacant and relet periods
Assumed market rental growth rate	5.75%	5.75%
Discount rate	14.75%	15.50%
Assumed effective vacancy factor	0.00%	0.00%

Emira Property Fund
c/o Strategic Real Estate Managers (Proprietary) Limited
3rd Floor, 3 Gwen Lane
Sandton
2196

7 March 2007

Attention: Mr James Templeton

Dear Sir

SUMMARY VALUATION REPORT RELATING TO A PORTFOLIO OF PROPERTIES TO BE ACQUIRED BY EMIRA PROPERTY FUND

1. Instruction

We have been instructed to perform a market valuation of the properties constituting the portfolio of properties to be acquired by Emira, as set out in the circular to holders of Emira participatory interests of which this report forms part. This summary valuation report has been prepared for inclusion in the circular to shareholders in terms of the Listings Requirements of the JSE Limited. The full valuation reports are available for inspection at the registered office of Emira.

2. Definition of market value

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

The JSE definition of market value is the amount, as determined by the external valuer, that a property would realise if sold on the date of valuation in the open market by a willing seller to a willing buyer.

3. Value calculation

In determining the market value of the various properties, we have adopted the discounted cash flow method of valuation. The net income derived from the properties is discounted at market related rates after consideration of the tenant profile, lease duration and aspects of the properties. The discount rate is linked to the base rate or long bond yield rate, to which a risk premium for property is added in order to reflect a discount rate indicative of the return an investor would require for property.

4. Source and verification of information

The valuation of the properties has been based on copies of the Title Deeds, information provided by RMB Properties (Proprietary) Limited, information obtained from the local authorities, physical inspection of the properties as well as research on property sales and lettings within the areas in which the properties are situated. Where appropriate, we have satisfied ourselves that the information on which we have based our valuation is accurate.

5. Material contravention of statutory requirements

We are not aware of any material contravention of any statutory requirement relating to the properties.

6. Intra-group leases

None of the properties have Freestone Property Fund as a tenant.

7. Qualifications

The valuations in respect of the properties contain no qualifications

8. Beneficial interests of directors

None.

9. Options for party to purchase

We are not aware of any agreements in terms of which any party has an option to acquire any of the properties.

10. Statutory requirements, town planning restrictions and conditions

To the best of our knowledge there are no material contraventions of any statutory requirements.

The planning requirements vary from property to property. Each property complies with the relevant municipal planning requirements.

11. Limiting statements

The property has been valued as if wholly owned, no account being taken of any outstanding monies due, in respect of mortgage bonds, loans or other charges.

The valuer has not measured the property and has accepted the areas supplied by RMB Properties (Proprietary) Limited. Should these areas prove to be different the valuer reserves the right to change the valuation.

Lost income due to time delays has been taken into account by way of provisions for vacancies prior to premises being let.

Where appropriate, ongoing capital expense items relating to refurbishments have been taken into account.

With respect to the new developments, neither The Rode Report nor South African Property Index cover the properties specifically due to the generality of the Rode Report and the Index. In addition both reports are based on historical information whilst the values of the developments are based at a future date and thus direct market research is more relevant. Where a comparison is available, the average rental being achieved is within 5% of the mean, which is insignificant.

All figures within the valuation report exclude VAT and 14% or transfer duty and agent's commission if applicable. If the owner is a registered vendor it may be necessary to add VAT to our valuation to determine the sale price. If the purchaser of the asset is also a registered vendor, the VAT payment should be treated as an Input Tax and thus balanced against the Output Tax payable in the course of its enterprise.

12. Valuation

We are of the opinion that the value of the properties is R83,5 million as follows.

Property	Valuation (R'000)
Southern Life Plaza	47 000
Iustitia Building	20 000
Omni Centre	16 500
	83 500

Our summary of the individual valuations is attached.

FOR AND BEHALF OF CCI PROPERTIES CC

M J CARSON

PROFESSIONAL VALUER, F.I.V. (SA), B.A (UCT), CCIS

Registered in terms of section 19 of the Property Valuers Profession Act (Act No. 47 of 2000)

Registration number 2010/3.

CCI PROPERTIES CC

303 Via Quinta

3 Fifth Street, BLOEMFONTEIN

PO Box 13685, NOORDSTAD, 9302"

	Southern Life Plaza	Iustitia Building	Omni Centre
Market valuation	R47 000 000	R20 000 000	R16 500 000
Address	41 Maitland Street Bloemfontein	7 St Andrew Street Bloemfontein	73 Aliwal Street Bloemfontein
Registered description	Erf 24901 Bloemfontein Province Free State	Erf 26335 district Bloemfontein Province Free State	Rem Ext. Erf 582 Bloemfontein Province Free State
Date of physical inspection	December 2006	December 2006	December 2006
Date of valuation	31 December 2006	31 December 2006	31 December 2006
Description	Ground floor retail shops plus seven floors of offices over two levels of basement parking	Ground floor shops/offices, two floors parking above and six floors offices above parking	Ground floor offices with four floors of offices above, over basement parking
GRA (square metres)	10 554	5 360	5 870
Existing use	Shops and Offices	Offices	Offices
Tenure	Freehold	Freehold	Freehold
Major tenants	Free State Legislature, FirstRand Bank Limited, Metropolitan Health	Society of Advocates, PWD, Mutual & Federal, Liberty Active	Surveyor General Department of Education, Marcus Medical
Type of lease	Net	Net	Net
Length of leases	Majority end within two years	Majority ends March 2011	Majority ends February 2010
Escalation rates	10%	9%	9%
Age of buildings	10 years	15 years	17 years
Other matters which could materially affect value	None	None	None
Assumed market rental growth rate	5.5%	5.5%	5.5%
Discount rate	19.0%	19.0%	19.0%
Assumed effective vacancy factor	5.0%	2.5%	0.0%

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7 March 2007

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1. Instruction

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The JSE definition of market value is the amount, as determined by the external valuer, that a property would realise if sold on the date of valuation in the open market by a willing seller to a willing buyer.

3. Value calculation

In determining the market value of the various properties, we have adopted the discounted cash flow method of valuation. The net income derived from the properties is discounted at market related rates after consideration of the tenant profile, lease duration and aspects of the properties. The discount rate is linked to the base rate or long bond yield rate, to which a risk premium for property is added in order to reflect a discount rate indicative of the return an investor would require for property.

4. Source and verification of information

The valuation of the properties has been based on copies of the Title Deeds, information provided by RMB Properties (Pty) Limited, information obtained from the local authorities, physical inspection of the properties as well as research on property sales and lettings within the areas in which the properties are situated. Where appropriate, we have satisfied ourselves that the information on which we have based our valuation is accurate.

5. Material contravention of statutory requirements

We are not aware of any material contravention of any statutory requirement relating to the properties.

6. Intra-group leases

None of the properties have Freestone Property Fund as a tenant.

7. Qualifications

The valuations in respect of the properties contain no qualifications

8. Beneficial interests of directors

None.

9. Options for party to purchase

We are not aware of any agreements in terms of which any party has an option to acquire any of the properties.

10. Statutory requirements, town planning restrictions and conditions

To the best of our knowledge there are no material contraventions of any statutory requirements.

The planning requirements vary from property to property. Each property complies with the relevant municipal planning requirements.

11. Limiting statements

The property has been valued as if wholly owned, no account being taken of any outstanding monies due, in respect of mortgage bonds, loans or other charges.

The valuer has not measured the property and has accepted the areas supplied by RMB Properties (Pty) Limited. Should these areas prove to be different the valuer reserves the right to change the valuation.

Lost income due to time delays has been taken into account by way of provisions for vacancies prior to premises being let. Where appropriate, ongoing capital expense items relating to refurbishments have been taken into account.

With respect to the new developments, neither The Rode Report nor South African Property Index cover the properties specifically due to the generality of the Rode Report and the Index. In addition both reports are based on historical information whilst the values of the developments are based at a future date and thus direct market research is more relevant. Where a comparison is available, the average rental being achieved is within 5% of the mean, which is insignificant.

All figures within the valuation report exclude VAT at 14% or transfer duty and agents commission if applicable. If the owner is a registered vendor it may be necessary to add VAT to our valuation to determine the sale price. If the purchaser of the asset is also a registered vendor, the VAT payment should be treated as an Input Tax and thus balanced against the Output Tax payable in the course of its enterprise.

12. Valuation

We are of the opinion that the value of the properties is R581.3 million as follows:

Property	Valuation (R'000)
<i>KwaZulu-Natal rural/Eastern Cape</i>	
Bizana Centre, Bizana	10 200
Rhino Centre, Umzimkulu	17 430
Rhino Centre, Kokstad	25 806
Rhino Centre, Matatiele	20 895
Isizwe Centre, Nongoma	20 595
Ngwavuma Centre, Ngwavuma	17 690
Cofimvaba Centre, Cofimvaba	16 910
Flagstaff Centre, Flagstaff	6 055
Greytown Centre, Greytown	5 455
Old Acre Plaza, Dundee	18 230
Dundee Boulevard, Dundee	23 475
Central Square, Idutywa	13 555
Mkize Centre, Nqutu	13 200
Tin Roof Centre, Umtata	9 460
Boxer Centre, Kokstad	4 940
<i>Durban</i>	
Standard Bank, Glenwood	3 390
Universal Print	26 395
Kuhne and Nagal House, Berea	5 650
Park Boulevard Centre	22 120
Buxton Village Centre, Umhlanga Rocks	29 650
Granada Centre, Umhlanga Rocks	43 290
Home Centre	83 840
<i>Johannesburg</i>	
12 Baker Street, Rosebank	31 090
2 Sturdee Avenue, Rosebank	36 710
Sturdee House, Rosebank	12 040
The Colony Centre, Hyde Park	44 420
Tokai Shopping Centre, Randburg	11 035
8 Grader Road, Spartan	7 785
	581 311

Our summary of the individual valuations is attached.

FOR AND BEHALF OF MILLS FITCHET KZN CC

T R L BATE

PROFESSIONAL VALUER, MSc (Reading, UK), BSc Land Econ (UK), MIV (SA)

Registered in terms of section 19 of the Property Valuers Profession Act (Act No. 47 of 2000)

Registration number 2276/1

MILLS FITCHET KZN CC

PO BOX 1339

HOWICK

3290"

	Bizana Centre	Rhino Centre Umzimkulu	Rhino Centre Kokstad	Rhino Centre Matatiela	Isizwe Centre Nongoma
Market valuation	R10 200 000	R17 430 000	R25 806 000	R20 895 000	R20 595 000
Address	Main Road, Bizana	Rhino Centre Main Road Umzimkulu	Rhino Centre Hope Street Kokstad	Rhino Centre Station Road Matatiela	Isizwe Shopping Centre, Main Road Nongoma
Registered description	Lot 759, Bizana	Lots 229, 735 and 736, Umzimkulu	Rem of Lot 2975, Kokstad	Lot 28, Matatiela	Lot 120, Nongoma
Date of physical inspection	January 2007	January 2007	January 2007	January 2007	January 2007
Date of valuation	31 December 2006	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Description	Ground floor shops	Ground floor shops	Ground floor shops	Ground floor shops	Ground/Lower ground floor shops
GRA (square metres)	4 865	5 410	9 196	7 272	8 758
Existing use	Retail	Retail	Retail	Retail	Retail
Tenure	Leasehold	Leasehold	Leasehold	Leasehold	Leasehold
Major tenants	Boxer, PEP, BARNETTS Power Factory Shop	Rhino, Ellerines BARNETTS, PEP, KFC	Rhino, Jet, Savells Price & Pride	Rhino, PEP Dunns, Discom	Boxer, Jet, Score Diskom
Type of Lease	Gross	Gross	Gross	Gross	Gross
Length of leases	Majority 3 – 5 years	Majority 1 – 3 years	Majority 1 – 3 years	Majority 1 – 3 years	Majority 1 – 4 years
Escalation rates	Majority 8%	Majority 10%	Majority 10%	Majority 10%	Majority 10%
Age of buildings	Approx 7 years	Approx 13 years	Approx 12 years	Approx 14 years	Approx 13 years
Other matters which could materially affect value	None	None	None	None	None
Assumed market rental growth rate	5.50%	5.50%	5.50%	5.50%	5.50%
Discount rate	16.25%	16.25%	16.00%	16.00%	17.00%
Assumed effective vacancy factor	0.25%	1.50%	3.00%	1.50%	1.70%

Market valuation	R17 690 000	Ngwavuma Centre Ngwavuma	Standard Bank Glenwood, Durban	Universal Print Durban	Kuhne & Nagel House, Durban	Home Centre Durban
Address	Ngwavuma Centre, Main Road, Ngwavuma	88/92 Brand Street, Glenwood, Durban	38 – 90 Stanhope Place, Briardene, Durban	381 Berea Road, Berea, Durban	2 Ilala Avenue, Springfield Park, Durban	
Registered description	Lot 17, Ngwavuma	Lots 6580 & 6581 Durban	Portions 5 – 10 of Lot 323, Durban North	Rem of Lots 5924 and 5929, Durban	Lot 501 Springfield	
Date of physical inspection	January 2007	January 2007	January 2007	January 2007	January 2007	January 2007
Date of valuation	31 December 2006	31 December 2006	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Description	Ground floor shops	Banking hall with 1st floor offices	Industrial/Offices	Basement parking with two floors of offices	Ground floor retail	
GRA (square metres)	4 404	368	12 559	2 140	17 649	
Existing use	Retail	Bank/Offices	Industrial/Offices	Offices	Retail	
Tenure	Freehold	Freehold	Freehold	Freehold	Leasehold	
Major tenants	Boxer, Ellerines Ithala, PEP, Snip	Standard Bank	Universal Print	Kuhne & Nagel Famous Pacific Shipping Boston Business College	Geen & Richards, Dial-a-Bed, Mistrys, Fruit & Veg, Servistar, B&J Meltz	
Type of Lease	Gross	Gross	Net	Gross	Gross	
Length of leases	Majority 1 – 3 years	2 years	6 years	1 – 2 years	Majority 1 – 5 years	
Escalation rates	Majority 10%	8%	9%	10%	Majority 10%	
Age of buildings	Approx 6 years	Approx 25+ years	Approx 30 – 40 years	Approx 25+ years	Approx 18 years	
Other matters which could materially affect value	None	None	None	None	None	
Assumed market rental growth rate	5.50%	5.50%	5.50%	5.50%	5.50%	
Discount rate	16.25%	14.50%	16.25%	16.50%	15.00%	
Assumed effective vacancy factor	2.00%	0.00%	0.00%	2.00%	0.75%	

	Park Boulevard Centre, Durban	Buxton Village Umhlanga Rocks	Granada Centre Umhlanga Rocks	Mkize Plaza Nqutu	Tin Roof House Umtata
Market valuation	R22 120 000	R29 650 000	R43 290 000	R13 200 000	R9 460 000
Address	11 Browns Drift Road, Durban North	185 Ridge Road, Umhlanga Rocks	16 Chartwell Road, Umhlanga Rocks	Mkhize Plaza Corner Manziwandle and Shube Road, Nqutu, Mr Price Homezone	Corner Callaway and Madeira Streets, Umtata
Registered description	Lot 159, Umgeni Park	Lot 1132 Umhlanga Rocks	Lot 468 Umhlanga Rocks	Portion 1 of Lot 22 Nqutu	Lots 43 and 44 Umtata
Date of physical inspection	January 2007	January 2007	January 2007	January 2007	January 2007
Date of valuation	31 December 2006	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Description	Retail on the ground floor and 1st floor offices/parking	Retail on three floors	Ground floor retail with offices and parking above	Ground floor shops	Ground floor retail
GRA (square metres)	5 211	5 768	5 776	3 893	2 175
Existing use	Retail/Offices	Retail	Retail/Offices	Retail	Retail
Tenure	Freehold	Freehold/leasehold parking	Freehold	Leasehold	Freehold
Major tenants	Spur, 7 Eleven Mica, Trelldor	Spar, Pam Golding	Absa, Europa	Boxer, Town Talk, KFC	Ackermans Dumns, Yamaha
Type of Lease	Gross	Gross	Gross	Gross	Gross
Length of leases	Majority 1 – 5 years	Majority 1 – 3 years	Majority 1 – 3 years	Majority 1 – 5 years	Majority 8%
Escalation rates	Majority 10%	Majority 10%	Majority 10%	Majority 8%	Majority 4 years
Age of buildings	Approx 20 years	Approx 25+ years	Approx 25+ years	Approx 12 years	New
Other matters which could materially affect value	None	None	None	None	None
Assumed market rental growth rate	5.50%	5.50%	5.50%	5.50%	5.50%
Discount rate	15.75%	15.00%	15.25%	16.50%	15.50%
Assumed effective vacancy factor	2.50%	2.00%	3.00%	1.50%	1.50%

	Boxer, Kokstad	Old Acre Plaza, Dundee	Dundee Boulevard, Dundee	Central Square, Idutywa	Cofimvaba Centre, Cofimvaba
Market valuation	R4 940 000	R18 230 000	R23 475 000	R13 555 000	R16 910 000
Address	Boxer, Main Street Kokstad	Old Acre Plaza Main Road, Dundee	Dundee Boulevard Karellandman Road, Dundee	Central Square bounded by Richardson, Kings, Kiddel and Bell Streets, Idutywa	Cofimvaba Centre Main Road Cofimvaba
Registered description	Lot 534, Kokstad	Lot 4357, Dundee Lot 1362, Dundee	Portion 1 of	Lot 1302, Idutywa	Lot 834, Cofimvaba
Date of physical inspection	January 2007	January 2007	January 2007	January 2007	January 2007
Date of valuation	31 December 2006	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Description	Ground floor retail	Ground floor shops	Ground floor shops	Ground floor shops	Ground floor shops
GRA (square metres)	1 837	6 038	6 749	4 048	4 873
Existing use	Retail	Retail	Retail	Retail	Retail
Tenure	Leasehold	Freehold	Freehold	Leasehold	Leasehold
Major tenants	Boxer	Pop-In Supermarket Jet, PEP, Snip Diskom, Shell	Pick 'n Pay, Miladys Truworthis Woolworthis Sheet Street, Clicks	PEP, Dunns, Snip	Boxer, Ellerines PEP, Lewis, Snip
Type of Lease	Gross	Gross	Gross	Gross	Gross
Length of leases	13 years	Majority 1 – 3 years	Majority 1 – 3 years	Majority 1 – 4 years	Majority 1 – 3 years
Escalation rates	8%	Majority 10%	Majority 10%	Majority 8%	Majority 10%
Age of buildings	Approx 2 years	Approx 20 years	Approx 6 years	Approx 7 years	Approx 11 years
Other matters which could materially affect value	None	None	None	None	None
Assumed market rental growth rate	5.50%	5.50%	5.50%	5.50%	5.50%
Discount rate	15.00%	16.25%	15.00%	16.25%	16.25%
Assumed effective vacancy factor	0.00%	3.00%	2.00%	1.50%	2.00%

	Flagstaff Centre, Flagstaff	Greytown Centre, Greytown	12 Baker St, Rosebank	2 Sturdee Avenue, Rosebank
Market valuation	R6 055 000	R5 455 000	R31 090 000	R36 710 000
Address	Flagstaff Centre Main Road, Flagstaff	Greytown Centre Corner Sergeant and Bell Streets, Greytown	12 Baker St, Rosebank	2 Sturdee Avenue Rosebank
Registered description	Lot 322, Flagstaff	Lot 392, Greytown	Lot 199, Rosebank	Lot 217, Rosebank
Date of physical inspection	January 2007	January 2007	January 2007	January 2007
Date of valuation	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Description	Ground floor shops	Ground floor shops	B Grade offices	B Grade offices
GRA (square metres)	2 840	2 276	4 636	5 603
Existing use	Retail	Retail	Offices	Offices
Tenure	Leasehold	Leasehold	Freehold	Freehold
Major tenants	Score, Engen Standard Bank Sasol	Shoprite, Dunns PEP, KFC, Butterfield Sasol, Vodacom	Sasol	Sasol, Vodacom
Type of Lease	Gross	Gross	Gross	Gross
Length of leases	Majority 1 – 3 years	Majority 1 – 3 years	6 years	6 years
Escalation rates	Majority 10%	Majority 10%	9%	9%
Age of buildings	Approx 11 years	Approx 14 years	Approx 15 years	Approx 15 years
Other matters which could materially affect value	None	None	None	None
Assumed market rental growth rate	5.50%	5.50%	5.50%	5.50%
Discount rate	18.00%	16.50%	14.75%	14.75%
Assumed effective vacancy factor	7.00%	5.00%	0.00%	0.00%

	Sturdee House Rosebank	The Colony Hyde Park	Tokai Randburg	8 Grader Road Spartan
Market valuation	R12 040 000	R44 420 000	R11 035 000	R7 785 000
Address	9 Sturdee Avenue Rosebank	345 Jan Smuts Avenue Craigshall Park	20 Hans Strijdom Avenue Randburg	8 Grader Road Spartan Johannesburg
Registered description	Lot 131 Rosebank	Lots 102, 103 1/104 and 1/72 Craigshall Park	A Portion of Portion 45 of the farm Klipfontein 203 IQ	Lot 404 Spartan Ext 3
Date of physical inspection	January 2007	January 2007	January 2007	January 2007
Date of valuation	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Description	A Grade offices	Multi-level shops	Lower/Upper ground retail	two industrial structures
GRA (square metres)	1 696	7 572	2 488	3 260
Existing use	Retail	Retail	Retail	Industrial
Tenure	Freehold	Freehold	Leasehold	Freehold
Major tenants	Netcare, Hellman	Postnet, Steers Dial-a-bed, Baby City	Craigshall, Car Radio KFC, Dros	Barrier, Angeluce
Type of lease	Gross	Gross	Gross	Gross
Length of leases	4 – 5 years	1 – 5 years	1 – 2 years	3 years
Escalation rates	9% – 10%	Majority 9% – 10%	Majority 10%	5%
Age of buildings	Approx 7 years	Approx 10 years	Approx 8 years	Approx 10 years
Other matters which could materially affect value	None	None	None	None
Assumed market rental growth rate	5.50%	5.50%	5.50%	5.50%
Discount rate	14.75%	15.50%	16.00%	16.50%
Assumed effective vacancy factor	0.00%	2.50%	3.50%	0.00%

“Emira Property Fund
c/o Strategic Real Estate Managers (Proprietary) Limited
3rd Floor, 3 Gwen Lane
Sandton
2196

7 March 2007

Attention: Mr James Templeton

Dear Sir

SUMMARY VALUATION REPORT IN TERMS OF JSE REGULATIONS SECTION 13 FOR EMIRA PROPERTY FUND

1. Instruction

In accordance with a letter of appointment, dated 6 December 2006, we have been instructed to value certain properties, held by Freestone Property Holdings Limited, in order to provide our opinion of the Market Value at 31 December 2006.

This summary valuation report has been prepared for inclusion in the circular to shareholders in terms of the Listings Requirements of the JSE Limited. The full valuation reports are available for inspection at the registered office of Freestone Property Holdings Limited.

2. Definition of market value

Market value is defined as follows:

“It is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

3. Value calculation

We have utilised the traditional and internationally recognised Discounted Cash Flow (“DCF”) method to reach our opinion of value.

The DCF basis is a generally accepted valuation method for assessing the market value of investment properties and conforms with the 2006 IPD Valuation Guide. Based on a five-year holding period, the DCF method derives a five-year cash flow incorporating the lease obligations including escalations to termination.

At lease expiry, a new lease is assumed and the commencing rent is assumed to be the current gross market rental escalated at an appropriate growth rate. Where applicable we have allowed for voids, tenant installation and leasing commissions.

The present value of the five-year cash flow is added to the present value of the hypothetical exit value, being the 6th year’s hypothetical net annual income capitalised into perpetuity at an appropriate market-related rate.

The discount and exit capitalisation rates are determined by reference to comparable sales, appropriate surveys prepared by IPD/SAPOA, benchmarking against other comparable valuations, and after consultation with experienced and informed people in the property industry, including other valuers, brokers, managers and investors.

In the case of Erf 24 Roggebaai, we have utilised the traditional and internationally recognised Direct Comparison method to reach our opinion of value for this vacant site.

4. Source and verification of information

The valuation of the properties has been based on copies of the Title Deeds, information provided by Freestone Property Holdings Limited, 3d Properties and RMB Properties, the Managers of Freestone, information obtained from the local authorities, the physical inspection of the properties as well as research on property sales and lettings within the areas in which the properties are situated. Where appropriate, we have satisfied ourselves that the information on which we have based our valuation is accurate.

5. Intra-group leases

We are not aware of any intra group leases, except for the FNB Building where FNB is the tenant.

6. Qualifications

The valuations in respect of the properties contain no qualifications.

7. Beneficial interests of directors

To the best of our knowledge, the directors of the manager have no beneficial interest in the acquisition.

8. Options for party to purchase

We are not aware of any agreements in terms of which any party has an option to acquire any of the properties, with the exception of the Steiner Services Property in Aeroport and Erf 24 Roggebaai. In terms of the current Steiner lease agreement, the tenant has a right of first refusal to purchase the Steiner property in the event that the landlord should sell the building. Hyundai has the right of first refusal to lease the showroom on Erf 24 Roggebaai if it is developed.

9. Statutory requirements, Town Planning restrictions and conditions

To the best of our knowledge there are no material contraventions of any statutory requirements.

The planning requirements vary from property to property. Each property complies with the relevant municipal planning requirements.

10. Limiting statements

The property has been valued as if wholly owned, no account being taken of any outstanding monies due, in respect of mortgage bonds, loans or other charges.

The valuer has not measured the property and has accepted the areas supplied. Should these areas prove to be different the valuer reserves the right to change the valuation.

Lost income due to vacancies has been taken into account by way of allowing for voids prior to premises being let.

Where appropriate, ongoing capital expense items relating to refurbishments have been taken into account.

Our rental research has been based on comparable rentals and broker opinion with reference to the Rode Report. Emphasis has been placed on recent lettings rather than the historical and generalised information of the Rode Report

Where material differences between the current rental and the market rental are evident, a reference in the 'comments' column has been made in the valuation summary schedule attached as Annexure A.

All figures within the valuation report exclude VAT at 14% or transfer duty and agents sales commission if applicable. If the owner is a registered vendor it may be necessary to add VAT to our valuation to determine the sale price. If the purchaser of the asset is also a registered vendor, the VAT payment should be treated as an Input Tax and thus balanced against the Output Tax payable in the course of its enterprise.

We have included our caveats as Annexure B.

11. Valuation

The combined value of the Properties at 31 December 2006 is R567 million

Property	Valuation (R'000)
Centurion Discount Centre	10 500
Chiappini House	8 200
Ciros House	8 300
CRB House, 8 – 10 Kramer Road	18 900
Defy Appliances	17 900
Executive City	12 000
Fleetway House	27 800
FNB Building	26 700
Hamilton House	27 800
Harbour Place	24 300
Harrogate Park	10 000
Highway Business Park	25,700
Highway – IST	12 600
Industrial Village Rustivia	15 700
Industrial Village Wadeville	21 100
Isando – Unitrans	18 700
Midline Business Park	30 700
Montana Value Centre	42 200
Nampak Building	12 300
Portion 130 Spartan	5 000
Rep-Props	4 500
Riverworld Park	26 900
Starsky House	5 300
Steiner Services	14 700
The Avenues North, Phases 1 and 2	19 700
The Pinnacle	90 000
Vacant Erf 24	16 100
Crocker Road Industrial Park	13 700
	567 300

FOR AND BEHALF OF OLD MUTUAL PROPERTY GROUP

Gardener Place

Corner Howard Driver and Gardener Way, Pinelands, 7405

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Annexure A

	Centurion Discount Centre	Chiappini House	Ciros House 8 – 10 Kramer Road	CRB House, Defy Appliances
Market valuation	R10 500 000	R8 200 000	R8 300 000	R18 900 000
Address	Situated in Heuwel Avenue, Centurion off Lenchen Avenue within close proximity to Centurion Mall and SuperSport Cricket Stadium	Situated in an area called “Scotsche Kloof” located between the Cape Town Central Business District and Green Point	Located in Rivonia, in close proximity to the Sandton CBD 41A Homestead Avenue	Situated on the corner of Kramer Road and Desmond Street, Kramerville
Registered description	Erf 815 Zwartkop Extension 4 Township, Registration Division JR, Province of Gauteng	Erf 583 Cape Town, in the City of Cape Town, Cape Division, Western Cape	Remaining Extent of Portion 1 of Erf 171 Edenburg Township Registration Division IR Province of Gauteng	Notarially tied Erf 759, 760 and 761 Denver Extension IR Division Gauteng
Date of physical inspection	January 2007	January 2007	January 2007	January 2007
Date of valuation	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Description	Retail building	Office building	Office buildings	Office and warehouse complex
GRA (square metres)	2 049	1 035	1 838	5 936
Existing use	Retail	Office and retail	Office	Warehouse
Tenure	Freehold	Freehold	Freehold	Freehold
Major tenants	Clothing City	Big Picture Company and Diamond Liquors	Ciros Alliances and Advtech Resourcing	St Leger and Viney and KRNB Décor
Type of lease	Gross lease	Standard	Gross	Gross and net Fully repairing and insuring
Length of leases	1 year	3 to 5 years	2 to 5 years	2 to 4 years
Escalation rates	n/a	9% to 12%	7% to 10.5%	8% to 12%
Age of buildings	Approx. 15 years	25 years	10 – 20 years	25 years
				Approx. 25 years

	Centurion Discount Centre	Chiappini House	Ciros House	8 – 10 Kramer Rd	CRB House	Defy Appliances
Comments	Pepkor vacated at 31 December 2006 and Hiker's Paradise is on a monthly	Property is under-rented, Reversions are due	Largest tenant over-rented, other tenants under-rented	Vacancy = 1.11%		Lease expires 31/01/2009 Renewal is uncertain
Assumed market rental growth rate	6.00%	7.00%	6.00%	6.00%	6.00%	6.50%
Discount rate	15.00%	14.00%	15.00%	15.00%	15.00%	13.00%
Assumed effective vacancy factor	0%	0%	5%	3.30%		0%
Exit cap rate (at end of 5 year DCF)	10.00%	10.50%	11.00%	10.50%	10.50%	11.00%
Forward yield	6.64%	8.70%	14.13%	10.13		12.80%

	Executive City	Fleetway House	FNB Building	Hamilton House	Harbour Place
Market valuation	R12 000 000	R27 800 000	R26 700 000	R27 800 000	R24 300 000
Address	Located at 81 Industrial Road in the Kya Sand industrial area north of Randburg	Situated at Martin Hammerschlag Way, Cape Town in the centre of the Cape Town CBD	Situated at 33 Heerengracht Cape Town in the centre of the Cape Town CBD	Situated in an area called "Scotsche Kloof" located between the Cape Town CBD and Green Point	Situated at 5 Martin Hammerschlag Way corner Oswald Pirow Street Cape Town in the Culemborg/Foreshore
Registered description	Erf 198 Kya Sand Township Registration Division IQ, Gauteng	Erf 20 Roggebaai in the City of Cape Town, Cape Division, Western Cape Province	Erf 110 Roggebaai in the City of Cape Town, Cape Division, Western Cape Province	Erf 568 and 569 Cape Town in the City of Cape Town, Cape Division, Western Cape Province	Erf 23 Roggebaai in the City of Cape Town, Cape Division, Western Cape Province
Date of physical inspection	22 January 2007	22 January 2007	22 January 2007	22 January 2007	22 January 2007
Date of valuation	31 December 2006	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Description	Industrial factories and warehouses	Office building	10-storey office building	5-storey office building	8-storey office building
GRA (square metres)	4 558	7 098	7 101	3 449	5 457
Existing use	Industrial factories and warehouses	Office and retail	Office and banking	Office and retail	Office and car dealership
Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
Major tenants	Sensient Colors SA (Proprietary) Limited	Seaharvest and Print Active	FNB and ZA Logistics	BBDO and IndoFurn	MegaFreight and Hyundai
Type of lease	Gross/Basic plus ops	Standard	Standard	Standard	Standard
Length of leases	1 to 4 years	3 to 5 years	3 to 10 years	3 to 5 years	3 to 10 years
Escalation rates	9% to 10%	8% to 10%	8% to 10%	8% to 10%	8% to 10%
Age of buildings	Approximately 15 years	Approximately 25 years	Approximately 30 years +	Approximately 25 years +	20 years with more recent refurbishments
Comments	None	Property is 50% vacant	Property is 12% vacant and under-rented	Property is under-rented. Reversions are due	Property is under-rented. Reversions are due
Assumed market rental growth rate	6.00%	7.00%	6.50%	7.00%	7.00%
Discount rate	16.00%	14.50%	15.50%	14.00%	14.00%
Assumed effective vacancy factor	2%	0%	5%	0%	0%
Exit cap rate (at end of 5 year DCF)	11.50%	11.00%	11.50%	10.00%	10.00%
Forward yield	9.60%	6.00%	7.60%	7.30%	7.00%

	Harrogate Park	Highway Business Park	Highway – IST	Industrial Village Rustivia	Industrial Village Wadeville
Market valuation	R10 000 000	R25 700 000	R12 600 000	R15 700 000	R21 100 000
Address	Situated at 1237/9 Pretorius Street Hatfield, Pretoria which is a popular decentralised commercial node	Situated on a level rectangular site in Highway Business Park off Old Pretoria Road. Predominantly occupied by warehouses with offices and is well-located along the N1 highway between Pretoria and Johannesburg	Situated on a level rectangular site in Highway Business Park off Old Pretoria Road. Predominantly occupied by warehouses with offices and is well-located along the N1 highway between Pretoria and Johannesburg	Located at 6 Royer Road in Rustiva situated centrally on the East Rand	Located at 6 Crocker Road, Wadeville
Registered description	Erf 709 Hatfield Township, Registration Division JR, Province of Gauteng	Erf 2769 Rooihuiskraal Extension 28 Township Registration Division JR, Province of Gauteng	Erf 2845 Rooihuiskraal Extension 28 Township Registration Division JR Province of Gauteng	Erven 133 and 134 Rustiva Extension 3 Township Registration Division IR Province of Gauteng	Erf 716 Wadeville Extension 6 Township Registration Division IR Province of Gauteng
Date of physical inspection	January 2007	January 2007	January 2007	22 January 2007	23 January 2007
Date of valuation	31 December 2006	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Description	Double-storey office block	Double volume warehouse with double-storey offices	Office building in a light industrial area	A 24 unit industrial park	A 24 unit industrial park
GRA (square metres)	1 688	7 329	2 362	9 851	13 384
Existing use	Commercial use	Light industrial	Commercial use	Factories/Warehouses	Factories/Warehouses
Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
Major tenants	Charter Life Insurance Company and Family Trust Management Services	National TT Outdoor Warehouse Productive Systems Ceramic World	IST	None	Bandsawing Services Multisurge Yellow Star
Type of lease	Gross lease	Fully repairing and insuring lease	Gross lease	Gross/basic plus ops	Gross/basic plus ops
Length of leases	3 to 5 years	2 to 10 year	5 years	2 months to 4.5 years	1 month to 3 years and 5 months
Escalation rates	8% to 10%	8% to 10%	10%	9% to 11%	8% to 11%

	Harrogate Park	Highway Business Park	Highway – IST	Industrial Village Rustivia	Industrial Village Wadeville
Age of buildings	Approximately 10 years	Approximately 5 years	Approximately 5 years	Approximately 20 years	Approximately 15 years
Comments	Building fully let but currently underrented	Outdoor warehouse moving out end Feb	None	None	None
Assumed market rental growth rate	6.00%	6.00%	6.00%	5.00%	5.00%
Discount rate	14.50%	15.00%	15.00%	16.50%	16.50%
Assumed effective vacancy factor	0%	0%	0%	2%	2%
Exit cap rate (at end of 5 year DCF)	10.00%	11.00%	11.00%	12.00%	12.00%
Forward yield	8.21%	8.29%	10.51%	10.97%	11.22%

	Isando – Unitrans	Midline Business Park	Montana Value Centre	Nampak Building	Portion 130 Spartan
Market valuation	R18 700 000	R30 700 000	R42 200 000	R12 300 000	R5 000 000
Address	Located at 20 Anvil Road in Isando, which is one of the East Rand's ageing industrial areas, in close proximity to the OR Tambo International Airport	Situated on a sloping rectangular site at the corner of Richards Drive and Le Roux Road. The surrounding area is characterised by similar mixed use developments. Capital Hills Commercial Estate is adjacent to the subject property and is currently being developed. The subject property is within close proximity to the N1 highway between Pretoria and Johannesburg	Situated in a rectangular level site along the popular Zamezi Drive which links to the N1. The property is accessible from Tibouchina Street and is within close proximity to Kolonade Shopping Centre	Situated in Nicolson Street, off Main Reef Road, Denver. Nicolson Street is located in an established but old industrial township forming part of the greater Denver industrial region	Located at 34 – 36 Director Road in Aeroport, Spartan, which is one of Gauteng's new and modern industrial areas, in close proximity to the OR Tambo International Airport
Registered description	Remaining Extent of Erf 571 Isando Township Registration Division IR, the Province of Gauteng	Portion 499 (Portion of Portion 2) of the Farm Watervol No. 5 Registration Division IR, Province of Gauteng	Erf 2571 Montana Park Extension 57 Township Registration Division JR Province of Gauteng	Portion 692, (a portion of portion 302) of the farm Doornfontein farm Doornfontein IR Division	Portion 225 of Erf 602 Spartan Extension 2 Township, Registration Division IR, Province of Gauteng
Date of physical inspection	22 January 2007	January 2007	January 2007	January 2007	22 January 2007
Date of valuation	31 December 2006	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Description	Factory, warehouse units with large yard space and a double-storey office block	Industrial mini-units in a secure Business Park	Retail warehouse	Office buildings, warehouses, outbuildings and factory.	Two Adjacent warehouse units.
GRA (square metres)	11 744	12 573	9 717	24 880	1 715
Existing use	Warehouse/Factory units	Commercial use	Retail	Office, warehouse and factory	Warehouse units
Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
Major tenants	GMG Power SA JD Group	Miracle Textiles Market Pro Import and Export	HiQ, Bathroom Bizarre	Nampak Cartons & Labels	Elanco, Eli Lily, Bearing Man

	Isando – Unitrans	Midline Business Park	Montana Value Centre	Nampak Building	Portion 130 Spartan
Type of lease	Gross	Gross lease	Gross lease	Fully Repairing and Insuring lease	Gross
Length of leases	5 months to 4.5 years	2 to 5 years	1 to 5 years	9 Years	9 months to 1.5 years
Escalation rates	6% to 10%	8% to 10%	7% to 10%	7%	8% to 9%
Age of buildings	Approximately 30 years	Approximately 10 years	Approximately 5 years	25 – 30 years	Approximately 15 years
Comments	GMG lease due to expire in 2007 when rental will increase to a market-related level	None	None	Lease expires 31/07/2013. Renewal is uncertain	One unit is over-rented by 45% over market Reversion to market in 2008
Assumed market rental growth rate	5.00%	6.00%	6.00%	6.00%	6.00%
Discount rate	16.00%	15.00%	14.50%	13.00%	16.00%
Assumed effective vacancy factor	2.00%	2.50%	2.50%	0%	2.00%
Exit cap rate (at end of 5 year DCF)	11.50%	10.50%	9.50%	11.00%	11.50%
Forward yield	9.17%	10.41%	8.80%	11.30%	14.32%

	Rep-Props	Riverworld Park	Starsky House	Steiner Services
Market valuation	R4 500 000	R26 900 000	R5 300 000	R14 700 000
Address	Located at 12 - 14 Winnipeg Avenue in Aeroport, Spartan, which is one of Gauteng's new and modern industrial areas, in close proximity to the OR Tambo International Airport	Located in Rivonia, in close proximity to the Sandton CBD Homestead Avenue is situated two streets west of Rivonia Road and runs through Twelfth Avenue	Situated in Dartfield Road, Kramerville Dartfield Road runs from and connects to South Road and Katherine Street Commerce Crescent intersects Dartfield Road at three points Starsky House is situated at the northern intersection between Dartfield Road and Commerce Crescent	Located at 110 - 112 Loper Avenue in Aeroport, Spartan, which is one of Gauteng's new and modern industrial areas, in close proximity to the OR Tambo International Airport
Registered description	Portion 217 of Erf 602, Spartan Extension 2 Township, Registration Division IR, Province of Gauteng	Portion 6 (a portion of portion 2) of Erf 246, Edenburg Township Registration Division IR Province of Gauteng. Portion 1 of Erf 246 Edenburg Township Registration Division IR Province of Gauteng. Portion 4 of Erf 247 Edenburg Township Registration Division IR Province of Gauteng	Erf 196 Eastgate Extension 13 Township Registration Division IR Province of Gauteng	Portion 246 of Erf 602, Spartan Extension 2 Township, Registration Division IR, Province of Gauteng
Date of physical inspection	22 January 2007	January 2007	January 2007	22 January 2007
Date of valuation	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Description	5 mini-warehouse units	3 office buildings	Light to medium industrial and office premises	Modern distribution warehouse
GRA (square metres)	1 640	5 228	2 450	4 804
Existing use	Warehousing	Office	Light industrial with office	Distribution warehouse
Tenure	Freehold	Freehold	Freehold	Freehold
Major tenants	None	Galaxy Holdings, Jupiter Drawing Room, Aptus Integrated	Skweez cc, Christ Embassy (Pty) Ltd	Steiner Hygiene

	Rep-Props	Riverworld Park	Starsky House	Steiner Services
Type of lease	Gross/Basic plus ops	Gross and Nett	Gross	Gross
Length of leases	3 months to 2 years and 10 months	3 to 6 years	3 years	1 year
Escalation rates	8% to 10%	8% to 10%	10%	7.5%
Age of buildings	Approx. 15 years	15 years old	15 years	Approx. 10 years
Comments	One unit is underrented by 15% to market. Reversion in 2008. Reversions are due	Property is under-rented. Reversion to market on expiry January 2008		The property is underrented. Current rental is 23% under market
Assumed market rental growth rate	6.00%	6.00%	6.00%	6.00%
Discount rate	16.00%	15.00%	16.00%	15.50%
Assumed effective vacancy factor	2.00%	5.00%	4.00%	2.00%
Exit cap rate (at end of 5 year DCF)	11.50%	11.00%	12.50%	10.50%
Forward yield	10.23%	9.54%	11.79%	8.77%

The Avenues North Phases 1 and 2		The Pinnacle	Vacant Erf 24	Crocker Road Industrial Park
Market valuation	R19 700 000	R90 000 000	R16 100 000	R13 700 000
Address	Located in Rivonia, in close proximity to the Sandton CBD. Mellis Street is connected to Autumn Street only runs from east to west.	Situated on the corner of Burg, Castle and Strand Streets, in the centre of the Cape Town CBD. Strand Street is one of the principle landmark roads in the Cape Town CBD	Situated alongside Harbour Place at 6 Oswald, corner Oswald Pirow Street and Martin Hammerschlag Way Cape Town in the Culemborg/Foreshore area in the Cape Town CBD/Roggebaai Precinct	Corner Peddie and Crocker Streets Wadeville
Registered description	Erf 333 Rivonia Extension 20 Township Registration Division IR Province of Gauteng Erf 334 Rivonia Extension 20 Township Registration Division IR Province of Gauteng	Erf 9465 and Erf 2553 Cape Town, in the City of Cape Town, Cape Division, Province of the Western Cape	Erf 24 Roggebaai in the City of Cape Town, Cape Division, Province of the Western Cape	Erf 711 Wadeville Extension 4 Township Registration Division IR, Province of Gauteng
Date of physical inspection	January 2007	22 January 2007	22 January 2007	22 January 2007
Date of valuation	31 December 2006	31 December 2006	31 December 2006	31 December 2006
Description	3 office buildings	18-storey office building	Vacant site rectangular shaped stand	An industrial park with 64 mini-units.
GRA (square metres)	3 713	11 393	1 150	9 820
Existing use	Office	Office and retail	Vacant site with business development rights in the Cape Town CBD	Mini-factory and warehouse units
Tenure	Freehold	Freehold	Freehold	Freehold

	The Avenues North Phases 1 and 2	The Pinnacle	Vacant Erf 24	Crocker Road Industrial Park
Major tenants	Connection Holdings Limited and Bytes Technology	Apache Spur, CT Tourism, Grant Thornton for parking, Old Mutual	Hyundai uses Erf 24 (vacant possession)	None
Type of lease	Gross and Net	Standard	n/a	Gross/Basic plus ops
Length of leases	1 to 3 years	3 to 5 years	n/a	1 month to 2 years 11 months
Escalation rates	8% to 9%	8% to 10%	n/a	8% to 11%
Age of buildings	15 years	Structure approx. 30 years, with a full refurbishment to modern A-Grade standard approximately 5 years ago		Approximately 25 years
Comments		Property is 10% vacant and under-rented	Vacant site of 1 150m ² . Derived value by 8 500m bulk X R2 000/m	None
Assumed market rental growth rate	6.00%	7.00%	n/a	5.00%
Discount rate	15.00%	14.00%	n/a	16.50%
Assumed effective vacancy factor	5.50%	2.50%	n/a	2.00%
Exit cap rate (at end of 5 year DCF)	11.00%	9.50%	n/a	12.00%
Forward yield	10.69%	7.70%	n/a	11.89%

CAVEATS

1. The Valuer

This Valuation Report has been prepared by the Valuation and Professional Services Division of Old Mutual Property Group (Pty) Limited.

2. Full disclosure

This valuation has been prepared on the basis that full disclosure of all information and factors which may affect the valuation have been made to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation, unless such full disclosure has been made. Where possible we have investigated the validity of the information provided.

3. Standards

We confirm our Valuation Report has been completed in accordance with both international and local standards, namely:

3.1 The Royal Institution of Chartered Surveyors, RICS Valuation and Appraisal Standards (the Red Book, as amended).

3.2 International Accounting Standards (IAS).

3.3 International Valuation Standards Committee (IVSC, White Book).

3.4 The rules and guidelines laid down by the South African Council for the Property Valuers Profession in accordance with the Valuers Act, 2000.

4. Mortgage bonds, loans or other charges

The property has been valued as if wholly owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans or other charges.

5. Calculation of areas

Where areas quoted within the Valuation Report have been provided by yourselves, we have assumed that they have been arrived at using the SAPOA standard method of measurement.

6. Plans

All plans included within the Valuation Report are supplied for the purpose of identification only and are not necessarily to scale.

7. Marriage value

We have not reflected in our valuation any element of "marriage value" or "special purchaser value" which could possibly be realised by merger of the freehold and leasehold interests or by sale to an owner or occupier of an adjoining property.

8. Individual properties

The values reported are for the individual properties. No allowance is made for any premium which may be applicable for an assembled portfolio of properties, nor is a discount allowed for any flooding of the market which might exist if all or a majority of the properties were offered for sale simultaneously.

9. Independent valuers clause

Neither the Valuer, nor Old Mutual Property Group, has any present or contemplated interest in this or any other properties or any other interests, which would affect the statements or values contained in this valuation report. The valuation enclosed herewith was therefore undertaken on a completely independent basis.

10. Certificate of compliance

We have assumed that the seller will, at his own expense, provide an appropriate Certificate of Compliance issued by an accredited person certifying that the electrical installation of the premises is reasonably safe.

11. Title deed

In the case of freehold properties, we have inspected the relevant Title Deed documents in July 2006. Where as a result of our inspection some points have caused us concern, we have referred specifically to them in the Report. In the December 2006 valuation we have assumed that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.

The property boundaries, as indicated to Old Mutual Property Group by the instructing client or his appointed agent, or the boundaries as indicated by plans supplied by the client, are assumed to be the legal extent of the property. Any variation of these boundaries by extension or omission and the resultant inclusion or omission of any improvements as a result of this or these variations cannot therefore be regarded as the responsibility of Old Mutual Property Group.

12. Sources of information

Unless otherwise stated, we have relied on information provided to us by the Client and their consultants for all the information given concerning details of tenure, tenancies and building and site areas, etc.

Unless already available, the Client is recommended to seek confirmation in writing from the appropriate parties concerning information not supplied to us on the above matters.

13. Improvements

Unless advised to the contrary, we have assumed that all fixed and immovable improvements to the subject property will form part of the interest to be valued.

14. Plant and machinery

Our valuation takes account of those items of plant and machinery normally associated with the valuation of land and buildings, such as standard air-conditioning plant, boilers, heating, sprinklers, ventilation systems and the like. Our valuation excludes information technology and process plant, machinery and fixtures and fittings that would normally be taken to be the property of the occupier.

15. Tax

No allowance is made in our valuation for liability to taxation, which may arise on acquisition or on disposal, whether actual or notional, e.g. VAT and Capital Gains Tax.

All rental and valuation calculations and figures reported are exclusive of VAT.

16. Transactional costs

Seller's and Purchaser's costs (such as agent's commission, legal fees, transfer fees, etc) will differ from party to party depending on the individual and specific circumstances of the seller or purchaser.

No allowance has therefore been made in our valuation to reflect any seller's and purchaser's costs of sale or realisation of the property asset.

17. Structural condition

The property has been valued in its existing state. In the event of its ownership or use changing in such a manner that the local authority will require the upgrading of the premises to comply with fire protection and other regulations, it may be necessary to reduce the valuation by the amount covering the cost of such compliance.

We have not been instructed to carry out a structural survey of the subject property.

For the purpose of this Valuation Report we have not inspected those parts of the property, which are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this Report should not be taken as making any implied representation or statement about such parts.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material as been used in the construction of the property, or has since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation we have assumed that should such investigation disclose the presence of any such material to any significant extent then appropriate removal and remediation will be carried out by the Client prior to disposal of the interest.

18. Contamination

In the absence of instructions to the contrary we have assumed that no contaminative or potentially contaminative uses have ever been carried out in or on the subject property. We have not carried out any investigation into past or present uses, either on the property or any immediately neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from these uses or sites and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists on the subject property or on the immediately neighbouring land, or that the property has been or is being put to a contaminative use, this might reduce the value now reported.

19. Soil condition

We have not carried out any soil or sub-stratum tests on the property and we have assumed that the property is suitable for the purpose for which it would be put without having to provide excessive reinforcement to any structure built thereon.

20. Outgoings

It is assumed, except where otherwise stated, that the property is subject to the normal landlord's outgoings and that there are no onerous restrictions or unusual covenants of which we have no knowledge. In preparing our valuation we have formed our opinion of outgoings.

21. Statutory enquiries

We have checked for the purpose of this exercise and, unless we are specifically advised to the contrary, that the subject property complies with all relevant, applicable and prevailing statute, laws, regulations and by-laws and that its use is not unlawful.

Details of Freestone's property portfolio

Property name	Province	Location	Description	Rental area (m ²)	Monthly weighted average rental per m ² (R)#	Effective date of acquisition	Purchase price valuation (R'000)	Independent valuer's valuation (R'000)	External valuer
Retail sector									
Bizana Shopping Centre *	Eastern Cape	Bizana	Rural retail	4 865	41.34	Aug-01	7 150	10 200	Mills Fitchet
Central Square Idutywa *	Eastern Cape	Idutywa	Rural transport node retail	4 024	48.89	Jun-05	10 200	13 555	Mills Fitchet
Cofimvaba Shopping Centre *	Eastern Cape	Cofimvaba	Rural transport node retail	4 938	50.00	Aug-01	8 235	16 910	Mills Fitchet
Flagstaff Shopping Centre *	Eastern Cape	Flagstaff	Rural transport node retail	2 838	48.39	Aug-01	6 086	6 055	Mills Fitchet
Mr Price Homezone	Eastern Cape	Oudishoorn	Speciality retail	424	29.25	Aug-01	1 350	1 500	†
Tin Roof House	Eastern Cape	Umtata	Rural retail	2 175	33.50	Nov-06	8 500	9 460	Mills Fitchet
Centurion Discount Centre	Gauteng	Centurion	Speciality retail	2 049	43.60	Aug-01	7 247	10 500	Old Mutual
Midrand Motor City	Gauteng	Midrand	Speciality motor with offices	7 593	33.71	Aug-01	18 013	24 000	CB Richard Ellis
Montana Value Centre	Gauteng	Pretoria	Speciality retail	9 717	51.70	Jul-05	29 500	42 200	Old Mutual
Mutual Mews	Gauteng	Rivonia	Neighbourhood retail	1 596	106.78	Aug-01	10 000	10,100	CB Richard Ellis
The Colony Centre	Gauteng	Craighall	Neighbourhood retail	7 273	107.66	Dec-02	31 062	44 420	Mills Fitchet
The Tramshed	Gauteng	Pretoria	Community retail	13 107	62.70	Nov-04	16 520	42 900	CB Richard Ellis
Tokai Shopping Centre *	Gauteng	Randburg	Neighbourhood retail	2 748	95.79	Sep-02	11 280	11 035	Mills Fitchet
Dundee Boulevard	KwaZulu-Natal	Dundee	Community retail	6 749	53.49	Aug-01	15 000	23 475	Mills Fitchet
Granada Shopping Centre	KwaZulu-Natal	Umhlanga	Neighbourhood retail	5 785	91.32	Dec-02	20 048	43 290	Mills Fitchet
Greytown Centre *	KwaZulu-Natal	Rocks	with offices						
Home Centre *	KwaZulu-Natal	Greytown	Rural transport node retail	2 298	45.54	Aug-01	4 005	5 455	Mills Fitchet
Ingwavuma Shopping Centre	KwaZulu-Natal	Springfield	Speciality retail	17 648	85.03	Aug-01	54 972	83 840	Mills Fitchet
Kokstad Shopping Centre *	KwaZulu-Natal	Ingwavuma	Rural transport node retail	4 403	52.64	Aug-01	8 612	17 690	Mills Fitchet
Matatiele Centre *	KwaZulu-Natal	Kokstad	Rural transport node retail	9 196	47.66	Aug-01	18 060	25 806	Mills Fitchet
Mkhize Plaza, Nqutu *	KwaZulu-Natal	Matatiele	Rural transport node retail	7 272	53.47	Aug-01	13 766	20 895	Mills Fitchet
Nongoma Centre *	KwaZulu-Natal	Nqutu	Rural retail	3 893	46.98	Jun-06	12 500	13 200	Mills Fitchet
Old Acre Plaza	KwaZulu-Natal	Nongoma	Rural retail	9 061	35.42	Aug-01	18 903	20 595	Mills Fitchet
Park Boulevard Retail Centre	KwaZulu-Natal	Dundee	Transport node retail	6 077	45.08	Aug-01	10 350	18 230	Mills Fitchet
Standard Bank Glenwood	KwaZulu-Natal	Riverside	Neighbourhood retail	5 301	62.55	Aug-01	16 900	22 120	Mills Fitchet
Umhlanga Centre *	KwaZulu-Natal	Glenwood	Speciality retail	368	119.08	Aug-01	3 100	3 390	Mills Fitchet
Umzimkulu Centre *	KwaZulu-Natal	Umhlanga	Neighbourhood retail	5 770	106.56	Aug-01	22 014	29 650	Mills Fitchet
Boxer Kokstad	KwaZulu-Natal	Rocks	with offices						
	KwaZulu-Natal	Umzimkulu	Rural transport node retail	5 410	44.21	Aug-01	11 626	17 430	Mills Fitchet
	KwaZulu-Natal	Kokstad	Rural retail	1 837	35.47	Oct-07	5 560	4 940	Mills Fitchet

* Leasehold.

† Building has been sold but not yet transferred. Shown at selling price.

Includes operating and electricity expense recoveries.

Property name	Province	Location	Description	Rental area (m ²)	Monthly weighted average rental per m ² (R)#	Effective date of acquisition	Purchase price (R'000)	Independent valuer's valuation (R'000)	External valuer
Commercial sector									
Iustitia Building	Free State	Bloemfontein	High-rise offices	5 360	58.60	Nov-04	10 830	20 000	CCI Properties
Omni Centre	Free State	Bloemfontein	High-rise offices	5 453	36.99	Nov-04	9 975	16 500	CCI Properties
Southern Life Plaza	Free State	Bloemfontein	High-rise offices	10 497	65.91	Nov-04	29 900	47 000	CCI Properties
12 Baker Street	Gauteng	Rosebank	High-rise offices	4 656	80.62	Nov-04	20 560	31 090	Mills Fitchet
2 Sturdee Avenue	Gauteng	Rosebank	High-rise offices	5 603	76.90	Nov-04	22 655	36 710	Mills Fitchet
Albury Park	Gauteng	Dunkeld	Office Park	8 144	89.03	Jan-05	34 400	55 100	CB Richard Ellis
Barvic House	Gauteng	Randburg	Low-rise offices	3 322	42.29	Aug-01	8 384	10 300	CB Richard Ellis
CBC House	Gauteng	Randburg	Specialised retail with warehousing	2 596	50.97	Dec-02	6 950	9 400	CB Richard Ellis
Ciros House	Gauteng	Rivonia	Office Park	1 838	81.39	Aug-01	8 665	8 300	Old Mutual
CRB House	Gauteng	Kramerville	Offices with warehousing	5 676	42.06	Nov-04	8 500	18 900	Old Mutual
Dresdner House	Gauteng	Dunkeld	Low-rise offices	892	139.91	Jan-05	3 800	7 300	CB Richard Ellis
Fluor Building	Gauteng	Sunninghill	Low-rise offices	7 382	79.99	Nov-04	34 640	59 800	CB Richard Ellis
Georgian Place	Gauteng	Kelvin	Office park with warehousing	12 240	37.83	Aug-01	32 600	35 100	CB Richard Ellis
Harrogate Park	Gauteng	Hatfield	Low-rise offices	1 711	70.97	Aug-01	7 920	10 000	Old Mutual
Herdbuoys Building	Gauteng	Sunninghill	Low-rise offices	5 370	102.87	Aug-01	27 946	51 500	CB Richard Ellis
Highway Business Park – IST	Gauteng	Centurion	Low-rise offices	2 362	67.43	Nov-04	7 364	12 600	Old Mutual
Howick Gardens	Gauteng	Midrand	Low-rise offices	3 015	60.31	Jan-05	11 200	13 900	CB Richard Ellis
Hurlingham Office Park	Gauteng	Hurlingham	Office Park	15 520	58.12	Apr-05	29 750	79 500	CB Richard Ellis
Hyde Park Lane	Gauteng	Hyde Park	Office Park	15 411	85.10	Nov-04	60 475	102 700	CB Richard Ellis
Linkview	Gauteng	Randburg	Low-rise offices	1 540	60.94	Dec-02	3 949	4 600	CB Richard Ellis
UNDP House	Gauteng	Sunninghill	Low-rise offices	4 350	69.57	Aug-01	33 274	32 500	CB Richard Ellis
Olivedale Office Park	Gauteng	Olivedale	Office Park	3 129	58.17	Aug-01	15 333	11 100	CB Richard Ellis
Riverworld Park	Gauteng	Rivonia	Office Park	3 760	101.28	Aug-01	27 334	26 900	Old Mutual
Sturdee House	Gauteng	Rosebank	Low-rise offices	1 620	107.80	Dec-02	8 379	12 040	Mills Fitchet
The Avenues	Gauteng	Edenburg	Office Park	3 471	87.19	Nov-04	12 730	19 700	Old Mutual
Wierda Gables	Gauteng	Wierda Valley	Low-rise offices	2 007	72.67	Jan-05	7 600	11 900	CB Richard Ellis

#Includes operating and electricity expense recoveries.

Property name	Province	Location	Description	Rental area (m ²)	Monthly weighted average rental per m ² (R)#	Effective date of acquisition	Purchase price valuation (R'000)	Independent valuer's valuation (R'000)	External valuer
Commercial sector (continued)									
Kuehne and Nagel House	KwaZulu-Natal	Berea	Low-rise offices	2 140	34.74	Aug-01	6 500	5 650	Mills Fitchet
Chiappini House	Western Cape	Cape Town	Low-rise offices with retail	1 014	93.43	Aug-01	5 201	8 200	Old Mutual
Fleetway House	Western Cape	Cape Town – Foreshore	High-rise offices with retail	7 031	60.38	Aug-01	29 598	27 800	Old Mutual
FNB Building	Western Cape	Cape Town	High-rise offices with retail	7 117	34.28	Aug-01	24 044	26 700	Old Mutual
Hamilton House	Western Cape	Cape Town	Low-rise offices with retail	3 409	86.22	Aug-01	15 106	27 800	Old Mutual
Harbour Place	Western Cape	Cape Town – Foreshore	High-rise offices with retail	5 457	64.33	Aug-01	35 834	40 400	Old Mutual
The Pinnacle	Western Cape	Cape Town	High-rise offices with retail	11 396	91.57	Aug-01	77 546	90 000	Old Mutual
Industrial sector									
8 Grader Road	Gauteng	Spartan	Industrial	3 818	19.56	Jun-06	5 725	7 785	Mills Fitchet
Defy Appliances	Gauteng	Denver	Industrial	10 100	23.58	Aug-01	11 940	17 900	Old Mutual
Executive City	Gauteng	Kya Sands	Mini units	4 558	35.51	Aug-01	8 500	12 000	Old Mutual
Highway Business Park – Other	Gauteng	Centurion	Warehousing with offices	7 329	32.85	Nov-04	13 673	25 700	Old Mutual
Isando – Unitrans	Gauteng	Isando	Warehousing with offices	11 612	22.91	Aug-01	12 550	18 700	Old Mutual
Midline Business Park	Gauteng	Midrand	Mini-units	12 573	34.21	Aug-01	22 000	30 700	Old Mutual
Nampak Building	Gauteng	Denver	Warehousing with offices	24 880	5.78	Nov-04	9 450	12 300	Old Mutual
Portion 130 Spartan	Gauteng	Spartan	High grade industrial	1 715	49.29	Aug-01	4 077	5 000	Old Mutual
Rep-Props	Gauteng	Spartan	Mini-units	1 640	35.88	Aug-01	2 991	4 500	Old Mutual
Rustavia Industrial Park	Gauteng	Elandsfontein	Mini-units	9 851	22.90	Nov-04	6 965	15 700	Old Mutual
Starsky House	Gauteng	Kramerville	Offices with warehousing	2 450	28.92	Nov-04	2 815	5 300	Old Mutual
Steiner Services	Gauteng	Spartan	High grade industrial	4 804	34.09	Aug-01	9 083	14 700	Old Mutual
Wadeville Industrial Park	Gauteng	Wadeville	Mini-units	9 882	23.35	Nov-04	6 565	13 700	Old Mutual
Wadeville Industrial Village	Gauteng	Wadeville	Mini-units	13 384	22.56	Nov-04	9 780	21 100	Old Mutual
Universal Print House	KwaZulu-Natal	Durban North	High-tech industrial	12 559	26.30	Sep-02	18 014	26 395	Mills Fitchet
				460 059				1 795 311	

#Includes operating and electricity expense recoveries.

Reporting accountants' report on the forecast income statement

"The Directors
Strategic Real Estate Managers (Proprietary) Limited
PO Box 788130
Sandton
2196

7 March 2007

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE PROFIT FORECAST OF THE PROPERTY PORTFOLIO, FREESTONE PROPERTY HOLDINGS LIMITED ("FREESTONE") TO BE ACQUIRED BY EMIRA PROPERTY FUND ("Emira")

We have examined the profit and the related assumptions of the property portfolio to be acquired by Emira ("the Freestone Property Portfolio") set out in the circular to Emira participatory interest holders, to be dated on or about 12 March 2007 ("the Circular"), for the three-month period ending 30 June 2007 and the financial year ending 30 June 2008, amounting to an attributable profit before distribution to linked participatory interest holders of R24.4 million and R106.1 million, respectively, as set out in paragraph 4.4 of the Circular, the forecast vacancy profile, by sector, by gross lettable area and the forecast lease expiry profile based on existing lease agreements, as set out in paragraphs 4.3.4 and 4.3.5 of the Circular (collectively, "the forecast information").

Directors' responsibility

The directors of Strategic Real Estate Managers ("STREM") are responsible for the forecast information, including the assumptions set out in paragraph 4.4 of the Circular, on which it is based, and for the financial information from which it has been prepared. This responsibility, arising from compliance with the Listings Requirements of the JSE Limited ("JSE"), includes:

- determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast;
- whether the forecast information has been properly compiled on the basis stated; and
- whether the forecast information, is presented on a basis consistent with the accounting policies of Emira.

Reporting accountants' responsibility

Our responsibility is to provide a limited assurance report on the forecast information prepared for the purpose of complying with the JSE Listings Requirements and for inclusion in the Circular to Emira unitholders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *The Examination of Prospective Financial Information*.

This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- management's best-estimate assumptions on which the forecast is based are not unreasonable and are consistent with the purpose of the information;
- the forecast is properly prepared on the basis of the assumptions;
- the forecast is properly presented and all material assumptions are adequately disclosed;
- the forecast information is prepared and presented on a basis consistent with the accounting policies of Emira for the period concerned.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Information and sources of information

In arriving at our conclusion, we have relied upon forecast financial information prepared by management of STREM and other information from various public, financial and industry sources.

The principal sources of information used in arriving at our conclusion are as follows:

- the audited historical financial information of the Freestone Property Portfolio for the year ended 30 June 2006;
- management prepared forecasts for the three-month period ending 30 June 2007 and year ending 30 June 2008;
- discussions with the management of Emira, STREM and Freestone regarding the forecasts presented;
- discussions with management of Emira, STREM and Freestone regarding the prevailing market and economic conditions;
- discussion with the property valuers and property managers with regard to the forecast expenses;
- lease agreements for a sample of the properties; and
- valuation reports, in respect of the properties.

Procedures

In arriving at our conclusion we have performed the following procedures:

Rental income

- the forecast contracted rental income streams per the profit forecast, were selected from a sample of properties and agreed to the underlying lease agreements. The total coverage obtained was in excess of 70% of the forecast contracted rental income.
- the rental income streams from the above sample were recalculated to ensure accuracy of the information contained in the profit forecast;
- for a sample of properties, forecast recoveries were compared to historical recoveries and the forecast operating expenditure for reasonableness. The terms of the leases were considered so as to ensure that the basis of the recoveries was correct;
- existing lease agreements that will expire during the period under review were discussed individually with the property managers. Unless the existing tenant has indicated that it intends to vacate the premises, it has been assumed that the existing tenant will renew the lease agreement and the resultant uncontracted rental income has been included in the forecast;
- space that is currently empty has been excluded from the forecast;
- the vacancy levels per the forecast model were compared to the historical vacancy levels for reasonableness. Uncontracted rental income comprises 6.8% and 8.8% of the total forecast revenue for the three-month period ended 30 June 2007 and the financial year ended 30 June 2008, respectively.

Expenses

For a sample of properties, forecast expenses were compared to the historical expenses or discussed with Freestone management, property managers and the independent valuer. Explanations were obtained for any significant differences. The total expenses tested were in excess of 70% of the total forecast expenses.

The detailed forecast expenditure was reviewed to ensure that all material expenditure items, as required by paragraph 13.6 (a)(v) of the JSE Listings Requirements, were disclosed. The explanations for variances of 10% or more between the historic and forecast expenditure line items were assessed for reasonableness.

Portfolio expenses

The forecast interest income, interest expense, property management fees and other portfolio expenses were assessed for reasonableness and, where applicable, recalculated. Certain expenses were also compared to similar expenses of other funds in order to assess their reasonableness.

Application of accounting policies

We ascertained that the accounting policies to be applied by Emira in the future were applied consistently in arriving at forecast income, and agreed to the disclosed accounting policies and IFRS for the respective accounting period.

Model review

In order to ensure that the forecast model for the property income and expenses was accurate and reliable we performed a high level review to determine the consistency and mathematical accuracy of the model.

Vacancy profile and lease expiry profile

We reviewed the individual property worksheets to ascertain that the vacancy profile and the lease expiry profile included in the model was derived from the correct sources.

We compared the vacancy profile and lease expiry profile included in paragraphs 4.3.4 and 4.3.5 of the Circular to the vacancy profile and lease expiry profile in the model and found them to be in agreement.

Accuracy of the information

We have relied upon and assumed the accuracy and completeness of the information provided to us in writing, or obtained through discussions with the management of STREM, Emira and Freestone and the independent valuer. While our work has involved an analysis of the historical financial information and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with International Auditing Standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us, in respect of the property forecast and relevant information included in the Circular.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention which causes us to believe that:

- the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast information;
- the forecast information has not been properly compiled on the basis stated;
- the forecast has been properly presented and all material assumptions are not adequately disclosed;
- the forecast information is not presented on a basis consistent with the accounting policies of Emira.

Actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation may be material; accordingly no assurance is expressed regarding the achievability of the forecast.

Our report and the conclusion contained herein is provided solely for the benefit of the board of directors of STREM and existing and prospective participatory interest holders of the issuer for the purpose of their consideration of the acquisition. This letter is not addressed to and may not be relied upon by any other third party for any purpose whatsoever.

Yours faithfully

P G McCrystal

Director: Transaction Services

PricewaterhouseCoopers Advisory Services (Proprietary) Limited

2 Eglin Road
Sunninghill, 2157"

**Opinion of the independent professional expert on the future
specific issue of PIs for cash**

“Emira Property Fund
PO Box 786130
Sandton
2146

7 March 2007

**For the attention of the board of directors:
Strategic Real Estate Managers (Proprietary) Limited (“STREM”)**

Dear Sirs

Report of the independent professional expert to the STREM board regarding the proposed issue of Emira Property Fund (“Emira”) participatory interests (“PI”) in terms of a future specific issue of the PIs for cash to Emira’s current Black Economic Empowerment parties (“BEE parties”)

1. Introduction

As set out in the circular to Emira PI holders, to be dated on or about 12 March 2007 (“the circular”), in which a copy of this letter will be included, Emira is proposing to make a future specific issue (“future specific issue”) for cash to Tiso Property (Proprietary) Limited (“Tiso Property”), Micawber 410 (Proprietary) Limited (“BNewco”) and Shalamuka Foundation. BNewco is the vehicle through which Avuka Investment Holdings (Proprietary) Limited (“Avuka”), Shalamuka Foundation, Mr Benedict James van der Ross and the black employees of RMB Properties (Proprietary) Limited (“the broad-based BEE parties”) will hold their investment in Emira until such time as they are in a position to take transfer of their respective shares in BNewco.

The acquisition of 100% of the Freestone Property Holdings Limited (“Freestone”) linked units and subsequent issue of Emira’s PIs to Freestone unitholders as consideration interest will result in the dilution of Emira’s current BEE PI holdings.

The purpose of the further BEE initiatives is to maintain Emira’s current BEE PI holdings at its current level and to ensure continued meaningful participation by historically disadvantaged individuals in Emira.

The terms of the future specific issue are as follows:

- Emira will issue up to a maximum of 17 466 657 Emira PIs to Tiso Property and/or BNewco and/or Shalamuka Foundation upon the exercise of Tiso Property and/or BNewco and/or Shalamuka Foundation’s rights of subscription at any time during the period commencing on Tuesday 27 March 2007 and terminating six months thereafter, at the then market price per Emira PI, being the then 30-trading day volume weighted average ruling price thereof as published in the official lists of the JSE Limited (“JSE”), ex the entitlement to any distributions to the income earned up to that date, less a 6% discount in the anticipated ratios as set out below:
 - Tiso Property will acquire 12 111 906 Emira PIs;
 - BNewco will acquire 3 772 551 Emira PIs; and
 - Shalamuka Foundation will acquire 1 582 200 Emira PIs.

Full details of the future specific issue in terms are contained in the circular.

2. Scope

BNewco owns 13 698 671 Emira PIs. Mr Benedict James van der Ross, a director and chairman of STREM, holds 18.2% of the issued share capital of BNewco. Avuka owns 26% of BNewco. Ms Nocawe Makiwane, a board member of STREM, holds 25% of Avuka. Mr Nkululeko Leonard Sowazi, the deputy

chairman of Tiso Group (Proprietary) Limited (“Tiso Group”) and a director of STREM has an 18% shareholding in the Tiso Group. Tiso Property, a wholly-owned subsidiary of the Tiso Group owns 35 491 905 Emira PIs, therefore resulting in Mr Sowazi indirectly holding PIs in Emira. As a result of the future specific issue, these directors will receive indirect benefit, via BNewco and Tiso Property.

The future specific issue is therefore classified as a “small related party transaction” in terms of Section 10.7(b) of the JSE Listings Requirements. In this regard, the directors of STREM are required to provide the JSE with a written confirmation from an independent professional expert, acceptable to the JSE, that the terms and conditions of future specific issue is fair and reasonable as far as the PI holders of Emira are concerned.

KPMG has been appointed by the board of directors of STREM (“STREM board”) as the independent professional expert to advise the STREM board on whether the terms and conditions of the future specific issue are fair and reasonable to the PI holders of Emira.

3. Responsibility

The circular and compliance with the JSE Listings Requirements are the responsibility of the STREM board. Our responsibility is to report on the terms and conditions of the future specific issue.

4. Definition of the terms “fair” and “reasonable”

The granting of options will generally be considered fair to a company’s shareholders if the benefits received by the company, as a result of the grant of the options is equal to or greater than the value surrendered by the company or its shareholders.

The assessment of fairness is primarily based on quantitative issues. The future specific issue would be considered fair to the PI holders of Emira if the quantifiable value received by Emira from the future specific issue is equal to or greater than the value surrendered by Emira or its PI holders.

The assessment of reasonableness, however, is generally based on qualitative considerations surrounding the transaction. Hence, a transaction that is not fair may still be reasonable in certain circumstances after considering other significant qualitative factors.

5. Information and sources of information

In arriving at our opinion we have relied upon the following principal sources of information:

- audited annual financial statements for both Emira and Freestone for the financial years ended 30 June 2005 and 30 June 2006;
- Emira’s and Freestone’s unaudited quarterly management accounts for the period ended 31 December 2006;
- budgeted financial information for both Emira and Freestone for the financial year ending 30 June 2007, which has been approved by the Emira and Freestone boards, respectively;
- the valuations of the individual properties which comprise the Emira’s portfolio at 31 December 2006 (“the property valuations”). The property valuations were prepared using either discounted cash flow or comparative sale value by Ms Patience Luxomo and Ms Claire Everatt of RMB Properties, (Proprietary) Limited both of whom are registered property valuers;
- the valuations of the individual properties which comprise the Freestone’s portfolio at 31 December 2006 (“the property valuations”). The property valuations were prepared using either discounted cash flow by Mr Roger Hunting of CB Richards Ellis (Proprietary) Limited, Mr M J Carson of Edric Trust (Proprietary) Limited, Mr Tom Bate of Mills Fitchet Magnus Penny (Proprietary) Limited and Mr Trevor King of Old Mutual Property Group, all of whom are registered property valuers;
- discussions with the directors and management of Emira and Freestone on prevailing market, economic, legal and other conditions which may affect underlying value;
- discussions with the directors and management of Emira and Freestone on:
 - the rationale for the transaction;
 - the consideration of the 6% discount;
 - the actual and perceived benefits to be obtained from the transaction;
- publicly available information relating to both Emira and Freestone that we deemed to be relevant, including company announcements;

- the historic and current prices of both Emira PIs and Freestone linked units as traded on the JSE as well as information relating to the volume of the relevant property units and linked units traded;
- the *pro forma* financial information on the transaction as set out in the circular;
- the prevailing economic and market conditions relating to the listed property sector;
- the announcements to Emira PI holders and Freestone linked unitholders, dated 18 December 2006; and
- the terms and conditions set out in the proposed agreement to be entered into between Emira and Freestone, with the anticipated effective of 1 April 2007.

6. Procedures performed

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness of the future specific issue:

- considered the current regulatory and legislative environment in the South African property unit sector with regard to the Collective Investment Schemes Control Act, 45 of 2002 (“CISC Act”) requirements and the Statements and Codes of Good Practice issued in terms of the Broad-Based Black Economic Empowerment Act (“the Codes”) and/or the Property sector Transformation Charter (“Property Charter”);
- obtained an understanding of the future specific issue;
- obtained an understanding of the future specific issue including an assessment of the 6% discount to the market price in relation to the benefits that Emira will obtain as a result of the issue;
- obtained industry recent BEE transactions that were effected at discounts and compared the industry average BEE discount to the 6% offered by Emira;
- performed calculations of Emira’s PI value after both the Freestone acquisition and the future specific issue, and compared the resulting value to the Emira PI value before both the Freestone acquisition and the future specific issue;
- considered any quantifiable benefits to Emira received as a result of the future specific issue and compared the benefits to the value surrendered by Emira or its PI holders; and
- considered the financial impact of both the interim dividend and special dividend.

7. Key qualitative considerations

In arriving at our opinion, we have also considered the following key qualitative considerations in evaluating the reasonableness of the transaction:

- the business imperatives related to compliance with the terms of the Property sector Transformation Charter and the related Codes, to which Emira subscribes;
- the rationale for the future specific and the benefits thereof to Emira as set out in the circular and based on discussions with the directors; and
- consideration of the rationale for the future specific issue as well as the related costs incurred by, and benefits thereof to, Emira in the context of the future specific issue.

8. Opinion

KPMG has considered the terms and conditions of the proposed future specific issue and, based upon and subject to the conditions set out herein and the indicative valuation results, is of the opinion that the terms and conditions of the future specific issue are unfair but reasonable to Emira PI holders. We have concluded that the proposed transaction is unfair as management have not been able to specifically quantify the benefits that may be received by Emira PI holders from the future specific issue. As a result of the non-quantification of the benefits, the potential effect of the future specific issue on the Emira PI holders is a dilution in value of 0.2%.

Our opinion is necessarily based upon the information available to us up to 6 March 2007, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the future specific issue, have been fulfilled/obtained. Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

9. Limiting conditions

This report and opinion is provided to the STREM board and the PI holders of Emira in connection with and for the purposes of the future specific issue. The opinion does not purport to cater for each individual PI holder's perspective, but rather that of the general body of Emira PI holders. Should an Emira PI holder be in doubt as to what action to take, he or she should consult an independent advisor.

An individual PI holder's decision as to whether to vote in favour of the future specific issue may be influenced by his or her particular circumstances. The assessment as to whether or not the STREM board decides to recommend the future specific issue is a decision that can only be taken by the STREM board.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of the STREM, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information on Emira relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of the Emira will correspond to those projected.

We have also assumed that the future specific issue will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of the Emira and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in the future specific issue will be legally enforceable.

10. Independence

In terms of Schedule 5.1(a) of the JSE Limited Listings Requirements, we confirm that we have no direct or indirect interest in the shares of the JSE or the proposed future specific issue.

Furthermore, we confirm that our professional fees are not contingent upon the success of the future specific issue.

11. Consent

We consent to the inclusion of this letter and the reference to our opinion in the circular to be issued to the PI holders of the Emira in the form and context in which it appears.

Yours faithfully

Warren Watkins

Director – Corporate Finance

KPMG Services (Proprietary) Limited

KPMG Crescent
85 Empire Road
Parktown
2193

Neeraj Shah

Director – Corporate Finance

KPMG Services (Proprietary) Limited

KPMG Crescent
85 Empire Road
Parktown
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Historical financial information of Emira

The historical financial information of Emira, for which the STREM board is responsible, is presented below. The historical financial information has been extracted from the published results of Emira for the three financial years ended 30 June 2006 and the six months ended 31 December 2006.

Accounting policies

The accounting policies adopted in preparation of these financial statements are set out below:

Basis of presentation

The financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”) and incorporate the principal accounting policies set out below. IFRS 1 First-Time Adoption of International Financial Reporting Standards, has been applied in preparing these statements. These financial statements are the first Emira Property Fund’s financial statements to be prepared in accordance with IFRS.

Due to the fact that the adoption of IFRS had no effect on the comparative amounts, a reconciliation has not been prepared.

Change in accounting policies – operating leases

Upfront lease expenditure for operating leases is now recognised on a straight-line basis over the lease term on the contract in accordance with IAS 17: *International Accounting Standard 17 – Leases*, the comparative figures have been restated accordingly. The impact on the opening retained income was nil and, accordingly, no reconciliation has been prepared.

1. Investment property

Investment property comprises freehold land and buildings and installed equipment held for the purposes of earning rental income and for capital appreciation.

Investment property is treated as long-term investment and is initially recognised at cost and subsequently carried at fair value. The subsequent additions that enhance the value of the property are capitalised. Investment property under construction is valued at cost.

Maintenance and repairs which neither materially add to the value of the properties nor prolong their useful lives are expensed in the income statement.

Independent valuations are obtained on a rotational basis as to ensure that external independent valuation professionals have valued each property every three years. The directors value the remaining properties annually on an open market basis.

The valuation calculations are based on the aggregate of the net annual rents receivable and associated costs, using the discounted cash flow method. The discounted cash flow method takes projected cash flow and discounts them at a rate which is consistent with the comparable market transactions.

Any gains or losses arising from changes in fair value are included in the net income or loss for the year. The net gains or losses are transferred to revaluations reserve and are not available for distribution, as set out in the Trust Deed of the Fund.

Gains or losses arising from the disposal of investment properties, being the difference between the net disposal proceeds and the carrying value, are brought to account in the determination of the net income/(loss) for the year. The net gains or losses are transferred to a capital reserve and are not available for distribution in accordance with the Fund’s Trust Deed.

Property located on land that is held under operating lease is classified as investment property as long as it is held for long-term rental yield. These leases are classified as operating leases and have varying expiry dates from 15 to 45 years.

2. Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The Fund is party to numerous leasing contracts as the lessor of property. The Fund does not enter into such contracts as lessee. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

3. Furniture and fittings

Furniture and fittings are stated at historical cost less accumulated depreciation. Cost comprises the purchase price as well as all costs incurred in order to bring the assets to working condition.

Depreciation is calculated at cost less any impairment and expected residual value on the straight-line method.

The useful lives of furniture and fittings are five years.

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Furniture and fittings are linked to specific properties. Consequently, any gains or losses on disposal are incorporated with the gains or losses of the investment property.

Furniture and fittings residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date.

4. Impairment of assets

The Fund assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Fund about the following events:

- A breach of contract, such as a default or delinquency in payments.
- Significant financial difficulty of the debtor.
- The disappearance of an active market for the financial asset because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets.

If any of the above indications exist and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Impairment losses and reversal of impairment losses are recognised in the income statement.

5. Allowance of future rental escalation

Allowance for future rental escalations represent the difference between the actual cash rentals received to date and the rental income recognised on a straight-line basis over the period of the lease contracts.

6. Unamortised upfront lease cost

Upfront lease costs are amortised on a straight-line basis over the lease period to which they relate.

7. Trade and other receivables

Trade receivables are initially recognised at cost and subsequently at fair value. A provision for impairment of trade receivables is established when there is objective evidence that the Fund will not be able to collect all amounts due according to the original term of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of the expected cash flows, discounted at the market rate of interest for similar borrowers.

8. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in fair value. Cash and cash equivalents are stated at fair value.

9. Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred, when the Fund becomes party to the contractual provisions. Borrowings are subsequently stated at amortised cost using the effective interest rate method; any difference between proceeds (net of amortised costs) and the redemption value is recognised in the income statement over the period of the borrowings as interest.

Financial liabilities are removed from the balance sheet when the obligations specified in the contract is discharged, cancelled or has expired.

10. Derivative financial instruments

The Fund uses derivative financial instruments to hedge its exposure to interest rate risks arising from financial and investment activities. The Fund does not hold or issue financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are initially recognised and subsequently stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately to profit or loss. The fair value of the interest rate swaps is the estimated amount that the group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current credit worthiness of the swap counterparties.

11. Trade and other payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier. Provisions are recognised when the Fund has a present legal or constructive obligation as a result of the past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and in addition a reliable estimate of the amount can be made.

12. Offsetting

Financial assets and financial liabilities are only offset if there is a legal enforcement right to set-off the recognised amounts and there is an intention to either settle on a net basis or to realise the asset and settle the liability simultaneously.

13. Revenue and expense recognition

13.1 Revenue

Comprises rental income and operating cost recoveries from tenants, but excludes Value-Added Tax. Rental income is accounted for on a straight-line basis over the period of the lease contracts.

13.2 Investment income

Investment income is recognised on a time : proportion basis, taking into account the principal amount outstanding to the effective rate over the period to maturity when it is determined that such income will accrue to the Fund.

13.3 Operating leases

Leases under which the lessor effectively retains the risks and benefits of ownership are classified as operating leases. Obligations incurred under operating leases are charged to the income statement in equal instalments over the period of the lease.

13.4 Management fees

Management fees payable to STREM (Pty) Limited is equal to 0.5% of the total market capitalisation of the Fund, calculated monthly on the average daily closing of the Fund as recorded by the JSE, plus the total long-term borrowings.

13.5 Property management fees

Property management fees payable to RMB Properties (Pty) Limited are calculated based on the gross revenue collected using the market-related rates applicable to the type and occupancy of buildings.

14. Borrowing costs

All borrowing costs are recognised in the period in which they are incurred using the effective rate method. In the event that borrowing costs are incurred prior to the qualifying assets being ready for its intended use, such costs will be capitalised until such time as the asset is substantially ready for its intended use. Qualifying assets are those that necessarily take a substantial period of time to prepare for their intended use. Capitalisation is suspended during extended periods in which active development is interrupted. All other borrowing costs are expensed upon recognition.

15. Distributions to participatory interest holders

Distributions to participatory interest holders are recognised in the period in which income is earned. The accrued income arising as a result of the difference between actual cash rental received and the amortised amount on a straight-line basis over the periods of the lease contracts is not distributable until realised. The additional profit arising as a result of the Fund the upfront lease costs amortising them over the period of the lease contract is not distributable.

16. Segment reporting

Sectoral segments provide services that are subject to risks and returns that are different from those of other sectoral segments. Geographical segments provide services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

The major sectoral segments are retail, office and industrial. Properties are classified as retail, office and industrial according to the nature of their tenants. The geographical split is a secondary segment, the major segments are Gauteng, Western and Eastern Cape, KwaZulu-Natal, Free State and North West Provinces.

All segment revenue and expenses are directly attributable to the segment. Segment assets include all operating assets used by a segment, and consists principally of investment properties, current assets and property, plant and machinery. These assets and liabilities are all directly attributable to the segments.

17. Taxation

No taxation is accounted for in the Fund as all distributable income is distributed to participatory interest holders and taxable in their hands. As a result no deferred taxation has been raised.

Consolidated balance sheets

	As at 31 December 2006 (R'000)	As at 30 June 2006 (R'000)	As at 30 June 2005 (R'000)	As at 30 June 2004 (R'000)
ASSETS				
Non-current assets				
Fair value of investment property	3 910 119	3 025 871	2 215 059	1 901 027
Allowance for future rental escalations	57 926	51 452	32 669	–
Unamortised upfront lease costs	16 678	14 936	12 046	–
Gross fair value of property assets	3 984 723	3 092 259	2 259 774	1 901 027
Current assets				
Trade and other receivables	8 314	11 688	31 757	28 373
Cash and cash equivalents	7 012	652	9 252	4 027
	15 326	12 340	41 009	32 400
Total assets	4 000 049	3 104 599	2 300 783	1 933 427
EQUITY AND LIABILITIES				
Participatory interests	2 105 201	1 425 094	1 425 094	1 416 344
Reserves	1 205 390	1 058 171	363 512	85 403
Equity capital and reserves	3 310 591	2 483 265	1 788 606	1 501 747
Non-current liabilities				
Long-term borrowings	495 216	458 330	364 141	310 978
Current liabilities				
Short-term borrowings	–	3 224	1 867	1 867
Trade and other payables	63 109	50 531	34 257	39 121
Derivative financial instruments	2 416	92	11 757	–
Distribution payable to participatory interest holders	128 717	109 157	100 155	79 714
	194 242	163 004	148 036	120 702
Total liabilities	689 458	621 334	512 177	431 680
Total equity and liabilities	4 000 049	3 104 599	2 300 783	1 933 427

Consolidated income statements

	Six months ended 31 December 2006 (R'000)	Year ended 30 June 2006 (R'000)	Year ended 30 June 2005 (R'000)	Seven months ended 30 June 2004 (R'000)
Revenue	255 801	451 950	407 088	179 669
Property expenses	(77 619)	(137 778)	(113 292)	(60 843)
Administration and management expenses	(16 345)	(28 986)	(22 740)	(10 940)
Depreciation	(4 162)	(7 532)	(6 464)	(3 004)
Net income from property rental operations	157 675	277 654	264 592	104 882
Net fair value gains on investment property	231 220	661 154	240 124	86 906
Change in fair value as a result of straight-lining lease rentals	(6 474)	(18 783)	(32 669)	–
Change in fair value as a result of amortising upfront lease costs	(1 742)	(2 890)	(8 017)	–
Change in fair value as a result of appreciation of property values	239 436	682 827	280 810	86 906
Profit on disposal of investment property	–	1 459	11 179	–
Maintenance fund expenses	(974)	(855)	(1 827)	(1 330)
Discount on BEE units issued	(21 173)			
IFRS2 adjustments	(67 526)			
Listing costs	–	(128)	(104)	(345)
Operating profit	299 222	939 284	513 964	190 113
Finance costs	(25 378)	(32 365)	(45 662)	(20 669)
Investment income	2 092	1 417	3 554	8 046
Net profit for period	275 936	908 336	471 856	177 490
Earnings per participatory interest (cents)	85.96	316.68	165.10	65.22

Consolidated statements of changes in equity

	Participatory interest (R'000)	Revaluation reserve (R'000)	Retained earnings (R'000)	Total (R'000)
<i>2005 (Restated)</i>				
Balance at 1 July 2004	1 416 344	85 576	(173)	1 501 747
Issue of participatory interest	8 750	–	–	8 750
Net profit for period	–	–	471 856	471 856
Distribution to participatory interest holders	–	–	(193 747)	(193 747)
Allowance future rental escalation	–	32 669	(32 669)	–
Unamortised upfront lease cost	–	8 017	(8 017)	–
Fair value adjustments	–	240 124	(240 124)	–
Profit on disposal of investment property	–	11 179	(11 179)	–
Unrealised loss on interest rate swaps	–	(11 757)	11 757	–
Maintenance fund expenses	–	(1 827)	1 827	–
Balance at 30 June 2005	1 425 094	363 981	(469)	1 788 606
2006				
Balance at 1 July 2005	1 425 094	363 981	(469)	1 788 606
Net profit for year	–	–	908 336	908 336
Distribution to participatory interest holders	–	–	(213 677)	(213 677)
Allowance for future rental escalations	–	18 783	(18 783)	–
Net fair value gains on investment properties	–	661 154	(661 154)	–
Profit on sale of investment property	–	1 459	(1 459)	–
Unrealised gains on interest rate swap	–	11 665	(11 665)	–
Maintenance fund expenses	–	(855)	855	–
Unamortised upfront lease costs	–	2 890	(2 890)	–
Balance at 30 June 2006	1 425 094	1 059 077	(906)	2 483 265
Balance at 1 July 2006	1 425 094	1 059 077	(906)	2 483 265
Net profit for year	–	–	275 936	275 936
Distribution to participatory interest holders	–	–	(128 717)	(128 717)
Issue of participatory interest	680 107	–	–	680 107
Net fair value gains on investment properties	–	231 220	231 220	–
Allowance for future rental escalations	–	6 474	6 474	–
Deferring of upfront lease premiums	–	1 742	1 742	–
Discount on BEE participatory interests issued	–	(21 173)	(21 173)	–
IFRS 2 adjustments	–	(67 526)	(67 526)	–
Unrealised gains on interest rate swap	–	(2 325)	(2 325)	–
Transfer of maintenance fund expenses	–	(974)	(974)	–
Balance at 30 June 2006	2 105 201	1 206 515	(1 125)	3 310 591

Consolidated cash flow statements

	Six months ended 31 December 2006 (R'000)	Year ended 30 June 2006 (R'000)	Year ended 30 June 2005 (R'000)	Seven months ended 30 June 2004 (R'000)
Cash flows from operating activities				
Cash generated from operations	168 379	298 459	196 087	141 063
Interest received	2 092	1 417	3 554	8 046
Interest paid	(22 834)	(43 593)	(33 905)	(20 669)
Distributions to participatory interest holders	(109 157)	(204 675)	(173 306)	(12 373)
	38 480	51 608	(7 570)	116 067
Cash flows from investing activities				
Acquisition of investment properties	(654 760)	(166 656)	(104 693)	(1 779 893)
Acquisition of furniture and fittings	(2 430)	(6 497)	(8 984)	(37 232)
Proceeds on disposal of furniture and fittings	–	745	–	–
Proceeds on disposal of investment properties	–	16 654	40 455	–
Maintenance fund	–	–	24 104	(24 104)
	(657 190)	(155 754)	(49 118)	(1 841 229)
Cash flows from financing activities				
Issue of participatory interests	591 408	–	8 750	1 426 468
Cash utilised for listing expenses	–	–	–	(10 124)
Increase in borrowings	33 662	95 546	53 163	312 845
	625 070	95 546	61 913	1 729 189
Net increase in cash and cash equivalents	6 360	(8 600)	5 225	4 027
Cash at beginning of period	652	9 252	4 027	–
Cash at the end of period	7 012	652	9 252	4 027

Historical financial information of Freestone

The historical financial information of Freestone, for which the Freestone board is responsible, is presented below.

The historical financial information has been extracted from the published results of Freestone for the three financial years ended 30 June 2004, 30 June 2005, 30 June 2006 and the six months ended 31 December 2006.

ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Companies Act of South Africa, 1973 (Act 61 of 1973). IFRS 1: First-Time Adoption of the International Financial Reporting Standards, has been applied.

The adoption of IFRS has not resulted in any changes to the accounting policies of Freestone.

The annual financial statements have been prepared under the historical cost convention, except for investment properties and certain financial instruments which are carried at fair value and incorporate the following accounting policies which are consistent with those applied in the previous year:

At the date of authorisation of the financial statements, the following standards and interpretations were in issue but not yet effective:

- IFRS 7: Financial Instruments Disclosure.
- IFRIC 4: Determination when an Arrangement Contains a Lease.
- IFRIC 8: Scope of IFRS 2.

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the group.

Presentation of financial statements

These annual financial statements are presented in South African Rand as this is the currency in which Freestone's and the group's transactions are denominated.

Basis of consolidation

The consolidated annual financial statements incorporate the financial statements of Freestone and enterprises controlled by Freestone (its subsidiaries) up to 30 June each year. Control is achieved where Freestone has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair value of the assets and liabilities recognised.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of the acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All inter-company transactions and balances between group enterprises are eliminated on consolidation.

1. Investment properties

Investment properties, both freehold and leasehold, constitute properties held for rental income and capital appreciation.

Where investment properties are acquired and payment is partly deferred, the total purchase consideration is recognised as the cost.

Investment properties are stated at fair market value. The properties are valued annually by an independent valuer. Gains and losses arising from a change in the fair market value of investment properties are credited or charged to income for the period.

2. Investments in subsidiaries

Investments in subsidiaries are stated at the lower of cost or written-down value. Cost is written down in cases where there has been a permanent impairment in value.

3. Financial instruments

Financial assets and financial liabilities are recognised on the group's balance sheet when the group becomes a party to the contractual provisions of the instrument.

4. Financial assets

The principal financial assets are bank balances and cash, trade receivables and equity investments. These are stated at their nominal value as reduced by appropriate allowances for irrecoverable amounts.

5. Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. Significant financial liabilities include debenture capital, long-term liabilities and trade creditors.

6. Debenture capital

Debenture capital is regarded as a compound instrument, consisting of a liability component and an equity component. The liability component is now calculated at 100% of the proceeds, which reflects the interest service profile of the linked units according to the Debenture Trust Deed, following an adoption of a new Debenture Trust Deed on 10 November 2005. Debenture capital is fairly valued at reporting dates.

7. Long-term liabilities

Interest bearing liabilities are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis and are added to the carrying value of the instrument to the extent that they are not settled in the period in which they arise.

8. Trade payables

Trade payables are stated at their nominal value.

9. Equity instruments

Equity instruments are recorded at the proceeds received, net of the direct issue costs.

10. Derivative financial instruments and hedge accounting

The group's activities expose it primarily to the financial risks of changes in interest rates. The group uses interest rate swap and interest rate cap contracts to hedge these exposures. The group does not use derivative financial instruments for speculative purposes.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in the income statement. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of an asset or a liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects net profit or loss.

For an effective hedge of an exposure to changes in the fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged, with the corresponding entry in profit or loss. Gains or losses from remeasuring the derivative are recognised in profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in the income statement.

11. Provisions

Provisions are recognised when the group has a present obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits that can be reliably estimated.

12. Non-current assets held-for-sale

Non-current assets held-for-sale are assets that will be recovered principally through a sale transaction as detailed under 'Post-balance sheet events' in the Directors' report. These assets are measured at the lower of their carrying amounts less selling costs.

13. Revenue recognition

Revenue comprises gross rental income, operating expense recoveries from the letting of property and the amortisation of lease escalations, net of Value-Added Taxation. Revenue is recognised when the group is contractually entitled to income from tenants.

Interest income is accrued with reference to amounts owing and an appropriate interest rate.

14. Finance costs

Borrowing costs are expensed as incurred, except for the costs of implementing the securitisation issue, which are being expensed evenly over the issue period.

15. Impairment

At each balance sheet date, Freestone reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another Standard, in which case the impairment loss is treated as a revaluation decrease under that other Standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried as a revalued amount under another Standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other Standard.

16. Tenant installation costs and agent's commission

Material tenant installation costs and agent's commissions incurred are written off over the duration of the lease in respect of which the costs and commission were incurred.

17. Taxation

The charge for taxation is based on the results for the year as adjusted for items which are non-assessable or disallowable.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred taxation is accounted for using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the annual financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred taxation liabilities are recognised for all taxable temporary differences and deferred taxation 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 differences arose from the initial recognition of other assets and liabilities which affect neither the tax profit nor the accounting profit.

Deferred taxation liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred taxation is charged or credited in the income statement, except where it relates to items charged or credited to equity, in which case the deferred taxation is also dealt with in equity.

Deferred Capital Gains Taxation on the fair value adjustment of investment properties has been provided at income taxation rates, but only to the extent that there are not sufficient tax losses to shield the charge. In the event that a property is earmarked for future sale, deferred taxation would be computed using the Capital Gains Taxation rate.

Consolidated balance sheets

	As at 31 December 2006 (R'000)	As at 30 June 2006 (R'000)	As at 30 June 2005 (R'000)	As at 30 June 2004 (R'000)
ASSETS				
Non-current assets	1 774 831	1 615 310	1 248 650	734 305
Investment properties	1 729 541	1 554 993	1 217 463	734 305
Amortised lease escalations	41 270	39 168	31 187	–
Fair value of interest rate swaps	4 020	19 095	–	–
Deferred taxation	–	2 054	–	–
Current assets	117 260	583 544	76 350	16 108
Investment properties held-for-sale	24 500	22 623	12 150	–
Trade and other receivables	19 454	33 956	14 914	4 529
Cash and cash equivalents	73 306	526 965	49 286	11 579
Total assets	1 892 091	2 198 854	1 325 000	750 413
UNITHOLDERS' FUNDS AND LIABILITIES				
Share capital and share reserve	38 659	38 659	36 897	3 031
Fair value reserve	(212 839)	(36 016)	(77 846)	(17 815)
(Accumulated loss)/Retained income	(100)	(2 288)	2 203	(30 916)
Total equity	(174 280)	355	(38 746)	(45 700)
Debentures	1 185 009	898 972	625 536	158 782
Total unitholders' funds	1 010 729	899 327	586 790	113 082
Non-current liabilities	637 281	580 978	652 593	597 614
Interest bearing liabilities, net of expenses	493 652	493 835	644 697	597 564
Non-interest bearing liabilities	–	–	–	–
Fair value of interest rate swaps	–	–	7 896	–
Deferred taxation	143 629	87 143	–	50
Current liabilities	244 081	718 549	85 617	39 717
Current portion of interest bearing liabilities	150 011	618 240	–	3 295
Trade and other payables	48 440	54 672	46 342	20 172
Unitholders for interest distribution	45 630	45 637	39 275	16 250
Total unitholders' funds and liabilities	1 892 091	2 198 854	1 325 000	750 413
Net asset value, including debentures, per linked unit based on number of linked units (cents)	742.1	660.3	443.2	48.7
Net asset value including debentures per linked unit based on number of linked units (cents), assuming no deferred taxation	847.5	722.7	443.2	–

Consolidated income statements

	Six months ended 31 December 2006 (R'000)	Year ended 30 June 2006 (R'000)	Year ended 30 June 2005 (R'000)	Year ended 30 June 2004 (R'000)
Rental income and operating expense recoveries	135 996	256 962	208 226	161 689
Amortised lease escalations	2 102	7 981	9 068	–
Revenue	138 098	264 943	217 294	161 689
Operating expenses				
– Property rental operations and administration costs	(56 967)	(106 685)	(85 204)	(62 914)
– Asset management fees	(4 214)	(7 739)	(5 404)	(3 828)
Profit from operations	76 917	150 519	126 686	94 947
Interest received	1 080	1 892	1 710	2 259
Interest paid	(30 265)	(61 336)	(62 545)	(73 210)
Profit before debenture interest	47 732	91 075	65 851	23 996
Refund on linked units issued <i>cum</i> interest	–	–	11 035	–
Debenture interest distribution	(45 630)	(83 094)	(67 818)	(23 996)
Profit after debenture interest	2 102	7 981	9 068	–
Abnormal items	–	–	–	(45 171)
Costs in respect of unwind of interest rate fixes	–	–	–	(44 011)
Costs in respect of claw-back offer	–	–	–	(1 160)
Fair valuation adjustments	(118 282)	126 919	(37 962)	106 607
Investment properties	184 932	352 586	141 130	36 934
Amortised lease escalations	(2 102)	(7 981)	(9 068)	–
Debentures	(286 037)	(244 677)	(161 963)	71 370
Interest rate swaps	(15 075)	26 991	(7 896)	–
Non-interest bearing liabilities	–	–	(165)	(1 697)
Profit on sale of investment properties	85	425	1 932	1 358
Profit/(Loss) before taxation	(116 095)	135 325	(26 962)	62 794
Taxation	(58 540)	(85 089)	50	509
Net profit/(loss) for period attributable to linked unitholders	(174 635)	50 236	(26 912)	63 303
Net profit/(loss) for period attributable to linked unitholders per linked unit (cents)	(128.21)	37.07	(26.77)	34.83

Consolidated statements in changes in equity

	Share capital (R'000)	Fair value reserve (R'000)	Retained income/ (Accumulated loss) (R'000)	Total equity (R'000)	Debentures (R'000)	Unitholders' funds (R'000)
GROUP						
Balance at 30 June 2004	3 031	(39 934)	(8 797)	(45 700)	158 782	113 082
Issue of share capital and debentures	33 866	-	-	33 866	304 791	338 657
Net loss for period	-	-	(26 912)	(26 912)	-	(26 912)
Transfer of unrealised gain on fair valuation of investment properties	-	141 130	(141 130)	-	-	-
Adjustment in respect of amortised lease escalations	-	(9 068)	9 068	-	-	-
Transfer of unrealised loss on fair valuation of debentures	-	(161 963)	161 963	-	161 963	161 963
Transfer of unrealised loss on fair valuation of interest rate swaps	-	(7 896)	7 896	-	-	-
Transfer of unrealised loss on fair valuation and non-interest bearing liabilities	-	(165)	165	-	-	-
Taxation adjustment	-	50	(50)	-	-	-
Balance at 30 June 2005	36 897	(77 846)	2 203	(38 746)	625 536	586 790
Issued share capital and debentures	1 762	-	-	1 762	15 862	17 624
Change in Trust Deed	-	-	(12 897)	(12 897)	12 897	-
Net profit for year	-	-	50 236	50 236	-	50 236
Transfer of unrealised gain on fair valuation of investment properties	-	352 586	(352 586)	-	-	-
Adjustment in respect of amortised lease escalations	-	(7 981)	7 981	-	-	-
Transfer of unrealised loss on fair valuation of debentures	-	(244 677)	244 677	-	244 677	244 677
Transfer of unrealised profit on fair valuation of interest rate swaps	-	26 991	(26 991)	-	-	-
Taxation adjustment	-	(85 089)	85 089	-	-	-
Balance at 30 June 2006	38 659	(36 016)	(2 288)	355	898 972	899 327
Net loss for the period	-	-	(174 635)	(174 635)	-	(174 635)
Adjustment in respect of amortised lease escalations	-	(2 102)	2 102	-	-	-
Transfer to fair value reserve (net of taxation)	-	(174 721)	174 721	-	286 037	286 037
Balance at 31 December 2006	38 659	(212 839)	(100)	(174 635)	1 185 009	1 010 729

Consolidated cash flow statements

	Six months ended 31 December 2006 (R'000)	Year ended 30 June 2006 (R'000)	Year ended 30 June 2005 (R'000)	Year ended 30 June 2004 (R'000)
Cash flow from operating activities				
Cash generated by operations	83 163	125 661	133 403	105 334
Interest received	1 080	1 892	1 710	2 259
Interest paid	(30 265)	(61 336)	(62 545)	(73 210)
Debenture interest paid	(45 630)	(76 732)	(33 758)	(13 287)
Net cash flow from operating activities	8 348	(10 515)	38 810	21 096
Cash flows from investing activities				
Acquisition of investment properties, including capitalised improvements	(16 218)	(57 263)	(401 795)	–
Proceeds of disposal of investment properties	22 623	54 290	18 362	13 769
Net cash flow from investing activities	6 405	(2 973)	(383 433)	13 769
Cash flows from financing activities				
Loans from vendors repaid	–	–	(3 460)	(12 102)
Proceeds from issue of linked units	–	17 624	338 657	34 175
Interest bearing long-term borrowings advanced	–	615 521	200 645	–
Interest bearing long-term borrowings repaid	(468 412)	(141 978)	(153 512)	(9 006)
Abnormal items	–	–	–	(43 813)
Net cash flow from financing activities	(468 412)	491 167	382 330	(30 746)
Net increase in cash and cash equivalents	(453 659)	477 679	37 707	4 119
Cash and cash equivalents at beginning of the period	526 965	49 286	11 579	7 460
Cash and cash equivalents at end of the period	73 306	526 965	49 286	11 579

Unaudited *pro forma* balance sheet of Emira

The unaudited *pro forma* balance sheet has been prepared in accordance with the format and accounting policies adopted by Emira in presenting its financial results for the six months ended 31 December 2006.

The unaudited *pro forma* balance sheet, for which the STREM board is responsible, is presented for illustrative purposes only and may not give a fair reflection of Emira's financial position after the implementation of the acquisition and the future specific issue of PIs for cash.

The *pro forma* balance sheet of Emira at 31 December 2006, showing the effects of the acquisition and the future specific issue of PIs for cash, based on the assumption that they had been implemented on 31 December 2006, is set out below:

Consideration participatory interests only offer

	Emira Unaudited at 31 December 2006¹ (R'000)	Future Specific issue of PIs for cash² (R'000)	Freestone Unaudited at 31 December 2006³ (R'000)	Consolida- tion Adjust- ments⁴⁻⁶ (R'000)	Unaudited <i>pro forma</i> at 31 December 2006 (R'000)
ASSETS					
Non-current assets					
Investment properties	3 910 119		1 729 541		5 639 660
Unamortised upfront lease costs	16 678		-		16 678
Allowance for future rental escalations	57 926		41 270		99 196
Fair value of interest rate swaps	-		4 020		4 020
Goodwill				218 820	218 280
	3 984 723		1 774 831	218 820	5 978 374
Current assets					
Investment properties held-for-sale			24 500		24 500
Accounts receivables and pre-payments	8 314		19 454		27 768
Cash	7 012	176 413	73 306	(5 500)	251 231
	15 326	176 413	117 260	(5 500)	303 499
Total assets	4 000 049	176 413	1 892 091	213 320	6 281 873
EQUITY					
Participatory interest holders' capital	3 310 591	176 413	1 010 729	213 320	4 711 053
LIABILITIES					
Non-current liabilities					
Interest bearing debt	495 216		493 652		988 868
Deferred taxation liability			143 629		143 629
	495 216	-	637 281	-	1 132 497
Current liabilities					
Short-term portion of long-term interest-bearing debt			150 011		150 011
Accounts payable	63 109		48 440		111 549
Derivative financial instruments	2 416				2 416
Distributions payable to participatory interest holders	128 717		45 630		174 347
	194 242	-	244 081	-	438 323
Total liabilities	689 458	-	881 362	-	1 570 820
Total equity and liabilities	4 000 049	176 413	1 892 091	213 320	6 281 873
Net asset value per PI (cents)	922				978
Net tangible asset value per PI (cents)	922				932
Number of PIs in issue ('000)	359 221				481 808

Notes:

1. Extracted from the published interim results of Emira for the six months ended 31 December 2006.
2. Future specific issue of 17 466 657 PIs to Tiso Property and/or BNewco and/or Shalamuka for cash at 1 010 cents per PI, being the 30 day trading volume weighted average ruling price of Emira to 5 March 2007 of 1 094 cents per PI, adjusting for the special distribution of 20 cents per PI payable to Emira PI holders before the effective date of the future specific issue for cash less a 6% discount.
3. Extracted from the published interim results of Freestone for the six months ended 31 December 2006.
4. Reflects the effects of the acquisition on the assumption that Freestone linked unitholders elected to receive 0.9 Emira PIs for every 1 Freestone linked unit.

5. NAV and NTAV effects are based on the following assumptions:
- (a) the acquisition was effected on 31 December 2006;
 - (b) transaction costs of R5,5 million have been paid;
 - (c) the fair value of the properties acquired amounts to R1 795 311 000, being the value as indicated in the reports of the independent valuers included in this circular;
 - (d) the fair value of the consideration participatory interests of R10,03 was determined as follows:
 - Using the closing price of Emira PI of R10,23 on 5 March 2007, being the last practical date;
 - Deducting the special distribution of 20 cents per PI payable to Emira PI Holders before the effective date of the acquisition has been deducted from the closing price per PI at 5 March 2007.
 - (e) Goodwill represents the difference between the purchase consideration of R1 229 549 and the net asset value of Freestone as at 31 December 2006 of R1 010 729.
6. A purchase price allocation exercise will need to be performed at the effective date of the acquisition in terms of IFRS3: Business Combinations. For purposes of the *pro forma* financial effects, the difference between the carrying value of the assets and liabilities acquired and the purchase consideration has been allocated to goodwill.

Consideration participatory interests and cash offer

	Emira Unaudited at 31 December 2006¹ (R'000)	Future Specific issue of PIs for cash² (R'000)	Freestone Unaudited at 31 December 2006³ (R'000)	Consolida- tion Adjust- ments⁴⁻⁶ (R'000)	Unaudited <i>pro forma</i> at 31 December 2006 (R'000)
ASSETS					
Non-current assets					
Investment properties	3 910 119		1 729 541		5 639 660
Unamortised upfront lease costs	16 678				16 678
Allowance for future rental escalations	57 926		41 270		99 196
Fair value of interest rate swaps			4 020		4 020
Goodwill				196 291	196 291
	3 984 723		1 774 831	196 291	5 955 845
Current assets					
Investment properties held-for-sale			24 500		24 500
Accounts receivables and pre-payments	8 314		19 454		27 768
Cash	7 012	176 413	73 306	(5 500)	251 231
	15 326	176 413	117 260	-	303 499
Total assets	4 000 049	176 413	1 892 091	190 791	6 259 344
EQUITY					
Participatory interest holders' capital	3 310 591	176 413	1 010 729	(32 590)	4 465 143
LIABILITIES					
Non-current liabilities					
Interest bearing debt	495 216		493 652	223 381	1 212 249
Deferred taxation liability	-		143 629		143 629
	495 216		637 281	223 381	1 355 878
Current liabilities					
Short-term portion of long-term interest bearing debt			150 011		150 011
Accounts payable	63 109		48 440		111 549
Derivative financial instruments	2 416				2 416
Distributions payable to participatory interest holders	128 717		45 630		174 347
	194 242	-	244 081	-	438 323
Total liabilities	689 458	-	881 362	223 381	1 794 201
Total equity and liabilities	4 000 049	176 413	1 892 091	190 791	6 259 344
Net asset value per PI (cents)	922				976
Net tangible asset value per PI (cents)	922				934
Number of PIs in issue ('000)	359 221				457 291

Notes:

1. Extracted from the published interim results of Emira for the six months ended 31 December 2006.
2. Future specific issue of 17 466 657 PIs to Tiso Property and/or BNewco and/or Shalamuka for cash at 1 010 cents per PI, being the 30 day trading volume weighted average ruling price of Emira to 5 March 2007 of 1 094 cents per PI adjusting for the special distribution of 20 cents per PI payable to Emira PI holders before the effective date of the future specific issue for cash less a 6% discount.
3. Extracted from the published interim results of Freestone for the six months ended 31 December 2006.
4. Reflects the effects of the acquisition on the assumption that Freestone linked unitholders elected to receive R8.20 per Freestone linked unit in cash and the balance in Emira PIs.

5. NAV and NTAV effects are based on the following assumptions:
- (a) the acquisition was effected on 31 December 2006;
 - (b) transaction costs of R5,5 million have been paid;
 - (c) the fair value of the properties acquired amounts to R1 795 311 000, being the value as indicated in the reports of the independent valuers included in this circular;
 - (d) the fair value of the consideration participatory interests of R10,03 was determined as follows:
 - Using the closing price of Emira PI of R10,23 on 5 March 2007, being the last practical date;
 - Deducting the special distribution of 20 cents per PI payable to Emira PI Holders before the effective date of the acquisition has been deducted from the closing price per PI at 5 March 2007.
 - (e) Goodwill represents the difference between the purchase consideration of R1 207 020 and the net asset value of Freestone as at 31 December 2006 of R1 010 729.
6. A purchase price allocation exercise will need to be performed at the effective date of the acquisition in terms of IFRS3: Business Combinations. For purposes of the *pro forma* financial effects, the difference between the carrying value of the assets and liabilities acquired and the purchase consideration has been allocated to goodwill.

Reporting accountants' report on the *pro forma* financial information

“The Directors
Strategic Real Estate Managers (Proprietary) Limited
PO Box 788130
Sandton
2196

7 March 2007

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF EMIRA PROPERTY FUND LIMITED (“Emira”)

We have performed our limited assurance engagement in respect of the *pro forma* financial information set out in paragraph 6.3 and Annexure 8 to the circular to be dated on or about 12 March 2007 (“the Circular”) issued in connection with the acquisition of the entire issued linked units of Freestone Property Holdings Limited (“the Acquisition”) and the future specific issue of Emira Participatory Interests for cash (“the Future Specific Issue of PIs for Cash”) set out in the Circular. The *pro forma* financial information has been prepared in accordance with the requirements of the JSE Limited (“JSE”) Listings Requirements, for illustrative purposes only, to provide information about how the Acquisition and the Future Specific Issue of PIs for cash might have affected the reported historical balance sheet presented, had the corporate action been undertaken at the date of the *pro forma* balance sheet being reported on.

Directors' responsibility

The directors of Strategic Real Estate Managers (Proprietary) Limited (“STREM”) are responsible for the compilation, contents and presentation of the *pro forma* financial information contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Emira; and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion on the *pro forma* financial information included in the Circular to Emira PI holders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the *Guide on Pro Forma Financial Information* issued by the South African Institute of Chartered Accountants.

This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Sources of information and work performed

Our procedures consisted primarily of comparing the unadjusted financial information with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Emira, the issuer, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* financial information with the directors of STREM in respect of the corporate actions that are the subject of the circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of STREM and other information from various public, financial and industry sources.

While our work performed has involved an analysis of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with *International Standards on Auditing or International Standards on Review Engagements* and, accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement, We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that:

- the *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of Emira; and
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed in terms of the Sections 8.17 and 8.30 of the JSE Listings Requirements.

Yours faithfully

P G McCrystal

Director: Transaction Services

PricewaterhouseCoopers Advisory Services (Proprietary) Limited

2 Eglin Road
Sunninghill, 2157”

Details of Emira's property portfolio

Building name	Street number and name	Suburb	Province	Type of interest	Sector	GIA (m ²)	Purchase price (R'000)	Transfer date	Weighted gross rental (R/m ²)
100 Armstrong	100 Armstrong Avenue	La Lucia Ridge	KwaZulu-Natal	Freehold	Office	2 880	25 000	11-Jul-05	115.6
1059 Schoeman Street	1059 Schoeman Street	Hatfield	Gauteng	Freehold	Office	6 048	21 957	23-Oct-03	83.8
11 Park Lane (Ridgewild)	11 Park Lane	Parktown	Gauteng	Freehold	Office	3 676	9 564	23-Oct-03	56.5
122 Pybus Road	122 Pybus Road	Sandton	Gauteng	Freehold	Office	5 299	15 003	20-Oct-05	57.2
267 West	267 West Avenue	Centurion	Gauteng	Freehold	Office	9 799	38 313	24-Oct-03	89.3
Admiral House	151 Lechwe Street	Randjespark	Gauteng	Freehold	Industrial	5 117	10 830	27-Oct-03	29.6
Aeroporto – Fulcrum	96 Loper Avenue	Spartan	Gauteng	Freehold	Industrial	3 805	6 625	27-Oct-03	42.3
Aeroporto – Grenco	98 Loper Avenue	Spartan	Gauteng	Freehold	Industrial	1 672	3 748	27-Oct-03	50.8
AR – Mahogany Ridge	1 Monte Carlo Road	Mahogany Ridge	KwaZulu-Natal	Freehold	Industrial	6 907	18 311	11-Nov-03	41.9
Bank Forum	337 Bronkhorst Street	New Muckleneuk	Gauteng	Freehold	Office	7 687	25 012	30-Oct-03	80.9
Barracuda	82 Lechwe Street	Randjespark	Gauteng	Freehold	Industrial	6 698	11 030	28-Oct-03	38.5
Boskruin Shopping Centre	Corner President Fouché and Hawken Avenues	Bromhof	Gauteng	Freehold	Retail	6 752	65 750	15-Jun-04	141.4
Boundary Terraces	1 Mariendahl Lane	Newlands	Western Cape	Freehold	Office	8 276	56 100	29-Jun-04	131.1
Braamfontein Centre	23 Jorissen Street	Braamfontein	Gauteng	Freehold	Office	21 308	51 659	23-Oct-03	64.5
Bradenham Hall	Mellis Avenue	Rivonia	Gauteng	Freehold	Office	4 569	17 430	27-Oct-03	73.2
Brandwag	Melville Drive	Brandwag	Free State	Freehold	Retail	12 118	51 653	27-Oct-03	86.6
Brooklyn Office Park	Nicholson Street	Brooklyn	Gauteng	Freehold	Office	5 364	17 087	23-Oct-03	79.7
Cambridge Park	Witkoppen Road	Paulshof	Gauteng	Freehold	Industrial	12 788	30 043	18-Dec-03	38.1
Century Gate	Corner Century Boulevard and Bosmandam Road	Century City	Western Cape	Freehold	Office	1 369	10 500	25-Nov-05	85.1
Contact Centre Wimborne	8 Sherborne Road	Parktown	Gauteng	Freehold	Office	1 184	4 126	23-Oct-03	62.3
Crestia Corner	Corner Beyers Naudé and Pendering Streets	Crestia	Gauteng	Freehold	Retail	8 056	28 495	12-Nov-03	88.7
Dalefern	284 Oak Avenue	Ferndale	Gauteng	Freehold	Office	3 792	12 030	18-Dec-03	60.4
Deloittes	Corner Fehrns Street and Waterkloof Road	Brooklyn	Gauteng	Freehold	Office	4 094	22 231	11-Nov-03	117.8
Derby Downs	9 Derby Place and 4 Sookhai Place	Derby Downs	KwaZulu-Natal	Freehold	Office	2 205	12 500	28-Feb-05	83.0
Dorbyl Parktown	16 Jan Smuts Avenue	Parktown	Gauteng	Freehold	Office	2 346	15 539	30-Oct-03	102.8

Building name	Street number and name	Suburb	Province	Type of interest	Sector	GLA (m²)	Purchase price (R'000)	Transfer date	Weighted gross rental (R/m²)
East Coast Radio House	314/7 Umhlanga Rocks Drive	Umhlanga	KwaZulu-Natal	Freehold	Office	5 714	43 000	23-Apr-04	111.2
East Rand Junction	Corner North and K90	Boksburg	Gauteng	Freehold	Office	6 710	33 400	28-Jan-04	61.1
Electrocom	Indianapolis Crescent	Kyalami	Gauteng	Freehold	Industrial	3 856	7 720	20-Nov-03	33.3
Epping Warehouse	1 Bofors Circle	Epping	Western Cape	Freehold	Industrial	25 142	19 595	10-Nov-03	16.9
Epsom Downs Office Park	13 Sloane Street	Bryanston	Gauteng	Freehold	Office	9 841	34 561	23-Oct-03	66.2
Epsom Downs S/Centre	13 Sloane Street	Bryanston	Gauteng	Freehold	Retail	6 125	24 712	23-Oct-03	131.8
Evapco	Corner Quality and Barlow Streets	Isando	Gauteng	Freehold	Industrial	5 294	7 076	18-Nov-03	18.5
Faerie Glen	291 Sprite Avenue	Faerie Glen	Gauteng	Freehold	Office	8 269	20 700	05-Nov-03	68.8
Flexitainer	59 Lechwe Street	Randjespark	Gauteng	Freehold	Industrial	1 714	2 220	26-Nov-03	32.6
FNB Midrand	Corner 16th Street and Old Pretoria Road	Midrand	Gauteng	Freehold	Office	2 532	5 845	24-Oct-03	71.7
Fosa Park	570 Inanda Road	Durban City	KwaZulu-Natal	Freehold	Industrial	4 200	8 619	02-Dec-03	40.9
Fourways Game	Corner Fourways Boulevard and Short Street	Fourways	Gauteng	Freehold	Retail	8 000	42 694	11-Dec-03	96.1
Freeway Park	Corner Barkley and Camp Roads	Maitland	Western Cape	Leasehold	Industrial	7 935	19 000	18-Dec-03	47.0
Gateview	Sugar Close	La Lucia Ridge	KwaZulu-Natal	Freehold	Office	2 714	13 800	30-Jun-04	89.4
Gateway	1319 Pretoria Street	Hatfield	Gauteng	Freehold	Retail	1 768	9 500	12-Dec-03	128.0
Gift Acres	Lynnwood Road	Lynnwood Ridge	Gauteng	Freehold	Retail	9 363	79 171	22-Jun-06	123.2
Goodyear Tycoon	Cochrane Avenue	Epping	Western Cape	Freehold	Industrial	5 870	6 543	03-Nov-03	19.5
Greenfields	1455 North Coast Road	Durban City	KwaZulu-Natal	Freehold	Industrial	9 398	12 113	02-Dec-03	29.5
Industrial Village Jet Park	Corner Kelly Street and Ackerman Road	Jetpark	Gauteng	Freehold	Industrial	11 613	12 358	31-Oct-03	24.5
Industrial Village Kya Sands	Corner Elsecar and Bernie Streets	Kya Sands	Gauteng	Freehold	Industrial	16 659	18 418	27-Oct-03	25.9
Inspectorate	Data Street	Ormonde	Gauteng	Freehold	Industrial	2 704	5 645	07-Nov-03	22.3
Johnson & Johnson	1 Medical Road	Midrand	Gauteng	Freehold	Industrial	3 561	7 732	04-Nov-03	37.2
Knightsbridge Manor	33 Sloane Street	Bryanston	Gauteng	Freehold	Office	9 589	45 949	22-Oct-03	75.9
Lake Buena Vista 1	Gordon Hood Avenue	Centurion	Gauteng	Freehold	Office	5 735	16 520	24-Oct-03	94.4
Lincolnwood Office Park	Woodlands Drive	Woodmead	Gauteng	Freehold	Office	10 911	55 470	20-Oct-05	87.3
Linksfield Road	Linksfield Off-Ramp	Bedfordview	Gauteng	Freehold	Retail	4 090	26 500	28-Jan-04	102.5
Lone Creek	Corner Mac Mac and Howick Close	Midrand CBD	Gauteng	Freehold	Office	5 659	21 600	07-Nov-03	72.8
Lynnridge Mall	Corner Freesia and Mayflower Streets	Lynnwood Ridge	Gauteng	Freehold	Retail	14 220	47 959	18-Nov-03	109.7

Building name	Street number and name	Suburb	Province	Type of interest	Sector	GLA (m²)	Purchase price (R'000)	Transfer date	Weighted gross rental (R/m²)
Lynnridge Mews	Corner Hibiscus Street and Jacobsen Drive	Lynnwood Ridge	Gauteng	Freehold	Office	3 533	9 934	18-Nov-03	75.4
Market Square Menlyn	Beacon Way Corner Lois Avenue and Gobie Street	Plettenberg Bay Menlyn	Western Cape Gauteng	Freehold Freehold	Retail Office	13 294 9 850	79 000 47 061	02-Feb-04 12-Dec-03	88.9 97.5
Midrand Business Park	563 Main Road	Halfway House	Gauteng	Freehold	Office	13 373	19 871	03-Nov-03	46.7
Mitek South Africa	16th Street	Midrand	Gauteng	Freehold	Industrial	6 604	14 177	12-Nov-03	33.3
Momentum House	Corner Stanger Prince Albert, Crainance and Dunford Roads	Durban City	KwaZulu-Natal	Freehold	Office	6 249	27 500	14-Jun-04	72.6
Morgan Creek	38 Mahogany Road	Mahogany Ridge	KwaZulu-Natal	Freehold	Industrial	4 644	9 677	08-Dec-03	48.6
New Zealand Milk Products	Corner 16th Street and Douglas Road	Midrand	Gauteng	Freehold	Industrial	2 756	4 376	24-Oct-03	38.0
Newlands Terraces	Diagonally opposite the corner of Lower Kelvin and Boundary Roads	Newlands	Western Cape	Freehold	Offices	4 262	43 750	Awaiting transfer	114.2
Nimas House	5 The Boulevard Westway Office Park	Westville	KwaZulu-Natal	Freehold	Office	1 372	9 800	11-Oct-04	109.2
One Highveld	5 Bellingham Street	Centurion	Gauteng	Freehold	Industrial	6 012	10 000	20-Jan-04	38.1
Oracle House	Smuts Drive	Midrand	Gauteng	Freehold	Office	5 202	27 010	21-Nov-03	113.2
Podium House	Corner Atherbury and Lois Avenues	Menlyn	Gauteng	Freehold	Office	4 832	16 615	20-Jan-04	60.8
QD House	91 – 94 Silverstone Crescent	Kyalami	Gauteng	Freehold	Industrial	3 470	7 043	12-Nov-03	43.0
Quagga Centre	Corner Church and West Streets	Pretoria West	Gauteng	Freehold	Retail	22 611	59 302	24-Oct-03	71.0
Randridge Mall	John Vorster Drive	Randpark Ridge	Gauteng	Freehold	Retail	18 957	57 347	31-Oct-03	92.1
Rentworks	48 Grosvenor Road	Bryanston	Gauteng	Freehold	Office	3 027	21 500	17-May-04	114.5
Rigel Park	446 Rigel Avenue	Erasmusrand	Gauteng	Freehold	Office	4 533	20 216	23-Oct-03	97.8
Rinaldo Park	50 Moreland Road	Redhill Industrial Park	KwaZulu-Natal	Freehold	Industrial	1 650	2 332	20-Nov-03	23.7
RTT	16 Desmond Street	Boksburg	Gauteng	Freehold	Industrial	44 085	178 366	01-Apr-07	40.7
Sandgate Park	Corner Precision and Steel Streets	Eastgate Kya Sands	Gauteng Gauteng	Freehold Freehold	Office Industrial	12 120 1 452	25 262 2 140	22-Oct-03 06-Nov-03	42.8 24.9
Southern Sentrum	Benadé Drive	Fichardt Park	Free State	Freehold	Retail	20 487	51 649	31-Oct-03	57.9
Strathmore Park	305 Musgrave Road	Musgrave	KwaZulu-Natal	Freehold	Office	3 762	16 300	14-Jun-04	94.1
The Gables	1209 Schoeman Street	Hatfield	Gauteng	Freehold	Office	2 851	11 964	25-Nov-03	86.7
The Wolds A	82 Intersite Avenue	Umgeni Business Park	KwaZulu-Natal	Leasehold	Industrial	1 710	2 812	23-Dec-03	43.6
The Wolds B	56 Intersite Avenue	Umgeni Business Park	KwaZulu-Natal	Leasehold	Industrial	830	1 449	23-Dec-03	44.5
Tuinhof	265 West Avenue	Centurion	Gauteng	Freehold	Office	8 955	26 716	23-Oct-03	82.5

Building name	Street number and name	Suburb	Province	Type of interest	Sector	GLA (m²)	Purchase price (R'000)	Transfer date	Weighted gross rental (R/m²)
Umgeni Road A	98 – 102 Intersite Avenue	Umgeni Business Park	KwaZulu-Natal	Leasehold	Industrial	1 886	2 990	11-Nov-03	41.8
Umgeni Road B	19 – 23 Intersite Avenue	Umgeni Business Park	KwaZulu-Natal	Leasehold	Industrial	6 021	9 811	11-Nov-03	50.1
Wesbank House	Corner Riebeeck, Long and Waterkant Streets	Cape Town	Western Cape	Freehold	Office	9 172	44 000	13-Oct-06	82.7
Westway	17 The Boulevard	Westville	KwaZulu-Natal	Freehold	Office	2 283	14 600	03-Feb-04	108.1
Wonderpark S/Centre	Stand 900, Karenpark Ext 9	Karen Park	Gauteng	Freehold	Retail	59 702	406 400	19-Oct-06	80.4
Woodmead Office Park	145 Western Services Road	Woodmead	Gauteng	Freehold	Office	17 514	73 492	11-Nov-03	65.4
WorldWear Shopping Centre	Corner Beyers Naudé and Willson Road	Fairland	Gauteng		Retail	13 629	132 000	01-Nov-06	121.3
Xpanda	918 Morkels Close	Halfway House	Gauteng	Freehold	Industrial	2 384	4 120	28-Oct-03	30.5
						708 070	2 719 479		

**Other directorships and partnerships of the directors
during the previous five years**

Director	Directorships during the previous five years
Benedict James van der Ross	<p>Directorships 30 Keerom Street Investments (Proprietary) Limited* Afroteq (Proprietary) Limited* Bonatla Property Holdings Limited* FirstRand Bank Holdings Limited FirstRand Bank Limited FirstRand Limited Gauteng Economic Development Agency – Section 21 Co* Heemstede Investments (Proprietary) Limited* Intersite Property Management Services (Proprietary) Limited* Lewis Group Limited Luck-At-It (Proprietary) Limited* Makalani Holdings Limited Momentum Group Limited Naspers Investments Limited Naspers Limited Pick 'n Pay Stores Limited RMB Asset Management (Proprietary) Limited Strategic Real Estate Management (Proprietary) Limited Van der Ross Projects (Proprietary) Limited – dormant company Western Cape Property Co. Limited*</p>
James William Andrew Templeton	<p>Directorships RMB Properties (Proprietary) Limited Strategic Real Estate Managers (Proprietary) Limited</p>
Michael Simpson Aitken	<p>Directorships Arnold Properties (Proprietary) Limited Corovest Property Group Limited Corovest Property Group Holdings (Proprietary) Limited Corovest Offshore Limited* Freestone Property Holdings Limited Freestone Management Company (Proprietary) Limited Hyprop Investments Limited Hyprop Management Company (Proprietary) Limited* Main Street 100 (Proprietary) Limited Trafalgar (Proprietary) Limited Wierda Valley Management District (Association incorporated under section 21)</p>
Liliane Barnard	<p>Directorships Metope Investment Holdings (Proprietary) Limited Pangbourne Properties Limited* – independent non-executive Redefine Income Fund – independent non-executive Solole Estate (Proprietary) Limited</p>
Leon Basson	<p>Directorships Aspella Investments Limited First Consolidated Holdings (Proprietary) Limited First Consolidated Leasing and Finance Corporation Limited FPS Limited Greater Services (Proprietary) Limited Hatfield Primary Square (Proprietary) Limited* J van Streepen (Kempton Park) (Proprietary) Limited Kemparkto (Proprietary) Limited Lakeview Management Properties (Proprietary) Limited* Litorn Finance (Proprietary) Limited Longacre Estates (Proprietary) Limited</p>

* Resigned

Director	Directorships during the previous five years
Leon Basson	Directorships <i>(continued)</i> Marlands Flats (Proprietary) Limited* Momentum Administration Services (Proprietary) Limited Momentum Advisory Service Nominees (Proprietary) Limited Momentum Connect (Proprietary) Limited Momentum Employee Benefits (Proprietary) Limited Momentum Family Focus (Proprietary) Limited Momentum Healthcare (Proprietary) Limited* Momentum Interactive (Proprietary) Limited* New Smal Construction Co (Proprietary) Limited* Pietersburg Hotel Persele Prospect Place Share Block Limited* RMB Properties (Proprietary) Limited SACI Finance (Proprietary) Limited Sage Consulting Services (Proprietary) Limited Sage Corporate Services (Proprietary) Limited Sage Guaranteed Options (Proprietary) Limited Sage Holdings Limited Sage Management Services (Proprietary) Limited Sage Properties Limited* Sage Strategic Services (Proprietary) Limited Sage Trustees (Proprietary) Limited SAK Kultuur Beleggings (Edms) Bpk Slam Nominees (Proprietary) Limited SLR Land Development (Proprietary) Limited* SMH Land Development (Proprietary) Limited* Southern Investment Management Company (Proprietary) Limited Southern Life Computer Technology (Proprietary) Limited Southern Life Employee Benefits Services (Proprietary) Limited Southern Life European Investments (Proprietary) Limited Southern Life Finance (Proprietary) Limited Southern Life Healthcare Holdings (Proprietary) Limited* Southern Life Special Investments (Proprietary) Limited The Southern Insurance Association Limited The Southern Project and Financial Services Group (Proprietary) Limited Townhomes (Proprietary) Limited* Von Brandis Square Development Co (Proprietary) Limited*
Bryan Hugh Kent	Directorships Anchor Yeast Limited Freestone Property Holdings Limited Set Point Technology Holdings Limited Cadiz Holdings Limited CIC Holdings Limited
Nocawe Eustacia Makiwane	Directorships Agrivula Holdings Agrivula Women Investments Avuka Investments Luvuyo Investments National Housing Finance Corporation Rural Housing Loan Fund Xau Investments

* Resigned

Director	Directorships during the previous five years
Matthys Stefanus Benjamin Nesor	<p>Directorships</p> <p>Aalwyne Farm (Proprietary) Limited – non-executive</p> <p>Abcon Construction (Gauteng)</p> <p>Abcon Construction Company (Proprietary) Limited</p> <p>Abdev No. 20 (Proprietary) Limited</p> <p>Abdev No. 24 (Proprietary) Limited</p> <p>Abdev No. 46 (Proprietary) Limited</p> <p>Abland (Proprietary) Limited</p> <p>Abland Cape (Proprietary) Limited</p> <p>Abland Gauteng (Proprietary) Limited</p> <p>Abland Investments (Proprietary) Limited</p> <p>Abland Investments 97 (Proprietary) Limited</p> <p>Abland North (Proprietary) Limited</p> <p>Abreal (Proprietary) Limited</p> <p>Ballywoods Properties 2 (Proprietary) Limited</p> <p>Bellandia Limited</p> <p>Bronpo Processors (Proprietary) Limited</p> <p>Bryanston Ext 68 (Proprietary) Limited</p> <p>Casadobe Props 72 (Proprietary) Limited</p> <p>Cili Health (Proprietary) Limited</p> <p>Constantia East Investments (Proprietary) Limited</p> <p>Cordon Bleu Food Processors (Proprietary) Limited – non-executive</p> <p>Country Mushrooms (Proprietary) Limited – non-executive</p> <p>Cowdray Park Investments (Proprietary) Limited</p> <p>Country Foods Holdings Limited</p> <p>CRH Invesments (Proprietary) Limited</p> <p>Demerara Consultant (Proprietary) Limited</p> <p>Denneseerus (Proprietary) Limited</p> <p>Doyplant (Proprietary) Limited</p> <p>Dinegro Holdings (Proprietary) Limited</p> <p>Erf 2 Epsom Downs (Proprietary) Limited</p> <p>Erf 4162 Bryanston Ext 13 (Proprietary) Limited</p> <p>Ferndale Ext 18 (Proprietary) Limited</p> <p>Fijnbosch Estate Owners Association</p> <p>FNT Food (Proprietary) Limited</p> <p>Foxtantia Investments (Proprietary) Limited</p> <p>Fruitime Fruit Juices (Proprietary) Limited</p> <p>Gouret Mushrooms (Proprietary) Limited – non-executive</p> <p>Heledev No.10 (Proprietary) Limited</p> <p>Heledev No.12 (Proprietary) Limited</p> <p>Heledev No.13 (Proprietary) Limited</p> <p>Iparioli Property Investments (Proprietary) Limited</p> <p>Ironmail Investments (Proprietary) Limited</p> <p>Kya Business Park (Proprietary) Limited</p> <p>Landab (Proprietary) Limited</p> <p>Langro Developments (Proprietary) Limited</p> <p>Marble Hall Citris Processors (Proprietary) Limited</p> <p>Meso Outdoor (Proprietary) Limited</p> <p>New Heights 142 (Proprietary) Limited</p> <p>NH Investment (Proprietary) Limited</p> <p>Nikwaflora (Proprietary) Limited</p> <p>Nostranikwa (Proprietary) Limited</p> <p>OCI Properties (Proprietary) Limited</p> <p>Oilgro (Proprietary) Limited</p> <p>Oiliso (Proprietary) Limited</p> <p>Okalang West (Proprietary) Limited</p> <p>Old Abland (Proprietary) Limited</p> <p>Oval Property Investments (Proprietary) Limited</p> <p>Portion 103/4 Walteval (Proprietary) Limited</p> <p>Portion 3/4 of Erf 5495 Bryanston (Proprietary) Limited</p> <p>PTH Investments (Proprietary) Limited</p> <p>Ptn 113 Weltevreden (Proprietary) Limited</p> <p>Ptn 2/5495 Bryanston (Proprietary) Limited</p>

Director	Directorships during the previous five years
Matthys Stefanus Benjamin Nesor	Directorships <i>(continued)</i> Ptn 209 Witkoppen (Proprietary) Limited Ptn 3 Erf 85 Illovo (Proprietary) Limited Ptn 77 Halfway House (Proprietary) Limited Pivotal Fund Limited Pivotman (Proprietary) Limited RZT Zelpy 4688 (Proprietary) Limited RZT Zelpy 4689 (Proprietary) Limited Sabland (Proprietary) Limited Sable Estate (Proprietary) Limited Sable Homes (Proprietary) Limited Sable Homes Investments (Proprietary) Limited Sable Homes Investments 2 (Proprietary) Limited Sable Homes North (Proprietary) Limited Sable Retreat (Proprietary) Limited Sabreal (Proprietary) Limited Strijdom Park Stand 417 (Proprietary) Limited Sunward Park Erf 3559 (Proprietary) Limited Terranikwa (Proprietary) Limited Thaba Lodge (Proprietary) Limited Thornlane (Proprietary) Limited Tijger Valley 1 (Proprietary) Limited Tijger Valley 2 Properties (Proprietary) Limited TNF Investments (Proprietary) Limited Topshell (Proprietary) Limited Vierfontein Properties (Proprietary) Limited Wattlewood Farm (Proprietary) Limited – non-executive Wilkenshof (Proprietary) Limited Willows Business Park (Proprietary) Limited The Wonderers Office Park (Proprietary) Limited
Warren Kirkwood Schultze	Directorships Aberfeldy Developments (Proprietary) Limited Brooklyn Forum (Proprietary) Limited Business Venture Investments No. 136 (Proprietary) Limited Cantuar (Proprietary) Limited DFA Developments (Proprietary) Limited Erven 2667 and 2198 Tzaneen (Proprietary) Limited Festival Properties (Proprietary) Limited Freestone Management Company (Proprietary) Limited Hawley Road Developments (Proprietary) Limited Homeria Investments (Proprietary) Limited Lake Bueana Vista (Proprietary) Limited Lakeview Management Properties (Proprietary) Limited Landplan Beleggings (Eiendoms) Beperk Matador Buildings (Proprietary) Limited Momentum Property Investments (Proprietary) Limited Newlands Lodge (Proprietary) Limited New Smal Construction Company (Proprietary) Limited RMB Properties (Proprietary) Limited Roseneck (Proprietary) Limited Sage Properties Limited Shelf Nominees 2 (Proprietary) Limited SLR Land Development (Proprietary) Limited SMH Land Development (Proprietary) Limited Southern Life Buildings Johannesburg (Proprietary) Limited Southern Life Property Developments (Proprietary) Limited Strategic Real Estate Managers (Proprietary) Limited Trustable (Proprietary) Limited Von Brandis Square Development Company (Proprietary) Limited Vygeboom Park (Proprietary) Limited Wartan Investments (Proprietary) Limited Wartan Properties (Proprietary) Limited Wartan Trading (Proprietary) Limited

Director	Directorships during the previous five years
Nkululeko Leonard Sowazi	Directorships AEL Holdco Limited Alstrom SA Four Arrows Investments 39 (Proprietary) Limited Business Venture Investments No. 851 (Proprietary) Limited Business Venture Investments No. 884 (Proprietary) Limited Grinaker LTA Home Loan Guarantee Company Idwala Industrial Holdings (Proprietary) Limited Jadeport Investments (Proprietary) Limited Litha Healthcare Holdings Morningtide Investments 18 (Proprietary) Limited Tiso Capital Partners (Proprietary) Limited Tiso Energy (Proprietary) Limited Tiso Group (Proprietary) Limited Tiso Industries (Proprietary) Limited Tiso Investment Holdings (Proprietary) Limited Tiso Management Company (Proprietary) Limited Tiso Property (Proprietary) Limited Tiso Property Management (Proprietary) Limited Tiswala Investments (Proprietary) Limited Trident Steel Holdings (Proprietary) Limited
Peter John Thurling	Directorships Arnold Properties (Proprietary) Limited and its subsidiaries Corovest Property Group Limited Corovest Property Group Holdings (Proprietary) Limited Corovest Mozambique Lda Corovest Offshore Limited* Corovest International Limited* Freestone Property Holdings Limited Freestone Management Company (Proprietary) Limited Hyprop Investments Limited Hyprop Management Company (Proprietary) Limited Main Street 100 (Proprietary) Limited P3 Properties (Proprietary) Limited

* Resigned

None of the directors have been partners in any partnership at any time in the previous five years.

Extracts from Emira and STREM's statutory documents

STREM'S memorandum and articles of association

- “• One-third of the directors of STREM shall retire annually at the annual general meeting and if the number of directors is not a multiple of three then the number nearest to one-third shall retire.
- No person shall, unless recommended by the directors, be eligible for election to the office of a director at any general meeting, unless:
 - Not more than 14, but at least 7, clear days before the day appointed for the meeting, there shall have been delivered at the office a notice in writing by a member duly qualified to be present and vote at the meeting for which such notice is given; and
 - Such notice sets out the member's intention to propose a specific person for election as director; and
 - Notice in writing by the proposed person of his willingness to be elected is attached thereto.
 - The company in a general meeting shall have the power at any time to appoint any person as director either to fill a casual vacancy or as an additional director, but the total number of directors shall not at any time exceed the maximum number fixed by or in accordance with the articles.
 - The directors shall be entitled to such remuneration as the company in the general meeting may from time to time determine, which remuneration shall be divided among the directors in such proportions as they agree or, in default of such agreement, equally, except that in such event any director holding office for less than a year shall only rank in such division in proportion to the period during which he has actually held office.
 - A director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the company, shall declare the nature of his interest in accordance with the Companies Act.
 - A director may not vote nor be counted in the quorum, and if he shall do so his vote shall not be counted, on any resolution for his own appointment to any other office or place of profit under the company or in respect of any contract or arrangement in which he is interested, but this prohibition shall not apply to:
 - Any arrangement for giving to any director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the company; or
 - Any arrangement for the giving by the company of any security to a third party in respect of a debt or obligation of the company which the director has himself guaranteed or secured; or
 - Any contract by a director to subscribe for or underwrite shares or debentures in the company; or
 - Any contract or arrangement with a corporation in which he is interested by reason only of being a director, officer, creditor or member of such corporation,
 and these prohibitions may at any time be suspended or relaxed, either generally or in respect of any particular contract or arrangement, by the company in a general meeting.
 - The directors may from time to time:
 - Borrow for the purposes of the company such sums as they think fit;
 - Secure the payment or repayment of any such sums or any other sum, as they think fit, whether by the creation and issue of debentures, mortgage or charge upon all or any of the property or assets of the company, including its uncalled or unpaid capital;
 - Make such regulations regarding the transfer of debentures, the issue of certificates therefore and all such other matters incidental to debentures as the directors think fit,
 provided that the total amount of borrowing by the company in respect of monies raised, borrowed or secured shall not exceed the amount authorised by the company's holding company, if any.”

BEE legal agreements

In terms of:

- (i) the Agreement for Sale of Rights in terms of the Renounceable Letters of Allotment (Wonderpark PIs) between Momentum Group Limited and Emira Property Fund and Tiso Property (Proprietary) Limited dated 10 May 2006; and
- (ii) the Agreement for Sale of Rights in terms of the Renounceable Letters of Allotment (WesBank PIs) between Momentum Group Limited and Emira Property Fund and Tiso Property (Proprietary) Limited dated 10 May 2006,

“the parties record that Momentum is the controlling shareholder of STREM and as such has the ability to appoint the majority of the directors of STREM. Momentum undertakes that for so long as Tiso Property is the holder of the WesBank consideration PIs and the Wonderpark consideration PIs it will exercise its rights as controlling shareholder of STREM in such a manner as to procure the appointment of a nominee of Tiso Property to the board of directors of STREM from time to time.”

Also, in terms of the Agreement for Sale of Rights in terms of the Renounceable Letters of Allotment (WesBank PIs) between Momentum Group Limited and Emira Property Fund and Micawber 410 (Proprietary) Limited dated 10 May 2006, the parties record that: “Momentum is the controlling shareholder of STREM and as such has the ability to appoint the majority of the directors of STREM. Momentum undertakes that for so long as Micawber 410 is the holder of the WesBank consideration PIs it will exercise its rights as controlling shareholder of STREM in such a manner as to procure the appointment of a nominee of Micawber 410 to the board of directors of STREM from time to time.”

Price history of Emira PIs on the JSE

The price history of Emira PIs on the JSE is set out below:

	High (cents)	Low (cents)	Close (cents)	Volume
Quarterly				
2004				
March	530	500	510	25 211 459
June	530	475	520	21 204 019
September	560	510	515	24 138 597
December	660	515	655	31 070 029
2005				
March	725	635	670	14 361 241
June	740	660	720	30 033 113
September	865	725	810	50 816 928
December	900	795	900	33 538 714
Monthly				
2006				
January	1 010	900	985	11 683 051
February	1 120	936	1 030	12 178 050
March	1 095	1 018	1 081	13 400 571
April	1 100	1 047	1 077	6 334 891
May	1 110	1 001	1 070	7 780 414
June	1 082	800	850	10 032 883
July	890	780	858	7 195 146
August	1 040	850	1 020	15 748 468
September	1 020	896	920	10 347 520
October	1 000	840	1 000	10 562 299
November	990	960	975	17 596 890
December	997	950	995	2 593 582
2007				
January	1 100	995	1 070	3 729 932
Daily				
2006				
December				
13*	986	980	980	101 948
18#	990	980	985	265 590

* Last practicable date prior to finalisation of the offer letter in relation to the acquisition.

Announcement of Emira's firm intention to make an offer.

	High (cents)	Low (cents)	Close (cents)	Volume
Daily				
2007				
January				
22	1 061	1 055	1 055	57 000
23	1 060	1 055	1 055	240 403
24	1 060	1 057	1 060	75 000
25	1 080	1 060	1 060	259 940
26	1 060	1 055	1 057	70 700
29	1 060	1 055	1 060	64 040
30	1 065	1 060	1 061	127 220
31	1 070	1 055	1 070	746 242
February				
1	1 080	1 071	1 071	125 307
2	1 076	1 070	1 076	1 150 351
5	1 085	1 085	1 085	37 000
6	1 100	1 085	1 090	261 967
7	1 100	1 090	1 100	938 665
8	1 095	1 080	1 080	344 170
9	1 085	1 080	1 081	555 363
12	1 120	1 081	1 087	317 500
13	1 125	1 087	1 088	13 260
14	1 090	1 090	1 090	3 150
15	1 100	1 085	1 090	214 280
16	1 090	1 090	1 090	34 200
19	1 115	1 100	1 100	478 600
20	1 111	1 110	1 110	140 100
21	1 130	1 110	1 121	312 240
22	1 151	1 135	1 150	342 000
23	1 185	1 150	1 150	450 537
26	1 155	1 148	1 150	476 260
27	1 150	1 100	1 100	64 500
28	1 110	1 080	1 100	125 450
March				
1	1 110	1 095	1 100	1 512 536
2	1 099	1 080	1 080	2 572
5	1 070	1 015	1 023	348 005

Source: I-Net Bridge.

Price history of Freestone linked units on the JSE

The price history of Freestone linked units on the JSE is set out below:

	High (cents)	Low (cents)	Close (cents)	Volume
Quarterly				
2004				
March	400	335	355	2 232 645
June	390	340	380	1 297 135
September	470	370	440	2 125 973
December	502	430	500	3 271 586
2005				
March	514	465	475	14 501 392
June	530	470	525	9 570 366
September	625	520	610	18 206 806
December	660	580	645	10 601 036
Monthly				
2006				
January	705	653	705	1 348 621
February	769	692	765	2 013 295
March	831	760	820	11 103 642
April	860	816	850	1 046 706
May	860	750	801	5 523 330
June	820	625	660	1 135 628
July	660	585	650	6 512 028
August	808	650	800	4 067 580
September	800	665	735	3 940 957
October	765	709	765	724 644
November	850	750	850	1 232 569
December	885	810	870	1 567 303
2007				
January	940	865	938	554 607
Daily				
2006				
December				
13*	830	825	830	8 000
18#	865	850	865	85 100

* Last practicable date prior to finalisation of the offer letter in relation to the acquisition.

Announcement of Emira's firm intention to make an offer.

	High (cents)	Low (cents)	Close (cents)	Volume
Daily				
2007				
January				
22	932	932	932	16 600
23	933	932	933	7 320
24	933	932	933	42 123
25	-	-	933	0
26	934	934	934	15 200
29	933	932	933	18 640
30	933	933	933	1 000
31	939	933	938	15 250
February				
1	950	941	950	5 500
2	950	950	950	313 710
5	965	951	965	4 850
6	957	955	957	28 750
7	957	955	957	195 400
8	957	957	957	8 903
9	955	955	955	20 960
12	961	956	961	11 625
13	-	-	961	0
14	961	960	960	18 600
15	970	970	970	128 580
16	-	-	970	0
19	-	-	970	0
20	975	970	975	35 450
21	975	975	975	40 000
22	-	-	975	0
23	1 001	1 001	1 001	20 000
26	1 000	1 000	1 000	10 000
27	1 001	1 001	1 001	1 200
28	995	962	990	9 800
March				
1	-	-	990	0
2	-	-	990	365 001
5	-	-	990	0

Source: I-Net Bridge.



Emira Property Fund

*A property fund created under the Emira Property Scheme,
registered in terms of the Collective Investment Schemes Control Act*

JSE code: EMI ISIN: ZAE000050712
("Emira" or "the Fund")

Directors of STREM

Executive

J W A Templeton (*Chief Executive Officer*)
W K Schultze

Non-executive

B J van der Ross (*Chairman*)
L Barnard
L Basson
N E Makiwane
M S B Nesor
N L Sowazi

Notice of general meeting

NOTICE IS HEREBY GIVEN that a general meeting of the holders of Emira participatory interests ("Emira PI holders"), will be held at the registered office of Emira, 3 Gwen Lane, Sandton on Tuesday 27 March 2007 at 09:00 for the purpose of considering and, if deemed fit, of passing, with or without modifications, the resolutions set out below:

Resolution number 1

"RESOLVED THAT: (i) the Fund be and is hereby authorised to acquire 100% of the issued linked units of Freestone Property Holdings Limited ("Freestone") for a consideration of a maximum 122 587 106 Emira PIs ("the consideration PIs") which will be reduced to the extent that linked unitholders of Freestone elect to receive a portion of the Freestone consideration in cash up to a maximum of R223 380 948, being 20% of the acquisition consideration pursuant to a scheme of arrangement and on the basis set out in the circular to which this notice is attached and forms part; and that (ii) the allotment and issue by the Fund of the consideration PIs be and is hereby approved."

The passing of this resolution is subject to a simple majority of the votes of Emira PI holders, other than Momentum Group Limited and its associates, being cast in favour of this resolution approving the acquisition.

Resolution number 2

"RESOLVED THAT: (i) the Fund be and is hereby authorised, by way of specific authority, to allot and issue up to a maximum 17 466 657 PIs to Tiso Property (Proprietary) Limited ("Tiso Property") and/or Micawber 410 (Proprietary) Limited ("BNewco") and/or Shalamuka Foundation ("Shalamuka") (collectively "the parties"), in the anticipated ratio of 12 111 906 Emira PIs to Tiso Property, 3 772 551 Emira PIs to BNewco and 1 582 200 Emira PIs to Shalamuka, upon the exercise of Tiso Property's and/or BNewco's and/or Shalamuka's rights of subscription at any time during the period commencing on Tuesday 20 March 2007 and terminating six months thereafter, in terms of a specific issue of PIs for cash at the then market price per PI, being the then 30-trading day volume weighted average ruling price thereof as published in the official lists of the JSE Limited ("JSE"), ex the entitlement to any distributions relating to income earned up to that date, less a 6% discount; and that (ii) should any of the parties not be able to take up their allocation, then the other parties will have the right to take up the remaining PIs."

In terms of Section 5.51 (g) of the Listings Requirements of the JSE, the passing of this resolution is subject to a 75% majority of the votes of Emira PI holders, other than Tiso Property, BNewco, Shalamuka and their associates, being cast in favour of this resolution approving the future specific issue of PIs for cash.

Resolution number 3

“RESOLVED THAT any director of Strategic Real Estate Managers (Proprietary) Limited, the manager of the Fund, be and is hereby authorised to do all such things, sign any document, procure the doing of all such things and the signature of all such documents as may be necessary or incidental to give effect to and/or to the implementation of the resolutions set out above.”

On a show of hands, every Emira PI holder who, being a natural person, is present in person or by proxy or, being a juristic person, is represented by an authorised representative at the general meeting, shall have one vote. On a poll, every Emira PI holder who, being a natural person, is present in person or by proxy or, being a juristic person, is represented by an authorised representative shall have one vote for every Emira PI of which he is the registered holder.

An Emira PI holder entitled to attend and vote at the general meeting may appoint one or more persons as his proxy to attend, speak and vote in his stead. A proxy need not also be an Emira PI holder.

A form or proxy (*blue*) is attached for the convenience of any certificated Emira PI holder or dematerialised Emira PI holder with own name registration who cannot attend the general meeting, but who wishes to be represented thereat. In order to be valid, completed forms of proxy must be received by the transfer secretaries of the Fund, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 09:00 on Friday 23 March 2007.

Dematerialised Emira PI holders without “own-name” registration who wish to attend the general meeting must request their CSDP or broker to issue them with the necessary letter of authority, or, if they do not wish to attend the general meeting, furnish their CSDP or broker with a voting instructions in terms of the agreement concluded between themselves and their CSDP or broker.

By order of the STREM board

Strategic Real Estate Managers (Proprietary) Limited

12 March 2007

Registered office

Emira Property Fund
3 Gwen Lane
Sandton, 2196
(PO Box 786130, Sandton, 2146)

Transfer secretaries

Computershare Investor Services 2004
(Proprietary) Limited
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)



Emira Property Fund

A property fund created under the Emira Property Scheme,
registered in terms of the Collective Investment Schemes Control Act

JSE code: EMI ISIN: ZAE000050712
("Emira" or "the Fund")

Form of proxy

for use by certificated Emira PI holders and Emira PI holders who have elected
"own-name" registration

For completion by certificated Emira PI holders and Emira PI holders who have elected "own-name" registration who are unable to attend the general meeting of the Fund to be held at 09:00 on Tuesday 27 March 2007 at the registered office of Emira, 3 Gwen Lane, Sandton.

Emira PI holders who have dematerialised their Emira PIs, other than those Emira PI holders who have dematerialised their Emira PIs with "own-name" registration, and who wish to attend the general meeting either in person or by proxy must advise their CSDP or broker of their intention to attend the general meeting in person or to send a proxy to represent them and request their CSDP or broker to issue them or their proxy with the necessary authorisation to attend the general meeting. Such Emira PI holders **must not** complete this form of proxy. If such Emira PI holders do not wish to attend the general meeting, either in person or by proxy, they must instruct their CSDP or broker as to how they wish to vote.

I/We

(names in full)

of

(address)

being the holder/s of PIs in the capital of Emira, hereby appoint:

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairman of the general meeting,

as my/our proxy to attend, speak, and to vote or abstain from voting on my/our behalf, as indicated below, at the general meeting or any adjournment thereof.

	Insert an "X" or the number of votes exercisable (one vote per Emira PI).		
	For	Against	Abstain
Resolution number 1 <i>Authority to acquire Freestone and to allot and issue PIs</i>			
Resolution number 2 <i>Authority to allot and issue PIs in the future to Tiso Property, BNewco and Shalamuka</i>			
Resolution number 3 <i>Authority for directors to sign and act</i>			

Signed at _____ on _____ 2007

Signature _____

Assisted by me (where applicable) _____

Please read the notes and instructions on the reverse side hereof.

Notes:

1. An Emira PI holder entitled to attend and vote at the general meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be Emira PI holder of the Fund.
2. Every Emira PI holder present in person or by proxy and entitled to vote at the general meeting of the Fund shall, on a show of hands, have one vote only, irrespective of the number of Emira PIs such Emira PI holder holds. In the event of a poll, every Emira PI holder shall be entitled to that proportion of the total votes in the Fund which the aggregate amount of the nominal value of the Emira PIs held by such Emira PI holder bears to the aggregate amount of the nominal value of all the Emira PIs issued by the Fund.

Instructions on signing and lodging this form of proxy:

1. A certificated or "own name" dematerialised Emira PI holder may insert the name of a proxy or the names of two alternative proxies of the certificated or "own name" dematerialised Emira PI holder's choice in the space/s provided overleaf, with or without deleting "the chairman of the general meeting", but any such deletion must be initialled by the certificated or "own name" dematerialised Emira PI holder. Should this space be left blank, the proxy will be exercised by the chairman of the general meeting. The person whose name appears first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A certificated or "own name" dematerialised Emira PI holder's voting instructions to the proxy must be indicated by the insertion of an "X", or, the number of votes exercisable by that certificated or "own name" dematerialised Emira PI holder in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the general meeting, as he/she thinks fit in respect of all the certificated or "own name" dematerialised Emira PI holder's exercisable votes. A certificated or "own name" dematerialised Emira PI holder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the certificated or "own name" dematerialised Emira PI holder or by his/her proxy.
3. To be valid the completed forms of proxy must be received at the office of the transfer secretaries, Computershare Investor Services 2004 (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 09:00 on Friday 23 March 2007.
4. This form of proxy shall be valid at any resumption of an adjourned meeting to which it relates, unless the contrary is stated hereon.
5. This form of proxy shall not be used at the resumption of an adjourned meeting if it could not have been used at the general meeting from which it was adjourned for any reason, other than that it was not lodged timeously for the general meeting from which the adjournment took place.
6. This form of proxy shall not be valid after the expiry of two months after the date when it was signed.
7. 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 previously recorded by the transfer secretaries of the Fund.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the general meeting.
9. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been previously recorded by the transfer secretaries or waived by the chairman of the general meeting.
10. The completion and lodging of this form of proxy will not preclude the relevant certificated or "own name" dematerialised Emira PI holder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such certificated or "own name" dematerialised Emira PI holder wish to do so.
11. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
12. The chairman of the general meeting may accept any form of proxy which is completed, other than in accordance with these notes and instructions, provided that the chairman is satisfied as to the manner in which a certificated or "own name" dematerialised Emira PI holder wishes to vote.