This circular is important and requires your immediate attention

The definitions commencing on page 5 of this circular apply *mutatis mutandis* to this front cover.

If you are in any doubt as to what action you should take arising from this circular, please consult your broker, CSDP, banker, attorney, accountant or other professional advisor immediately.

Action required

If you have disposed of all of your SA Retail linked units, this circular should be handed to the purchaser of such SA Retail linked units or to the broker, CSDP, banker, attorney or other agent through whom the disposal was effected.

SA Retail linked unitholders are referred to the inside front cover of this circular, which sets out the action required by them.

SA Retail Properties Limited

(Incorporated in the Republic of South Africa)
(Registration number 1999/025764/06)
Share code: SRL ISIN: ZAE000034328
("SA Retail")

SA Corporate Real Estate Fund

(formerly Martprop Property Fund)
(Incorporated in the Republic of South Africa)
Share code: SAC ISIN: ZAE000083614
A Collective Investment Scheme in property registered in terms of the Collective Investment Schemes Control Act, No. 45 of 2002 and managed by
SA Corporate Real Estate Fund Managers Limited
(formerly Marriott Property Fund Managers Limited)
(Registration number 1994/009895/06)
("SA Corporate" or "the Fund")

Circular to SA Retail linked unitholders

regarding

- **an offer by SA Corporate to SA Retail linked unitholders to acquire all of their SA Retail linked units in terms of section 440A of the Companies Act for the offer consideration of either:**
  - **3,05 new SA Corporate units for every 1 SA Retail linked unit held; or**
  - **a consideration of R10,50 plus the interest consideration for every 1 SA Retail linked unit held;**

and incorporating

- **the recommendation of the independent sub-committee appointed by the SA Retail Board supporting the offer;**
- **an independent opinion regarding the terms and conditions of the offer from the independent expert to SA Retail; and**
- **a form of acceptance, surrender and transfer *(blue)* for use by certificated SA Retail linked unitholders.**

Investment bank to SA Corporate and SA Retail and sponsor to SA Corporate
NEDBANK CAPITAL

Corporate law advisor to SA Corporate
JOWELL GLYN & MARAIS

Independent reporting accountants to SA Retail and independent expert to SA Retail
KPMG

Independent reporting accountants to SA Corporate
Deloitte.
Deloitte & Touche
Registered Auditors

Independent expert to SA Corporate
Deloitte.
Corporate Finance Division
Deloitte & Touche
Registered Auditors

Sponsor to SA Retail
exchange sponsors

Date of issue: Wednesday, 28 March 2007

ACTION REQUIRED BY SA RETAIL LINKED UNITHOLDERS

The definitions commencing on page 5 of this circular apply *mutatis mutandis* to this section setting out the action required by SA Retail linked unitholders:

Please take careful note of the following provisions regarding the action required by SA Retail linked unitholders:

1. If you have disposed of all of your SA Retail linked units, this circular should be handed to the purchaser of such SA Retail linked units or to the broker, CSDP, banker, attorney or other agent through whom the disposal was effected.

2. If you are in any doubt as to what action you should take arising from this circular, please consult your broker, CSDP, banker, attorney, accountant or other professional advisor immediately.

3. If you are a certificated SA Retail linked unitholder and you wish to accept the offer contained in this circular, you must complete and return the form of acceptance, surrender and transfer *(blue)* attached hereto in accordance with the instructions therein and lodge it with, or post it to, the transfer secretaries, Computershare Investor Services (Proprietary) Limited 2004, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107), which form of acceptance, surrender and transfer *(blue),* in order to constitute a valid acceptance, must be received by no later than 12:00 on the closing date.

4. If you are a dematerialised SA Retail linked unitholder (including being registered as an own-name dematerialised SA Retail linked unitholder) held through a CSDP or broker (or its nominee), and you want to accept the offer, subject to your agreement with your CSDP or broker, you must instruct such CSDP or broker to accept the offer. Such instructions must be provided in accordance with your agreement with your CSDP or broker.

5. Do **not** complete and return the attached form of acceptance, surrender and transfer *(blue)* if you are a dematerialised SA Retail linked unitholder or own-name dematerialised SA Retail linked unitholder.

6. If you do not wish to accept the offer, you need not take any action.

CORPORATE INFORMATION AND ADVISORS

The definitions commencing on page 5 of this circular apply *mutatis mutandis* to the following Corporate information and advisors section:

Corporate information relating to SA Retail

Directors of SA Retail

R A Norton *(Chairman)**
A P W Sparks *(Managing Director)*
H S C Bester *
C J Ewin *
A M Hyatt *
W J Swain *
U J van der Walt *

* *Non-executive*

Company secretary and registered office of SA Retail

Marriott Property Services (Proprietary) Limited
(Registration number 1982/006032/07)
Marriott at Kingsmead
Kingsmead Office Park
Durban, 4001
Postal: PO Box 207, Durban, 4000

Investment bank to SA Retail

Nedbank Capital, a division of Nedbank Limited
(Registration number 1951/000009/06)
3rd Floor, Corporate Place, Nedbank Sandton
135 Rivonia Road
Sandton, 2196
Postal: PO Box 1144, Johannesburg, 2000

Sponsor to SA Retail

Exchange Sponsors (Proprietary) Limited
(Registration number 1999/024433/07)
Grindrod offices
Building Three, First Floor, North Wing
Commerce Square, 39 Rivonia Road
Cnr Helling Road, Sandton
Postal: PO Box 78011, Sandton, 2146

Independent expert to SA Retail

KPMG Services (Proprietary) Limited
(Registration number 1999/012876/07)
1 Mediterranean Street
Foreshore
Cape Town, 8001

Corporate information relating to SA Corporate

Directors of SA Corporate Real Estate Fund Managers

B M Kodisang * *(Chairman)*
C J Ewin
K J Forbes *
I M Groves *
I N Mkhari *
R R Perkin *(Managing Director)*
E S Seedat *
L C Tapping
M I Wyndham *
C S Young *
M Anderson *(Alternate to B M Kodisang and C S Young)**

* *Non-executive*

Company secretary and registered office of SA Corporate

Marriott Property Services (Proprietary) Limited
(Registration number 1982/006032/07)
Marriott at Kingsmead
Kingsmead Office Park
Durban, 4001
Postal: PO Box 207, Durban, 4000

Investment bank and sponsor to SA Corporate

Nedbank Capital, a division of Nedbank Limited
(Registration number 1951/000009/06)
3rd Floor, Corporate Place, Nedbank Sandton
135 Rivonia Road
Sandton, 2196
Postal: PO Box 1144, Johannesburg, 2000

Independent expert to SA Corporate

Deloitte & Touche Corporate Finance
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead, 2196
Postal: Private Bag X6, Gallo Manor, 2052

Corporate law advisor to SA Corporate

Jowell Glyn Marais
(Registration number 1990/000849/21)
4th Floor
Jowell Glyn & Marais House
72 Grayston Drive, Sandown
Sandton
Postal: PO Box 652361, Benmore, 2010

Corporate law advisor to SA Retail

Cox Yeats Attorneys
12th – 13th Floors, Victoria Maine
71 Victoria Embankment
Durban, 4001
Postal: PO Box 3032, Durban, 4000

Independent reporting accountants to SA Retail

KPMG Inc
(Registration number 1999/021543/21)
KPMG Crescent
85 Empire Road
Parktown, 2193
Postal: Private Bag X9, Parkview, 2122

Property valuer for the SA Retail Portfolio and Sharemax Portfolio

CB Richard Ellis
Broll House
27 Fricker Road
Illovo, 2196
Postal: PO Box 1455, Saxonwold, 2132

SA Retail Trustees

Steinway Trustees
The Manor House
14 Nuttall Gardens, Morningside
Durban, 4001
Postal: PO Box 37957, Overport, 4067

Transfer secretaries to SA Retail

Computershare Investor Services 2004
(Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
Postal: PO Box 61763, Marshalltown, 2107

Independent reporting accountants to SA Corporate

Deloitte & Touche
Registered Auditors
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead, 2196
Postal: Private Bag X6, Gallo Manor, 2052

SA Corporate Trustees

Absa Bank Limited
(Registration number 1986/004794/06)
Flora Park Office
1st Floor, Block E
Corner of Ontdekkers and Conrad Roads
Florida, 1709
Postal: PO Box 1132, Johannesburg, 2000

Transfer secretaries to SA Corporate

Computershare Investor Services 2004
(Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
Postal: PO Box 61763, Marshalltown, 2107

TABLE OF CONTENTS

The definitions commencing on page 5 of this circular also apply *mutatis mutandis* to this table of contents.

IMPORTANT DATES AND TIMES

The definitions commencing on page 5 of this circular apply *mutatis mutandis* to this important dates and times section.

	2007
Circular posted to SA Retail linked unitholders on	Wednesday, 28 March
Opening date of the offer at 09:00 on	Wednesday, 28 March
Last day to trade in order for SA Retail linked unitholders to participate in the offer on	Thursday, 19 April
SA Retail linked units trade *ex* the right to participate in the offer on	Friday, 20 April
Record date on which SA Retail linked unitholders must be recorded in the register in order to participate in the offer on	Thursday, 26 April
Closing date of the offer at 12:00 on	Thursday, 26 April
Results of the offer released on SENS on	Monday, 30 April
Results of the offer published in the South African press on	Wednesday, 2 May
Offer consideration posted to or credited to the accounts of offer participants who have not dematerialised their SA Retail linked units	Within seven days of the offer being accepted and becoming unconditional
Offer consideration credited to the CSDP or broker, as the case may be, of offer participants who have dematerialised their SA Retail linked units and whose acceptance has been received by the transfer secretaries	Within seven days, of the offer being accepted and becoming unconditional subject to the receipt of notification by the transfer secretaries

Notes:

1. The above dates and times are subject to amendment by SA Corporate. Any such amendment will be released on SENS and published in the South African press.
2. Certificated SA Retail linked unitholders are required to complete and return the attached form of acceptance, surrender and transfer *(blue)* in accordance with the instructions contained therein to be received by the transfer secretaries by no later than 12:00 on the closing date.
3. In the case of a certificated SA Retail linked unitholder who has accepted the offer and elected to receive the cash consideration, payment will be made by cheque or deposited directly into the linked unitholder's bank account whichever a certificated SA Retail linked unitholder may instruct, at the risk of the SA Retail linked unitholder concerned.
4. Dematerialised SA Retail linked unitholders (including own name dematerialised SA Retail linked unitholders) are required to notify their duly appointed CSDP or broker of their intention to accept the offer in the manner and time stipulated in the agreement governing the relationship between the dematerialised SA Retail linked unitholder and his CSDP or broker.
5. In the case of dematerialised SA Retail linked unitholders (including own name dematerialised SA Retail linked unitholders), payment will be made by crediting their accounts at the CSDP or broker, as the case may be, as agreed to between the SA Retail linked unitholder and the CSDP or broker.
6. No dematerialisation or rematerialisation of SA Retail linked units will take place between Thursday, 19 April 2007 and Thursday, 26 April 2007, both days inclusive.
7. All times indicated above are South African times.
8. This circular is available in English only, and copies hereof may be obtained from the registered offices of SA Retail and SA Corporate at the addresses set out in the "Corporate information and advisors" section of this circular.

DEFINITIONS

In this circular (inclusive of the pages preceding these definitions) and the annexures and the form of acceptance, surrender and transfer *(blue)* attached hereto, unless otherwise stated or clearly indicated by the context, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words importing one gender include the other genders and references to a person include references to a body corporate and *vice versa*:

"Act" or "Companies Act"	the Companies Act, No. 61 of 1973, as amended;
"broker"	any person registered as a "broking member (equities)" in terms of the Rules and Related Legislation of the JSE made in accordance with the provisions of the Securities Services Act, No. 36 of 2004, as amended;
"business day"	a day other than a Saturday, Sunday or official public holiday in South Africa;
"cash consideration"	a consideration of R10,50 plus the interest consideration for every offer linked unit;
"CB Richard Ellis" or "property valuers for the SA Retail Portfolio and Sharemax Portfolio"	CB Richard Ellis (Proprietary) Limited (Registration number: 1968/003515/07), a private company registered and incorporated in South Africa;
"cents"	South African cents in the official currency of South Africa;
"certificated SA Retail linked unit(s)"	SA Retail linked unit(s), represented by a linked unit certificate(s) or other physical document(s) of title, which have not been surrendered for dematerialisation in terms of the requirements of STRATE;
"certificated SA Retail linked unitholder(s)"	SA Retail linked unitholder(s) holding certificated SA Retail linked unit(s);
"circular"	this circular to SA Retail linked unitholders, dated Wednesday, 28 March 2007, including the annexures and the form of acceptance, surrender and transfer *(blue)* attached hereto, setting out the details of the offer;
"closing date"	the closing date of the offer as released on SENS and published in the South African press which date shall be Thursday, 26 April 2007. Any changes to this closing date will be released by the offeror on SENS and published in the South African press at least 14 days prior to the closing date;
"the combined portfolio"	the combined SA Corporate portfolio and SA Retail portfolio;
"common monetary area"	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Competition Authorities"	the applicable competition authorities in terms of the Competition Act, No. 89 of 1998, as amended;
"CSDP"	a Central Securities Depository Participant, appointed by individual SA Retail linked unitholder(s) for the purpose of and in regards to dematerialisation in terms of the Securities Services Act, No. 36 of 2004 as amended;
"delisting"	the removal of the SA Retail linked units from the JSE listing of linked units;
"Deloitte" or "Independent reporting accountants to SA Corporate"	Deloitte & Touche, Registered Auditors;

"dematerialisation"	the process by which SA Retail linked unit(s) held by certificated SA Retail linked unitholder(s) are converted or held in electronic form as dematerialised SA Retail linked unit(s) and recorded in the sub-register of SA Retail linked unitholder(s) maintained by a CSDP;
"dematerialised SA Retail linked unit(s)"	SA Retail linked unit(s) which have been dematerialised through a CSDP or broker and are held on the sub-register of SA Retail linked unitholder(s) administered by CSDP's in electronic form;
"dematerialised SA Retail linked unitholder(s)"	those SA Retail linked unitholder(s) that have dematerialised their SA Retail linked unit(s) through a CSDP and have instructed the CSDP to hold their SA Retail linked unit(s) on the sub-register maintained by the CSDP and forming part of the SA Retail linked unit register;
"document(s) of title"	valid linked unit certificate(s) and/or certified transfer deed(s) and/or, balance receipt(s) or any other document(s) of title acceptable to SA Corporate in respect of SA Retail linked units;
"EPLU"	earnings per linked unit;
"EPS"	earnings per share;
"emigrant"	any emigrant from the common monetary area;
"Exchange Control Regulations"	the Exchange Control Regulations, as amended, developed in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended;
"form of acceptance, surrender and transfer"	the form of acceptance, surrender and transfer *(blue)* attached to and forming part of this circular;
"HEPLU"	headline earnings per linked unit;
"Hyprop"	Hyprop Investments Limited (registration number 1987/005284/06), a public company incorporated in South Africa, all the issued share capital of which is listed on the JSE;
"Hyprop SA Retail linked unitholding"	108 097 051 SA Retail linked units or 46.15% of the SA Retail linked units in issue;
"Income Tax Act"	Income Tax Act, No. 58 of 1962, as amended;
"independent sub-committee"	an independent sub-committee of the SA Retail Board, comprising R A Norton and W J Swain;
"interest consideration"	interest on the consideration payable to those SA Retail linked unitholders electing the consideration of R10,50 per unit calculated at: • 9% per annum for the period 1 October 2006 to the earlier of the offer payment date or 30 April 2007 (both days inclusive); • the prime rate of interest from 1 May 2007 until date of payment (both days inclusive) if the offer has not been implemented by 30 April 2007;
"JGM" or "Corporate law advisor to SA Corporate"	Jowell Glyn & Marais Incorporated (Registration number 2001/020379/21);
"JSE"	JSE Limited (registration number 2005/0222939/06), a company duly registered and incorporated, licensed as an exchange under the Securities Services Act, No. 36 of 2004, as amended;
"KPMG" or "Independent reporting accountants to SA Retail"	KPMG Inc, Chartered Accountants (SA) (registration number 1999/021543/21);

"last day to trade"	the last day to trade SA Retail linked units on the JSE in order to be eligible to participate in the offer, which date shall be five days before the closing date;
"last practicable date"	the last practicable date prior to the finalisation of the circular, being Friday, 16 March 2007;
"Listings Requirements"	the Listings Requirements of the JSE as amended from time to time;
"Marriott Property Services"	Marriott Property Services (Proprietary) Limited (registration number 1982/006032/07), a private company registered and incorporated in South Africa;
"Marriott Property Fund Managers"	Marriott Property Fund Managers Limited (registration number 1994/009895/06), a public company registered and incorporated in South Africa which name was changed to SA Corporate Real Estate Fund Managers Limited with effect from 15 November 2006;
"Nedbank Capital"	Nedbank Capital, a division of Nedbank Limited (registration number 1951/000009/06), a public company registered and incorporated in South Africa;
"new SA Corporate units"	new SA Corporate units issued by SA Corporate in settlement of the offer consideration and which new SA Corporate units will rank *pari passu* in all respects with the SA Corporate units currently in issue;
"the offer" or "the proposed transaction"	the offer in terms of section 440A of the Companies Act made by SA Corporate to SA Retail linked unitholders to purchase all their SA Retail linked units for the offer consideration, as set out in this circular;
"offer consideration"	• a consideration of 3,05 (three comma zero five) new SA Corporate units for every 1 (one) SA Retail linked unit held; or • a consideration of R10,50 (ten Rand and fifty cents) plus the interest consideration for every 1 (one) SA Retail linked unit held;
"offer linked units"	SA Retail linked units held by the SA Retail linked unitholders, on the record date;
"offer participant(s)"	the SA Retail offeree(s) who accept the offer during the offer period;
"offer payment date"	the date on which the offer consideration is posted to or credited to the accounts of offer participants who are certificated SA Retail linked unitholders or the date on which the accounts of the offer participants who are dematerialised SA Retail linked unitholders, with their CSDP's or brokers are credited with the offer consideration;
"offer period"	the period from 09:00 on the opening date to 12:00 on the closing date;
"offeror"	SA Corporate;
"OMPG"	Old Mutual Property Group (Proprietary) Limited (registration number 1996/011259/07), a private company incorporated in South Africa trading as Old Mutual Investment Group – Property Investments;
"opening date"	the opening date of the offer as released on SENS and published in the South African press which date shall be from 09:00 on Wednesday, 28 March 2007;
"own-name dematerialised SA Retail linked unitholder(s)"	those SA Retail linked unitholder(s) that have dematerialised their SA Retail linked unit(s) through a CSDP and have instructed the CSDP to hold their SA Retail linked unit(s) in their own name on the sub-register maintained by the CSDP and forming part of the SA Retail linked unit register;

"PIC"	Public Investment Corporation (registration number 2005/009094/06), a public company registered and incorporated in South Africa;
"Prime rate of interest"	the publicly quoted basic rate of interest expressed as a percentage per year from time to time, as quoted by Nedbank Limited;
"Rand" or "R"	South African Rand, the official currency of South Africa;
"register"	the register of certificated SA Retail linked unitholders and the sub-register(s) of dematerialised SA Retail linked unitholders maintained by SA Retail in terms of the Companies Act;
"Revised Listing Particulars"	the listing particulars of SA Corporate dated Wednesday, 28 March 2007;
"SA Corporate" or "the Fund"	SA Corporate Real Estate Fund (formerly Martprop Property Fund) (registration number 1994/009895/06), a public company registered and incorporated in South Africa, all the issued units of which are listed on the JSE;
"SA Corporate directors"	the board of directors of SA Corporate Real Estate Fund Managers whose names are reflected in the "Corporate information and advisors" section of this circular;
"SA Corporate Real Estate Fund Managers"	SA Corporate Real Estate Fund Managers Limited (formerly Marriott Property Fund Managers) (registration number 1994/009895/06), a public company registered and incorporated in South Africa;
"SA Corporate portfolio"	the properties held by SA Corporate and its related subsidiaries;
"SA Corporate unit(s)"	SA Corporate units listed on the JSE;
"SA Corporate unit consideration"	a consideration of 3,05 (three comma zero five) new SA Corporate units for every 1 (one) SA Retail linked unit held;
"SA Retail"	SA Retail Properties Limited (registration number 1999/025764/06), a public company registered and incorporated in South Africa, all the linked units of which are listed on the JSE;
"SA Retail Board" or "SA Retail director(s)"	the directors of SA Retail as disclosed in the "Corporate information and advisors" section of this circular;
"SA Retail linked unit(s)"	SA Retail share(s) irrevocably linked to SA Retail debentures in the ratio of one SA Retail share to one SA Retail debenture, trading as linked units on the JSE;
"SA Retail linked unitholder(s)" or "linked unitholder(s)"	certificated SA Retail linked unitholder(s), dematerialised SA Retail linked unitholder(s) and own-name dematerialised SA Retail linked unitholder(s);
"SA Retail portfolio"	the 27 regional and convenience shopping centres held by SA Retail;
"SENS"	the Securities Exchange News Service of the JSE;
"Sharemax Acquisition"	the acquisition by SA Retail of the Sharemax portfolio from the Sharemax vendors effective from 1 March 2007;
"Sharemax Agreements"	the agreements dated 2 June 2006 and amended on 29 September 2006 and 17 December 2006, respectively, between SA Retail and the Sharemax vendors, in terms of the Sharemax Acquisition;
"Sharemax consideration linked units"	the 93 231 390 SA Retail linked units to be issued in respect of the Sharemax Acquisition;
"the Sharemax portfolio"	the 10 properties to be acquired by SA Retail in terms of the Sharemax Acquisition;

"Sharemax vendors"	the vendors of the 10 properties being acquired by SA Retail in terms of the Sharemax Acquisition;
"South Africa" or "SA"	the Republic of South Africa;
"the SRP"	the Securities Regulation Panel established in terms of section 440B of the Companies Act;
"the SRP Code"	the Securities Regulation Code on Take-overs and Mergers and the Rules of the SRP issued in terms of the Companies Act;
"STRATE"	STRATE Limited (registration number 1998/022242/06), a public company registered and incorporated in South Africa, and a registered central securities depository responsible for the electronic custody and settlement system used by the JSE;
"transfer secretaries"	Computershare Investor Services 2004 (Proprietary) Limited (registration number 2004/003647/07), a private company registered and incorporated in South Africa and the transfer secretaries to SA Corporate and SA Retail; and
"VAT"	Value-Added Tax;
"Whirlprops"	Whirlprops 33 (Proprietary) Limited (registration number 2001/006991/07), a private company registered and incorporated in South Africa.

SA Retail Properties Limited

(Incorporated in the Republic of South Africa)
(Registration number 1999/025764/06)
Share code: SRL ISIN: ZAE000034328
("SA Retail")

SA Corporate Real Estate Fund

(formerly Martprop Property Fund)
(Incorporated in the Republic of South Africa)
Share code: SAC ISIN: ZAE000083614
A Collective Investment Scheme in property registered in terms of the Collective Investment Schemes Control Act, No. 45 of 2002 and managed by
SA Corporate Real Estate Fund Managers Limited
(formerly Marriott Property Fund Managers Limited)
(Registration number 1994/009895/06)

CIRCULAR TO SA RETAIL LINKED UNITHOLDERS

1. INTRODUCTION

It was announced on SENS on Tuesday, 16 January 2007, that SA Corporate had delivered an offer letter to the SA Retail Board in terms of which SA Corporate is proposing to make an offer to all SA Retail linked unitholders to acquire all the SA Retail linked units in issue. It was further announced on 14 March 2007, that SA Corporate had amended the offer to include a cash underpin, in order to comply with the SRP Code.

SA Corporate hereby offers to acquire all of the SA Retail linked units held by the SA Retail linked unitholders, for the offer consideration of either:

- 3,05 new SA Corporate units for every 1 SA Retail linked unit held; or
- a consideration of R10,50 plus the interest consideration for every 1 SA Retail linked unit held.

The proposed transaction will be implemented by way of an offer in terms of section 440A of the Companies Act.

The purpose of this circular is to:

- extend the offer to all SA Retail linked unitholders;
- provide SA Retail linked unitholders with relevant information relating to the offer in order for SA Retail linked unitholders to make an informed decision.

Should the offer be accepted by SA Retail linked unitholders holding not less than nine-tenths of the SA Retail linked units in issue and whose vote will be considered eligible by the SRP for purposes of invoking section 440K of the Companies Act, it is the intention of SA Corporate to exercise its entitlement to compulsorily acquire the remaining SA Retail linked units in issue in terms of section 440K of the Companies Act.

Should SA Corporate elect to exercise its entitlement in terms of section 440K of the Companies Act, SA Retail will become a wholly-owned subsidiary of SA Corporate and the listing of the SA Retail linked units on the JSE will be terminated.

The relevant provisions of section 440K are set out in Annexure 15 to this circular.

2. BACKGROUND INFORMATION ON SA CORPORATE

SA Corporate is a Real Estate Investment Trust which emerged following the consolidation of the Ukhozi, Umdoni, Tamboti, Higate and Highstone Property Funds on 31 July 1998. This consolidation was structured by Ukhozi acquiring the assets and liabilities of Umdoni, Tamboti, Higate and Highstone Property Funds. Ukhozi Property Fund then changed its name to Marriott Property Fund and later to Martprop Property Fund. Ukhozi Property Fund was listed on the JSE on 27 September 1995. The Fund is a closed ended property fund listed on the JSE and is managed by SA Corporate Real Estate Fund Managers, a company approved by the Registrar of Collective Investment Schemes to manage the Fund. SA Corporate is required to distribute to its unitholders all net income earned and received is therefore not taxed on its income or distributions.

For further details on SA Corporate refer to the circular detailing the Revised Listing Particulars of SA Corporate dated 28 March 2007.

3. RATIONALE FOR THE OFFER

The expected benefits of the proposed transaction to SA Retail linked unitholders and SA Corporate are set out in paragraphs 3.1 and 3.2 below:

3.1 SA Retail linked unitholders

SA Retail linked unitholders that accept the offer and elect to receive new SA Corporate units will be invested in one of the larger property funds listed on the JSE with the consolidated portfolio having a market capitalisation of greater than R7 billion if the offer is successful. The immediate benefits of this critical mass are substantially improved tradability as well as diversification of risk, with additional benefits such as:

- SA Retail has less than 300 linked unitholders with five linked unitholders holding 97% of the total SA Retail linked units in issue. This has severely constrained SA Retail's tradeability and resulted in SA Retail now being excluded from the SA Listed Property (SAPY) Index with consequent implications for asset managers. SA Corporate has more than 4,000 unitholders and the average tradeability of the Fund for each of the last three calendar years exceeds 40% of the SA Corporate units in issue;
- SA Retail is a focused portfolio comprising 27 shopping centres excluding the Sharemax portfolio, and 37 properties including the Sharemax portfolio, whereas an investment in the combined portfolio offers diversified sector, property and tenant risk;
- the combined portfolio will provide economies of scale with resultant cost economies and improved buying power in service provider negotiations. The combined portfolio will also allow for more aggressive property investment activity and the ability to acquire more substantial assets; and
- meaningful capital appreciation on the basis that the consolidated portfolio should trade at a firmer yield than the individual parts and in a yield range comparable to other funds of similar market capitalisation value. SA Retail linked unitholders and SA Corporate unitholders will benefit from such investment value appreciation.

3.2 SA Corporate

- the proposed transaction will meaningfully raise the profile of SA Corporate and will position the Fund to attract future domestic and international investment capital as one of South Africa's largest listed real estate investment trusts;
- the proposed transaction will substantially add to the critical mass of SA Corporate, increasing the Fund's market capitalisation value to greater than R7 billion, with the advantages of enhanced liquidity, diversification, cost economies and investment demand;
- the proposed transaction will improve the geographic and sectoral composition of the SA Corporate portfolio with greater alignment to Investment Property Databank benchmarks;
- the consolidated portfolio will provide SA Corporate with improved buying power with service providers and will position the Fund to pursue more substantial property investment opportunities and make the use of securitised debt a more viable alternative; and
- the proposed transaction will offer SA Corporate unitholders the prospect of enhanced investment returns, including appreciation in the SA Corporate unit price, on the assumption that the Fund will trade at a similar yield range to its peer group of funds of similar size.

3.3 The Sharemax Acquisition

In terms of the Sharemax Agreements, SA Retail will acquire the Sharemax portfolio, as a going concern, for an aggregate consideration of R1 025 545 294. The purchase consideration will be settled by way of the issue of the Sharemax consideration linked units in terms of a vendor placement. The purchase consideration is payable by SA Retail to the Sharemax vendors on the transfer dates of each of the properties in the Sharemax Portfolio, which is expected to be during April and May 2007.

The implementation of the Sharemax Acquisition is conditional upon:

- the approval of the Sharemax Acquisition by the requisite majority of SA Retail linked unitholders in general meeting to be held at the registered office of SA Retail, Marriott at Kingsmead, Kingsmead Office Park, Durban on Thursday, 5 April 2007 at 09:00; and
- the placement of the Sharemax consideration linked units on behalf of the Sharemax vendors, which placement is conditional upon:
  - SA Corporate unitholders voting in favour of the Acquisition of the entire issued linked unit capital in SA Retail; and

– the acceptance by at least 90% of the SA Retail linked unitholders of the Offer by SA Corporate to acquire the entire issued linked unit capital of SA Retail.

As at the last practicable date:

- SA Retail linked unitholders, holding directly and indirectly, approximately 122 638 551 SA Retail linked units (including 64 388 474 linked units which will be held by Whirlprops on the date that the general meeting regarding the Sharemax Acquisition is held) comprising approximately 52% of the SA Retail linked units in issue have provided irrevocable commitments to vote in favour of the Sharemax Acquisition.
- Letters of support regarding 55% of the total SA Corporate units entitled to vote at the general meeting of SA Corporate to approve the Offer have been received.
- Irrevocable undertakings to accept the offer had been received from 97.27% of SA Retail linked unitholders.
- Further to the above, the circular and Revised Listing Particulars have been prepared on the basis that the Sharemax Acquisition has been effected.

Should any of the conditions requiring shareholder approval as set out above, not be waived or fulfilled by the dates set out in the Sharemax Agreements, SA Retail and the Sharemax vendors may, in writing, agree to extend the dates, which extension will be announced on SENS and published in the South African press, failing which, the Sharemax Acquisition will be of no further force or effect.

Further details regarding the Sharemax Acquisition are contained in the circular to SA Retail linked unitholders dated 20 March 2007 and copies of this circular may be obtained (in English only) at the registered offices of SA Corporate and SA Retail.

In view of the irrevocable commitments from the majority of SA Retail's linked unitholders, SA Retail has taken beneficial ownership of the Sharemax Portfolio on the effective date, being 1 March 2007.

The Sharemax vendors have agreed to pay SA Retail an amount of R1 900 000, excluding VAT, as a rental guarantee in the first year after acquiring the Sharemax portfolio.

SA Retail will only incur 45% of the total broker commission for the Sharemax portfolio, amounting to R4 614 594 exclusive of VAT, which is payable to an independent broker on the transfer date.

4. UNAUDITED *PRO FORMA* FINANCIAL EFFECTS OF THE OFFER

The unaudited *pro forma* financial effects are the responsibility of the SA Retail directors and have been prepared for illustrative purposes only, in order to provide information on how the offer might affect a SA Retail linked unitholder. Because of their nature, the unaudited *pro forma* financial effects may not give a true reflection of the actual financial effects of the offer on a SA Retail linked unitholder.

The table below sets out the unaudited *pro forma* financial effects of the offer on a SA Retail linked unitholder. The *pro forma* income statement effects are based on forecast SA Retail figures for the period ending 31 December 2007 while the *pro forma* balance sheet effects are based on the interim SA Retail results at 30 September 2006.

Cents per unit	Before the offer(1)	Unit offer (2)	% change	Cash offer(3)	% change
Weighted EPLU (cents)	87,42	87,93	1%	96,89	11%
Weighted HEPLU (cents)	101,57	98,21	(3%)	96,89	(5%)
Distributions (cents)	92,08	96,24	5%	96,89	5%
Market value (Rand)	10,00	10,83	8%	10,50	5%
NAV (Rand)	7,66	10,43	36%	10,50	37%
NTAV (Rand)	7,66	9,27	21%	10,50	37%

Notes:

1. The "Before the offer" information is based on the existing SA Retail as follows:

   EPLU, HEPLU and Distributions are based on the 12 months forecast to 31 December 2007, as set out in an Annexure 5, and includes the Sharemax acquisition from 1 March 2007. The units in issue include the consideration units for this acquisition. The weighted number of linked units has been used to calculate the weighted numbers.

   Market value is based on the closing price of SA Retail on 12 January 2007, being the date the offer was made.

   NAV and NTAV are based on the last reported results of SA Retail, being 30 September 2006, as set out in Annexure 2.

2. The "unit offer" information is based on the combined entity adjusted by the swop ratio of 3,05 units as follows:

EPLU and HEPLU post offer is based on 12 months of the current SA Corporate earnings plus 8 months adjusted SA Retail earnings with effect from the effective date, 1 May 2007, as set out in Annexure 9 and the weighted number of units in issue.

Distributions are based on the combined forecast distributions for the 12 months to 31 December 2007 as set out in Annexure 9. SA Retail's net distributable income from the period 1 October 2006 to 30 April 2007 will be paid to unitholders of the combined fund.

Market value is based on the closing price of SA Corporate (R3,55) on 12 January 2007, being the date the offer was made, multiplied by the exchange ratio of 3,05. Since then the SA Corporate price has increased to a current price of R3,95, which results in a net increase in market value of 20% on the pre offer SA Retail price.

NAV and NATV are based on the *pro forma* combined balance sheet (incorporating the last published balance sheets, being 30 September 2006 for SA Retail and 31 December 2006 for SA Corporate, adjusted to take into account the latest property valuations and relevant consideration adjustment) multiplied by the exchange ratio of 3,05.

3. The "cash offer" information is calculated as follows:

EPLU, HEPLU and Distributions for the 12 months ending 31 December 2007 based on the 9% interest (in terms of the offer) from 1 October, 2006 to 30 April 2007 and then assuming that the proceeds of R10,50 are invested in listed property generating a yield of 5,96% (being the J253 dividend yield as at the last practicable date) from May to December 2007.

Market value, NAV and NTAV are based on the cash offer price of R10,50.

5. CONDITIONS PRECEDENT TO THE OFFER

The offer is subject to the following suspensive conditions:

- obtaining the requisite SA Corporate unitholders approval for the offer. At the last practicable date, SA Corporate had the support of 55% of its unitholders;
- SA Corporate procuring acceptances for the offer from those SA Retail linked unitholders, holding at least nine tenths of the SA Retail linked units in issue and whose vote will be considered eligible by the SRP for purposes of invoking section 440K of the Companies Act. At the last practicable date, SA Corporate has secured irrevocable acceptances of the unit offer from SA Retail linked unitholders holding in excess of 97% of the linked units in issue; and
- obtaining the requisite approvals from all applicable regulatory authorities.

6. OPINIONS AND RECOMMENDATIONS

6.1 The opinion of the independent expert

The independent sub-committee appointed KPMG to provide them with advice as to the fairness and reasonableness of the terms and conditions of the offer. KPMG has considered the terms and conditions of the offer and has expressed an opinion that, based on their assessment, the offer is fair and reasonable to SA Retail linked unitholders and has advised the independent sub-committee accordingly.

SA Retail linked unitholders are referred to the opinion from KPMG expressed in their opinion letter set out in Annexure 11 to this circular and are encouraged to read it in its entirety.

6.2 Opinion of the independent sub-committee

The independent sub-committee has considered the terms of the offer, and taking into account the opinion of KPMG, is of the unanimous opinion that the terms of the offer are fair and reasonable to the SA Retail linked unitholders.

6.3 Opinion of the SA Retail Board

The SA Retail Board has considered the terms of the offer and taking into account the opinion of the independent expert and the independent sub-committee, is of the opinion that the terms of the offer are fair and reasonable and recommend that SA Retail linked unitholders accept the offer.

7. TERMS OF THE OFFER

7.1 The offer and the offer consideration

SA Corporate hereby offers to acquire all the SA Retail linked units held by SA Retail linked unitholders for the offer consideration in respect of which it receives valid acceptances prior to the closing date.

SA Retail linked unitholders who accept the offer can elect to receive either:

- 3,05 (three comma zero five) new SA Corporate units for every 1 (one) SA Retail linked unit held, rounded to the nearest whole number; or
- a consideration of R10,50 plus the interest consideration for every 1 SA Retail linked unit held:

  The interest consideration shall be calculated on the consideration of R10,50 per SA Retail linked unit at:

  - 9% per annum calculated from 1 October 2006 until the earlier of the offer payment date or 30 April 2007 (both days inclusive); and
  - the prime rate of interest calculated from 1 May 2007 until date of payment (both days inclusive), if the SA Corporate offer has not been implemented by 30 April 2007.

Based on the market price of a SA Corporate unit of R3,55 on 12 January 2007, being the last trading day prior to the offer being presented to the SA Retail Board and the exchange ratio of 3,05 new SA Corporate units for every 1 SA Retail linked unit held, the SA Corporate unit consideration represents a premium of 8,3% to the market price of a SA Retail linked unit of R10,00 on the same date. Based on the trading price on the last practicable date; the unit consideration amounts to R12,05, a premium of 20,5% on the R10,00 market price referred to above.

The cash consideration of R10,50 per SA Retail linked unit held (prior to the calculation of interest) represents a premium of 5% to the market price of a SA Retail linked unit of R10,00 on 12 January 2007, being the last trading date prior to the offer being presented to the SA Retail Board. Accordingly, the cash consideration offered (excluding the interest consideration), is 15% lower than the unit consideration offered.

Should the offer be successful and SA Corporate acquires 100% of the SA Retail linked units in issue then SA Retail linked unitholders will participate in the SA Corporate distributions declared in respect of financial years commencing 1 January 2007, with future SA Retail distributions accruing to SA Corporate.

SA Retail linked unitholders are referred to the tables of entitlement, set out in Annexure 14 to this circular, for examples of the calculation of the consideration.

7.2 Offer period

The offer will be open for acceptance from 9:00 Wednesday, 28 March 2007 and will close at 12:00 on Thursday, 26 April 2007. Any change to these dates will be released by the offeror on SENS and published in the South African Press.

7.3 Procedure for acceptance of the offer

7.3.1 Certificated SA Retail linked unitholders

Certificated SA Retail linked unitholders must complete the attached form of acceptance, surrender and transfer *(blue)* and return the same as soon as possible to the transfer secretaries, details of which are set out in the "Corporate information and advisors" section of this circular, together with the documents of title, so as to be received by the transfer secretaries by no later than 12:00 on the closing date.

7.3.2 Lost or destroyed documents of title

If the documents of title relating to the SA Retail linked units have been lost or destroyed, SA Retail linked unitholders who wish to accept the offer should nevertheless return the attached form of acceptance, surrender and transfer *(blue),* duly signed and completed, together with an indemnity on terms satisfactory to SA Corporate. SA Corporate may, in its sole discretion, dispense with the surrender of such documents of title upon production of satisfactory evidence that the documents of title have been lost or destroyed and upon provision of a suitable indemnity by the SA Retail linked unitholders in question. Only indemnity forms obtained from the transfer secretaries (available on request) will be regarded as suitable.

7.3.3 Dematerialised SA Retail linked unitholders

Dematerialised SA Retail linked unitholders who wish to accept the offer should instruct their duly appointed CSDP or broker, in the manner stipulated in the agreement governing their relationship with their CSDP or broker, to accept the offer stating whether they wish to accept the SA Corporate unit consideration or the cash consideration.

The instruction to accept the offer must be provided to the SA Retail linked unitholder's CSDP or broker, as the case may be, by the cut-off time required by the CSDP or broker and in any event, timeously, in order for it to take the necessary action to accept the offer in accordance with the terms and conditions set forth in this circular. **Dematerialised SA Retail linked unitholders must not return the attached form of acceptance, surrender and transfer *(blue)* to the transfer secretaries.**

Where authorised to do so, CSDP's and brokers (or their nominees) that are registered SA Retail linked unitholders, wishing (or instructed) to accept the offer must do so by communicating such acceptance to the transfer secretaries, the details of which are set out in the "Corporate information and advisors" section of this circular, by way of a letter, telefax, email (or other communication acceptable to SA Corporate) by no later than 12:00 on the closing date, in terms of the STRATE timeline. **Dematerialised SA Retail linked unitholders must not return the attached form of acceptance, surrender and transfer *(blue)* to the transfer secretaries.**

7.3.4 *General*

SA Retail linked unitholders who do not wish to accept the offer need take no further action and will be deemed to have declined the offer, subject to the provisions of paragraph 7.6 below.

In respect of certificated SA Retail linked units SA Corporate reserves the right, in its discretion, to:

7.3.4.1 treat as invalid forms of acceptance, surrender and transfer *(blue)* not accompanied by valid documents of title; and

7.3.4.2 require proof of the authority of the person signing the form of acceptance, surrender and transfer *(blue)* where such proof has not yet been lodged with or recorded by the transfer secretaries.

7.3.5 *Acceptances irrevocable*

All acceptances of the offer received by the transfer secretaries, SA Corporate or the relevant CSDP or broker prior to closing date, shall be irrevocable.

7.3.6 *Transaction receipts*

No receipts will be issued by the transfer secretaries or SA Corporate for forms of acceptance, surrender and transfer *(blue)* unless specifically requested to do so by the SA Retail linked unitholder in question. Lodging agents who require special transaction receipts are requested to prepare such receipts and to submit them for stamping by the transfer secretaries together with the form of acceptance, surrender and transfer *(blue)*.

7.3.7 *Acceptances of the offer by nominee companies and representatives*

Acceptances of the offer by recognised nominee companies may be submitted in aggregate or in respect of each SA Retail linked unitholder represented by such nominee companies.

Any representative accepting the offer warrants that it is duly authorised to do so.

7.3.8 *South African Exchange Control Regulations*

The settlement of the offer consideration will be effected in accordance with Exchange Control Regulations of the South African Reserve Bank. The following is a summary of the South African Exchange Control Regulations which apply to offer participants. If in doubt, offer participants should consult their professional advisors without delay.

7.3.8.1 Emigrants from the common monetary area

The offer consideration due to offer participants who are emigrants from the common monetary area will be dealt with as follows:

7.3.8.1.1 in the case of certificated SA Retail linked unitholders, the cash consideration will be forwarded to the authorised dealer in foreign exchange in South Africa controlling such linked unitholders' blocked assets and held to the order of such authorised dealers. The attached form of acceptance, surrender and transfer *(blue)* makes provision for the details of authorised dealers. To the extent that the SA Corporate unit consideration is elected, the relevant unit certificates will likewise be transferred to the order of such authorised dealers, and will be restrictively endorsed; or

7.3.8.1.2 in the case of dematerialised SA Retail linked unitholders, the cash consideration will be credited directly to the SA Retail linked unitholders' blocked Rand bank accounts by their duly appointed CSDP or broker, as the case may be, and held to the order of the authorised dealers in foreign exchange in South Africa controlling such SA Retail linked unitholders' blocked accounts. Any SA Corporate unit consideration will be restrictively endorsed by way of an appropriate electronic entry in the relevant SA Corporate sub-register.

7.3.8.2 All other non-residents of the common monetary area

The offer consideration due to offer participants who are non-residents of the common monetary area, who have never resided in South Africa and whose registered addresses are outside the common monetary area will be dealt with as follows:

7.3.8.2.1 in the case of certificated SA Retail linked unitholders, the cash consideration will be forwarded to the authorised dealers in foreign exchange in South Africa nominated by the SA Retail linked unitholders. It will be incumbent on the SA Retail linked unitholders concerned to instruct the nominated authorised dealers as to the disposal of the amount concerned. The attached form of acceptance, surrender and transfer *(blue)* makes provision for the nomination required. To the extent that the SA Corporate unit consideration is elected the relevant SA Corporate unit certificates representing such SA Corporate unit consideration units will be restrictively endorsed; or

7.3.8.2.2 in the case of dematerialised SA Retail linked unitholders, the cash consideration will be credited directly to the bank accounts nominated by the SA Retail linked unitholders, by their duly appointed CSDP or broker, as the case may be. Any SA Corporate unit consideration forming part of the offer consideration will be restrictively endorsed by way of an appropriate electronic entry in the relevant SA Corporate sub-register.

If the information regarding authorised dealers is not given in term of paragraph 7.3.8.1 and paragraph 7.3.8.2 above, the offer consideration will be held in trust by SA Corporate for the offer participants concerned, pending receipt of the necessary information or instructions. All interest accruing on the cash consideration so held in trust will be for the benefit of the offer participants concerned. To the extent that the offer consideration includes SA Corporate linked units, all distributions received in respect thereof after the closing date will be held in trust in the same manner as the cash consideration.

7.3.9 Taxation

Acceptances of the offer may have an impact on a SA Retail linked unitholder's personal tax position in relation thereto. Accordingly, SA Retail linked unitholder's should seek the advice of their tax advisors in this regard.

7.4 Settlement

7.4.1 Certificated SA Retail linked unitholders

SA Corporate will procure the settlement of the offer consideration to those certificated SA Retail linked unitholders who have elected either the SA Corporate unit consideration or the cash consideration, where applicable, and who have surrendered their documents of title and furnished duly signed forms of acceptance, surrender and transfer *(blue)* in accordance with the instructions contained therein by the closing date of the offer.

Settlement of the offer consideration will be made on the respective dates set forth in the "Important dates and times" section of this circular.

7.4.2 Dematerialised SA Retail linked unitholders

SA Corporate will procure that dematerialised SA Retail linked unitholders who elect the SA Corporate unit consideration or the cash consideration and whose SA Retail linked units are transferred to SA Corporate will have their accounts with their CSDP or broker credited/updated with the offer consideration by the transfer secretaries from STRATE. Dematerialised SA Retail linked unitholders should instruct their CSDP or broker of their election in the manner and by the deadline stipulated by their CSDP or broker, as the case may be, and their CSDP or broker will instruct STRATE.

Settlement of the offer consideration will be made on the respective dates set forth in the "Important dates and times" section of this circular.

7.5 Cash confirmation

The SRP has been furnished with an independent written confirmation that SA Corporate has sufficient cash resources and/or facilities with which to meet its obligations in relation to the offer to acquire 100% of the offer linked units for cash in respect of those SA Retail linked unitholders for which irrevocable undertakings have not been received to accept the SA Corporate unit consideration. Irrevocable undertakings have been received from 97% of SA Retail linked unitholders to accept the offer and to receive the SA Corporate unit consideration as set out in paragraph 9 below.

7.6 SA Corporate's intention to invoke the provisions of section 440K of the Companies Act

Should the offer be accepted by SA Retail linked unitholders holding not less than nine-tenths of the SA Retail linked units in issue, it is the intention of SA Corporate to exercise its entitlement to compulsorily acquire the remaining SA Retail linked units in issue in terms of section 440K of the Companies Act.

Hyprop concluded an unconditional agreement with the PIC regulating the disposal by Hyprop of all the SA Retail linked units held by Hyprop (being 108 097 051 linked units) as described in paragraph 10 below. The SRP has ruled that the PIC is acting in concert with SA Corporate in the offer hence the PIC's current shareholding of 9.87% in SA Retail will not be taken into account in calculating whether SA Retail linked unitholders holding nine tenths of SA Retail linked units in issue have accepted the offer.

As stated in paragraph 7.5 above, 97% of SA Retail investors have provided irrevocable undertakings to accept the offer. Given the exclusion of the PIC unitholding from both the numerator and denominator, an acceptance level greater than 96% has been achieved.

Should SA Corporate elect to exercise its entitlement in terms of section 440K of the Companies Act, SA Retail will become a wholly-owned subsidiary of SA Corporate and the listing of the SA Retail linked units on the JSE will be terminated.

The relevant provisions of section 440K are set out in Annexure 15 to this circular.

7.7 Other terms of the offer

The offer may be amended, varied or revised in such manner as SA Corporate in its sole discretion may determine, provided that no such amendment, variation or revision shall be made unless:

- the prior consent of the SRP has been obtained;
- there is no diminution in the value of the offer consideration offered; and
- an announcement containing the amended, varied or revised offer is made prior to the closing time and date of the offer or such other date approved by the SRP.

In addition to the above, no amendment to, or variation of the offer will be valid unless made in writing and signed by a duly authorised representative of SA Corporate.

Without prejudice to its other rights, SA Corporate reserves the right to condone, in its sole discretion, the non-observance by any SA Retail linked unitholder of any of the terms or conditions of the offer.

If the offer is amended, varied or revised in a manner which makes it more favourable to the SA Retail linked unitholders, the benefit of such improved offer will automatically accrue to any SA Retail linked unitholders who have accepted the offer prior to the amendment, variation or revision being made.

The acceptance by or on behalf of such SA Retail linked unitholders of the offer in its original or previous form shall be deemed to be an acceptance of any improved offer pursuant to any such amendment, variation or revision and shall constitute an irrevocable authority and power of attorney in *rem suam* to any director or duly authorised representative of SA Corporate:

- to accept such amended, varied or revised offer on behalf of such SA Retail linked unitholder; and
- to execute on behalf of and in the name of such SA Retail linked unitholder all such further documents (if any) as may be required to give effect to such acceptance.

7.8 No set-off of offer consideration

Settlement of the offer consideration to which an offer participant is entitled under the offer will be implemented in full in accordance with the terms and conditions of the offer without any right of set-off, and free from all liens, counterclaims, or other analogous right to which SA Corporate may otherwise be, or claim to be entitled against the offer participant.

7.9 Partial acceptances

SA Retail linked unitholders who accept the offer are required to accept **either** the SA Corporate unit consideration or the cash consideration. Partial acceptances of the consideration will not be accepted. In the event of an offeree accepting the offer, but failing to make the election of either the SA Corporate unit consideration or the cash consideration, the offeree will receive the SA Corporate unit consideration as a default consideration.

8. FINANCIAL AND SHARE PRICE INFORMATION ON SA RETAIL AND SA CORPORATE

8.1 Extracts from the published audited financial results of SA Retail for the four financial years ended 31 March 2006 are included in Annexure 1 to this circular.

8.2 Extracts from the published unaudited interim financial results of SA Retail for the six months ended 30 September 2006 are included in Annexure 2 to this circular.

8.3 The trading history of SA Retail linked units on the JSE is set out in Annexure 12 to this circular.

8.4 Extracts from the published audited financial results of SA Corporate for the three financial years ended 31 December 2006 are included in Annexure 3 to this circular.

8.5 The trading history of SA Corporate units on the JSE is set out in Annexure 13 to this circular.

9. SA RETAIL LINKED UNITHOLDERS' IRREVOCABLE UNDERTAKINGS TO ACCEPT THE OFFER

SA Retail linked unitholders holding directly and indirectly, approximately 228 million SA Retail linked units, comprising approximately 97% of the SA Retail linked units in issue have irrevocably undertaken to accept the offer and have elected to receive the SA Corporate unit consideration.

A detailed list of irrevocable undertakings of support for the offer is set out below.

Name	Number of SA Retail linked units held	Percentage held
Hyprop	108 097 051	46,15
Whirlprops	64 388 474	27,49
PIC	23 119 565[1]	9,87
Marriott Asset Management Limited as nominee for various companies	16 939 622	7,23
Old Mutual Asset Management as nominee for various companies	15 300 000	6,53
	227 844 712	97,27

Note:

1. In terms of paragraph 7.6 above, 23 119 565 SA Retail linked units held by the PIC will not be taken into account in calculating whether SA Retail linked unitholders holding at least nine-tenths of SA Retail linked units in issue have accepted the offer. Excluding the PIC unit holding, the acceptances are 96.99%.

10. MATERIAL ARRANGEMENTS, UNDERTAKINGS OR AGREEMENTS

Save as set out in this circular, no arrangements, undertakings or agreements have been concluded between SA Corporate and any SA Retail linked unitholder or any person acting in concert with SA Corporate with regard to any SA Retail linked units.

10.1 Hyprop

Hyprop has concluded an unconditional agreement with the PIC as published in the press on Tuesday, 16 January 2007, regulating the disposal by Hyprop of all the SA Retail linked units that it holds (being 108 097 051 linked units). Hyprop has undertaken to accept and/or vote in favour of the SA Corporate offer in respect of the Hyprop's SA Retail linked unit holding under the following terms and conditions:

- on the implementation of the offer, the PIC shall acquire the SA Corporate unit consideration received by Hyprop as consideration for the disposal by Hyprop of its offer linked units to SA Corporate in terms of the offer for an aggregate purchase consideration of R1 135 019 035,50 – being R10,50 per SA Retail linked unit, together with interest thereon at 9% per annum calculated from 1 October 2006 until date of payment (both days inclusive); and

- if for any reason whatsoever the SA Corporate offer has not been implemented by 30 April 2007 (including by reason of the SA Corporate offer not having been made) put and call option arrangements have been agreed between Hyprop and PIC which, on implementation, will result in the sale by Hyprop and the purchase by the PIC of Hyprop's SA Retail units at R10,50 per unit plus interest thereon at:
  - 9% per annum calculated from 1 October 2006 until 30 April 2007 (both days inclusive);
  - the prime rate of interest calculated from 1 May 2007 until date of payment (both days inclusive).

10.2 Whirlprops

Whirlprops entered into negotiations with a consortium comprising of Women Investment Portfolio Holdings Limited and Kensani Facilities and Property Investments (Proprietary) Limited, collectively referred to as the "BEE Consortium" to dispose of its SA Retail linked units some time prior to the offer being made and has, as a result of the timing of the offer and the status of its discussions at the time of the offer being made, decided to dispose of the SA Corporate units that it will receive in terms of the offer, to the BEE Consortium.

This will result in the BEE Consortium owning 11% in SA Corporate.

11. SA RETAIL DIRECTORS

11.1 SA Retail directors' holdings of SA Retail linked units at the last practicable date:

	Beneficial		Non-beneficial			Total
Director	**Direct**	**Indirect**	**Direct**	**Indirect**	**Total**	**(%)**
A P W Sparks	100	1575			1675	0,00072
A M Hyatt				578 013	578 013	0,24680
C J Ewin		14 562		2 999	17 561	0,00749
						0,25501

11.2 SA Retail directors intend to accept the offer in respect of all their beneficial and non-beneficial holdings of SA Retail linked units.

11.3 SA Retail's directors have not had any dealings' in SA Retail linked units during the six-month period prior to the announcement of the offer and the last practicable date.

12. SA RETAIL AND SA RETAIL DIRECTORS' HOLDING OF SA CORPORATE UNITS

12.1 SA Retail directors' holdings of SA Corporate units at the last practicable date:

	Beneficial		Non-beneficial			Total
Director	**Direct**	**Indirect**	**Direct**	**Indirect**	**Total**	**(%)**
C J Ewin	110 000				110 000	0,01447
A P W Sparks	250 100				250 100	0,03289
						0,04736

12.2 SA Retail's directors have had the following dealings' in SA Corporate units during the six-month period prior to the announcement of the offer and the last practicable date:

C J Ewin acquired 70 000 SA Corporate units on 25 August 2006 at 310 cents.

12.3 SA Retail's holdings of SA Corporate units

At the last practicable date, SA Retail did not hold any SA Corporate units.

13. SA CORPORATE AND SA CORPORATE DIRECTORS' HOLDINGS IN SA RETAIL LINKED UNITS

13.1 SA Corporate directors' holdings of SA Retail linked units at the last practicable date:

Director	Beneficial Direct	Beneficial Indirect	Non-beneficial Direct	Non-beneficial Indirect	Total	Total (%)
R R Perkin	100				100	0,00004
C J Ewin		14 562		2 999	17 561	0,00749
L C Tapping	100	1 661		490	2 251	0,00096
						0,00849

13.2 SA Corporate directors intend to accept the offer in respect of all their beneficial and non-beneficial holdings of SA Retail linked units.

13.3 SA Corporate directors have not had any dealings in SA Retail linked units during the six-month period prior to the offer.

13.4 At the last practicable date, SA Corporate did not hold any SA Retail linked units.

14. SA CORPORATE DIRECTORS' HOLDING IN SA CORPORATE UNITS

14.1 SA Corporate directors' holding of the SA Corporate units at the last practicable date:

Director	Beneficial Direct	Beneficial Indirect	Non-beneficial Direct	Non-beneficial Indirect	Total	Total (%)
C J Ewin	110 000				110 000	0,01447
R R Perkin	300 100				300 100	0,03947
L C Tapping	90 300				90 300	0,01188
						0,06582

14.2 SA Corporate's directors have had the following dealings in SA Corporate units during the six month period prior to the announcement of the offer and the last practicable date.

	Date	Acquired (units)	Sold (units)	Price per unit (cents)
L C Tapping	25 August 2006	48 000		310
C J Ewin	25 August 2006	70 000		310

15. PIC'S HOLDING OF SA RETAIL LINKED UNITS

15.1 At the last practicable date, PIC held 23 119 565 SA Retail linked units.

15.2 PIC had the following dealings in SA Retail linked units during the six-month period prior to the offer:

15.2.1 14 July 2006 – Acquisition of 7 119 565 newly issued SA Retail linked units at 920 cents per unit.

15.2.2 7 September 2006 – Acquisition of 16 000 000 SA Retail linked units from Marriott Asset Management Limited at 900 cents per unit.

16. DIRECTORS' SERVICE CONTRACTS AND EMOLUMENTS

There are no service contracts in place with the directors of SA Retail and the emoluments of the directors of SA Retail will not be varied as a result of the proposed transaction.

17. INTENTIONS REGARDING THE BUSINESS AND DIRECTORS OF SA RETAIL

If, following implementation of the offer, SA Corporate has acquired 100% of the issued SA Retail linked units, SA Corporate will apply for the delisting of SA Retail from the JSE and SA Retail will become a wholly-owned subsidiary of SA Corporate.

18. ULTIMATE OWNER OF THE SA RETAIL LINKED UNITS

SA Corporate has confirmed that the SA Retail linked units acquired in terms of the offer will not be transferred by SA Corporate to any other person or entity.

19. MATERIAL CHANGES

The SA Retail board reports that since the publication of SA Retail's unaudited interim results for the six months ended 30 September 2006, there have been no material changes relating to the trading or financial position of SA Retail other than those disclosed in paragraph 3.3 above.

20. LITIGATION STATEMENTS

There are no material legal or arbitration proceedings (including proceedings which are pending or threatened of which the directors of SA Retail are aware) which may have or have had, during the twelve-month period preceding the last practicable date, a material effect on the financial position of SA Retail.

There are no material legal or arbitration proceedings (including proceedings which are pending or threatened of which the directors of SA Corporate are aware) which may have or have had, during the twelve-month period preceding the last practicable date, a material effect on the financial position of SA Corporate.

21. CONSENTS

Each of the independent experts, Nedbank Capital, KPMG, Deloitte, JGM, Exchange Sponsors and the Transfer Secretaries have provided their written consents to act in the capacity stated and to their names being used in this circular and have not withdrawn their consents prior to the publication of this circular.

22. RESPONSIBILITY STATEMENT OF THE SA RETAIL AND SA CORPORATE DIRECTORS

The directors of SA Retail, whose names are set out in the "Corporate Information and Advisors" section to this circular:

- have considered all statements of fact and opinion in this circular;
- collectively and individually, accept full responsibility for the accuracy of the information given;
- certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading;
- have made all reasonable enquiries in this regard;
- certify that, to the best of their knowledge and belief, that the circular contains all information required by law and the SRP Code.

The directors of SA Corporate, whose names are set out in the "Corporate Information and Advisors" section to this circular:

- have considered all statements of fact and opinion in this circular;
- collectively and individually, accept full responsibility for the accuracy of the information given;
- certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement false or misleading;
- have made all reasonable enquiries in this regard;
- certify that, to the best of their knowledge and belief, that the circular contains all information required by law and the SRP Code.

23. COSTS OF THE OFFER

All costs pertaining to the offer and all matters incidental to it including the payment of stamp duty and uncertificated securities tax on the transfer of the SA Corporate unit consideration shall be borne and paid by SA Corporate on the successful implementation of the offer.

24. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection during normal business hours at the registered office of SA Retail from 28 March 2007 up to and including the closing date of the offer:

24.1 the audited financial statements of SA Retail for the four financial years ended 31 March 2006 and the interim financial results for the six months ended 30 September 2006;

24.2 the audited financial statements of SA Corporate for the three financial years ended 31 December 2006;

24.3 the memorandum and articles of association of SA Retail;

24.4 the memorandum and articles of association of SA Corporate Real Estate Fund Managers;

24.5 the trust deed and supplemental deeds in respect of SA Corporate;

24.6 the debenture trust deed in respect of the debenture linked to an ordinary share in terms of the SA Retail linked units;

24.7 the fair and reasonable letter from KPMG to the SA Retail Board;

24.8 the independent reporting accountants' limited assurance report on the profit forecasts of SA Retail;

24.9 the independent reporting accountants' limited assurance report on the profit forecasts of SA Corporate;

24.10 the independent reporting accountants' report on the aggregated combined profit forecasts of SA Retail and SA Corporate;

24.11 a copy of the circular detailing the Revised Listings Particulars of SA Corporate;

24.12 a signed copy of the agreement between Hyprop and the PIC;

24.13 the irrevocable undertakings of support referred to in paragraph 9;

24.14 copies of the Sharemax agreements;

24.15 a copy of the circular to SA Retail linked unitholders detailing the Sharemax Acquisition date 20 March 2007;

24.16 the consent letters referred to in paragraph 21 above; and

24.17 a signed copy of this circular.

By order of the SA Retail Board

A P W Sparks

Durban
28 March 2007

Registered office

Marriott at Kingsmead
Kingsmead Office Park
Durban, 4001
(PO Box 207, Durban, 4000)

By order of the SA Corporate Board

R R Perkin

Durban
28 March 2007

Registered office

Marriott at Kingsmead
Kingsmead Office Park
Durban, 4001
(PO Box 207, Durban, 4000)

HISTORICAL FINANCIAL INFORMATION RELATING TO SA RETAIL

The salient financial information set out below has been extracted without adjustment from the audited financial statements of SA Retail for the financial years ended 31 March 2006, 2005, 2004 and 2003.

An unqualified audit report was provided in respect of each financial year.

1. INCOME STATEMENTS

The consolidated income statements of SA Retail for the financial years ending 31 March 2006, 2005, 2004 and 2003 are set out below.

	Year ended 31 March 2006 R'000 Audited	Year ended 31 March 2005 R'000* Audited	Year ended 31 March 2004 R'000 Audited	Year ended 31 March 2003 R'000 Audited
Revenue	**229 800**	219 502	162 695	130 834
Contractual lease revenue	**231 443**	214 107	–	–
Straight-line adjustment on leases	**(1 643)**	5 395	–	–
Net rental income from properties	**149 293**	144 884	109 039	92 629
Interest earned	**9 947**	3 200	5 947	5 216
Finance costs	**–**	(1 429)	(211)	–
Capital (loss)/profit on disposal of investment properties	**(728)**	48	–	–
Net profit before fair value adjustments	**158 512**	146 703	114 775	97 845
Write up on revaluation of investment properties	**226 796**	275 947	35 290	–
As per valuation	**225 153**	281 342	–	–
Adjusted for rental straight line adjustment	**1 643**	(5 395)	–	–
(Deficit)/Surplus on revaluation of Put obligation	**(5 604)**	20 332	(5 950)	–
Net profit before debenture interest and taxation	**379 704**	442 982	144 115	97 845
Debenture interest	**(160 727)**	(150 435)	(114 560)	(97 679)
Net profit before taxation	**218 977**	292 547	29 555	166
Taxation	**(107 307)**	(41 554)	(112)	(74)
Net profit attributable to linked unitholders	**111 670**	250 993	29 443	92
Weighted average number of linked units in issue (000's)	**225 874**	203 366	173 890	157 002
Earnings per share (cents) (weighted)	**49,44**	123,41	82,81	62,27
Diluted earnings per share (cents) (weighted)	**49,44**	123,41	–	–
Distribution per linked unit (cents)				
Interest	**71,16**	69,18	65,86	62,30
Dividend	**0,02**	0,02	0,04	0,05
	71,18	69,20	65,90	62,35

* The financial information for the year ended 31 March 2005 has been restated in terms of IFRS.

2. BALANCE SHEETS

The consolidated balance sheets of SA Retail for the financial year ending 31 March 2006, and 2005 are set out below.

	Year ended 31 March 2006 R'000 Audited	Year ended 31 March 2005 R'000 Audited*
ASSETS		
Non-current assets		
Investment properties	**1 788 198**	1 394 793
At valuation	**1 846 210**	1 454 820
Pre-paid letting commission	**4 173**	3 801
Rental straight-line adjustment	**(62 185)**	(63 828)
Rental receivable – straight-line adjustment	**53 929**	61 875
	1 842 127	1 456 668
Current assets		
Net receivables	**39 348**	18 070
Trade and other receivables	**31 092**	16 117
Rental receivable – straight-line adjustment	**8 256**	1 953
Cash and cash equivalents	**62 555**	62 402
Properties classified as held for sale	**33 439**	89 600
	135 342	170 072
Total assets	**1 977 469**	1 626 740
EQUITY AND LIABILITIES		
Capital reserves		
Share capital and premium	**33 238**	33 238
Non-distributable reserves	**381 999**	257 769
Distributable reserves	**(9 590)**	3 015
	405 647	294 022
Non-current liabilities		
Debentures	**1 154 210**	1 154 858
Fair value of Put obligation	**17 722**	12 118
Interest bearing borrowings	**129 543**	23 494
Deferred taxation	**157 685**	50 384
	1 459 160	1 240 854
Current liabilities		
Trade payables	**4 138**	9 014
Other payables	**22 224**	–
South African Revenue Services	**3**	3
Linked unitholders for distribution	**86 297**	82 847
	112 662	91 864
Total equity and liabilities	**1 977 469**	1 626 740

* The financial information for the year ended 31 March 2005 has been restated in terms of IFRS.

ACCOUNTING POLICIES

The Historical Financial Information for the year ended 31 March 2006 and the Restated Historical Financial Information have been prepared in accordance with IFRS, the interpretations adopted by the International Accounting Standards Board (IASB) and the requirements of the South African Companies Act. SA Retail has adopted IFRS for the year ended 31 March 2006 and hence IFRS 1 First time adoption of IFRS has been applied in preparing the Historical Financial Information for the year ended 31 March 2006 and the Restated Historical Financial Information.

The Historical Financial Information for the year ended 31 March 2006 and the Restated Historical Financial Information are prepared on the historical cost basis, except for investments properties and financial instruments which are carried at fair value. Properties classified as held for sale are stated at the lower of carrying value and the fair value less costs to sell.

The preparation of the Historical Financial Information for the year ended 31 March 2006 and the Restated Historical Financial Information in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1. INVESTMENT PROPERTIES

Investment properties are held for the purpose of earning rental income and for capital appreciation. The cost of investment properties comprises the purchase price and directly attributable expenditure. Subsequent expenditure relating to investment properties is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Expenditure incurred on letting commission is capitalised and amortised over the period of the lease.

Investment properties are revalued annually at open market values using the discounted cash flow method of valuation. At 31 March 2006, all investment properties were revalued by a registered valuer. It is the Company's policy to revalue a minimum one third of the property portfolio on a rotation basis by a registered valuer in September (half-year), in December (in line with SAPIX/IPD reporting) and in March (financial year-end). Investment properties under development are valued using the fair value model. These properties are developed for the continued use as investment properties and therefore are not classified as property, plant and equipment. Any gain or loss arising from the change in fair value of the investment properties is included in net profit for the year in which it arises and is then transferred to the non-distributable reserve net of deferred taxation in the statement of changes in equity.

On disposal of investment properties, the difference between the net disposal proceeds and the fair value at the date of the last valuation is charged or credited to the income statement. Revaluation gains/losses accounted for in non-distributable reserves relating to such disposals are transferred to/against the distributable reserves in the statement of changes in equity and realised capital profits are transferred to the non-distributable reserve to comply with the terms of the Debenture Trust Deed.

Borrowing costs that are directly attributable to investment properties that necessarily take a substantial period of time to prepare for their intended use are capitalised. Capitalisation continues up to the date that the investment properties are substantially complete. Capitalisation is suspended during extended periods in which active development is interrupted.

2. PROPERTIES CLASSIFIED AS HELD FOR SALE

On initial classification as held for sale, the investment property is recognised at fair value less costs to sell. Any gain or loss arising from the change in fair value of the investment property is included in net profit and is then transferred to the non-distributable reserve net of deferred taxation in the statement of changes in equity.

3. TAXATION

Income tax on the profit or loss for the year comprises current and deferred tax.

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted or substantially enacted at the balance sheet date, and any adjustment of tax payable for previous years.

Deferred tax is provided using the balance sheet liability method, based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted at the balance sheet date.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. PROVISIONS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the settlement amount of the obligation. Where the effect of discounting is material, provisions are discounted. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

5. FINANCIAL INSTRUMENTS

A financial asset or liability is recognised on the balance sheet for as long as the Company is party to the contractual provisions of the instruments.

6. MEASUREMENT

Financial instruments are initially measured at fair value, which includes transaction costs except for those financial instruments carried at fair value through profit and loss. Financial instruments on the balance sheet include trade and other receivables, cash and cash equivalents and financial liabilities. Subsequent to the initial recognition these instruments are measured as set out below:

- Trade and other receivables are stated at amortised cost less impairment losses.
- Cash and cash equivalents comprise cash balances and call deposits and are measured at fair value.
- Financial liabilities including trade and other payables are measured at amortised cost using the effective interest rate method. Debentures are recognised at original debt less amortisations and principle repayments. Derivative financial instruments are recognised at fair value through profit and loss. Interest bearing borrowings are initially measured at the loan proceeds received net of direct transaction costs. Subsequent to initial recognition interest bearing borrowings are measured at amortised cost using the effective interest rate method.

7. GAINS AND LOSSES ON SUBSEQUENT MEASUREMENT OF INSTRUMENTS CARRIED AT FAIR VALUE

Gains and losses arising from a change in fair value of financial instruments are included in net profit or loss in the period in which the change arises.

8. SET-OFF

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

9. DERECOGNITION

Financial assets are derecognised when the Company realises the rights to the benefits specified in the contract, the rights expire or the Company surrenders or otherwise loses control of the contractual rights that comprise the financial asset. On derecognition, the difference between the carrying amount of the financial asset and proceeds receivable are included in the income statement.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and amount paid for it are included in the income statement.

10. REVENUE RECOGNITION

10.1 Revenue

Revenue comprises gross rental income, including all recoveries from tenants, excluding VAT. Turnover rental is recognised when it is due in terms of the lease agreement.

Operating lease receipts are recognised on a straight-line basis over the lease term. There will be an offsetting effect to the change in fair value, of investment property in the income statement (where relevant).

10.2 Net finance costs

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method.

10.3 Interest earned

Interest earned is recognised at effective rates of interest and is brought to income on a yield to maturity basis.

10.4 Property letting fees

Letting fees are written off over the period of the lease, with the deferred portion being included in investment properties under non-current assets. Letting fees for developments are capitalised to the cost of the property when it is probable that future economic benefits flowing from the asset will be increased.

10.5 Capitalisation of borrowing costs

Where the Company undertakes a major development or refurbishment of a property, borrowing costs are capitalised to the cost of the property concerned during the construction period. Capitalisation is suspended during extended periods in which active development is interrupted.

10.6 Segmental information

On a primary basis, the company operates in the following geographical areas of South Africa:

- Gauteng;
- KwaZulu-Natal; and
- Western Cape.

It is the Company's investment philosophy to invest only in retail property, therefore the Company can only report on a primary segment basis. Segment results include revenue and expenses directly attributable to a segment and the relevant portion of the enterprise revenue and expenses that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities comprises those assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

10.7 Impairment

The carrying amounts of the Company's assets, other than investment property and deferred tax assets are reviewed at each balance sheet date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of their fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

10.8 Jointly controlled assets

Where the Company has interest in jointly controlled assets, the Company records its share of the jointly controlled assets, classified according to the nature of the assets, rather than as an investment. Liabilities in respect of the jointly controlled asset are recognised to the extent it has been incurred by the Company. The Company recognises rental income of its share of the output of the joint venture, together with its share of any expenses incurred by the joint venture. Any direct expenses that the Company has incurred in respect of its interest in the joint venture is also recognised by the Company.

Because the assets, liabilities, income and expenses are recognised in the financial statements of the venturer, no adjustments or other consolidation procedures are required in respect of these items when the venturer presents consolidated financial statements.

10.9 Accounting estimates and judgments

Management discusses with the audit committee the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates.

In applying the Company's accounting policies, critical judgments are made:

- Determining the capitalisation rates used to value investment properties. Changes in market conditions may result in capitalisation rates being revised and the fair value of investment properties adjusting accordingly. Independent valuers are consulted in determining the applicable capitalisation rates.
- Determining if an investment property will be recovered through sale or use.

EXTRACTS OF THE LATEST INTERIM RESULTS OF SA RETAIL

The salient financial information set out below has been extracted without adjustment from the interim results of SA Retail for the six months ended 30 September 2006.

INCOME STATEMENT (R000)	**Unaudited 1 April 2006 to 30 September 2006**	Unaudited 1 April 2005 to 30 September 2005	Audited 1 April 2005 to 31 March 2006
Revenue	134 724	116 390	229 800
Contractual lease revenue	132 916	111 705	231 443
Straight-line adjustment on leases	1 808	4 685	(1 643)
Net rental income from properties	89 511	73 842	149 293
Straight-line adjustment on operating lease	(1 623)	–	–
Interest earned	1 723	5 291	9 947
Finance costs	(2 112)	(3)	–
Capital profit/(loss) on disposal of investment properties	809	(700)	(728)
Net profit before fair value adjustments	88 308	78 430	158 512
Write up on revaluation of investment properties	208 494	79 146	226 796
As per valuation	210 302	83 831	225 153
Adjusted for rental straight-line adjustment	(1 808)	(4 685)	1 643
Deficit on revaluation of Put obligation	(934)	(3 715)	(5 604)
Net profit before debenture interest and taxation	295 868	153 861	379 704
Debenture interest	(87 288)	(74 425)	(160 727)
Net profit before taxation	208 580	79 436	218 977
Taxation	(50 078)	(68 988)	(104 165)
Net profit attributable to linked unitholders	**158 502**	**10 448**	**114 812**
Earnings per share (cents) (weighted)	69,23	4,63	50,83
Diluted earnings per share (cents) (weighted)	69,23	4,63	50,83
Distribution per linked unit (cents)			
Interest	37,46	32,94	71,16
Dividend	0,01	0,01	0,02
Total	37,47	32,95	71,18
Headline (loss)/earnings per share (cents) (weighted)	(0,18)	0,48	1,45

BALANCE SHEET (R000)	**Unaudited 30 September 2006**	Unaudited 30 September 2005	Audited 31 March 2006
ASSETS			
Non-current assets			
Investment properties	**1 973 635**	1 534 320	1 788 198
At valuation	**2 032 860**	1 595 878	1 846 210
Pre-paid letting commission	**4 768**	4 089	4 173
Rental straight-line adjustment	**(63 993)**	(65 647)	(62 185)
Rental receivable – straight-line adjustment	**57 853**	65 011	53 929
	2 031 488	1 599 331	1 842 127
Current assets			
Net receivables	**30 792**	23 625	39 348
Trade and other receivables	**24 652**	22 989	31 092
Rental receivable – straight line adjustment	**6 140**	636	8 256
Cash resources and short-term investments	**9 678**	120 862	62 555
Properties classified as held for sale	**172 021**	–	33 439
	212 491	144 487	135 342
TOTAL ASSETS	**2 243 979**	1 743 818	1 977 469
EQUITY AND LIABILITIES			
Capital and reserves	**564 126**	304 447	405 647
Non-current liabilities			
Debentures	**1 219 407**	1 154 483	1 154 210
Fair value of Put obligation	**18 656**	15 833	17 722
Interest bearing borrowings	**138 508**	66 070	129 543
Deferred taxation	**207 762**	119 341	157 685
	1 584 333	1 355 727	1 459 160
Current liabilities			
Trade payables	**8 260**	9 242	4 138
Other payables	**–**	–	22 224
South African Revenue Services	**3**	3	3
Linked unitholders for distribution	**87 257**	74 399	86 297
	95 520	83 644	112 662
TOTAL EQUITY AND LIABILITIES	**2 243 979**	1 743 818	1 977 469

In terms of IAS 34 as well as the opinion of the directors no notes are prepared for the interim results.

There has been no change to the accounting policies audited at 31 March 2006 to those applied at 30 September 2006.

Number of linked units	232 993 391	225 873 826	225 873 826
NAV (cents per linked units)	766	646	690
NTAV (cents per linked units)	766	646	690

HISTORICAL FINANCIAL INFORMATION RELATING TO SA CORPORATE

The salient financial information set out below has been extracted without adjustment from the financial statements of SA Corporate for the financial years ended 31 July 2005, and 2004 and for the 17 months ended 31 December 2006.

CONSOLIDATED INCOME STATEMENT (R'000)	Seventeen months to 31 December 2006 Reviewed	Twelve months to 31 July 2005 Restated	Twelve months to 31 July 2004
Income	**478 980**	292 645	260 002
Rental	**385 086**	239 086	212 948
Straight-line rental adjustment	**8 115**	1 556	2 889
Recovery of property expenses	**78 879**	47 563	38 454
Interest	**6 900**	4 440	5 711
Expenses	**194 016**	107 687	86 995
Accounting and secretarial fees	**5 848**	4 037	3 151
Audit fees	**1 198**	735	798
Administrative fees	**3 087**	1 238	1 095
Interest paid	**50 127**	15 805	4 662
Property administrative fees	**13 485**	8 419	7 854
Property expenses	**105 593**	69 328	63 188
Service fees	**16 280**	8 639	6 831
Surplus on revaluation of interest rate swap derivative	**(1 602)**	(514)	(584)
Deferred taxation on straight-line rental adjustment	**(496)**	(57)	(1 082)
Headline earnings	**284 468**	184 901	171 925
Capital (deficit)/surplus on disposal of investment properties	**(2 091)**	1 154	(2 800)
Write-up on revaluation of investment properties	**606 220**	369 534	59 779
Revaluations	**614 335**	371 090	62 668
Straight-line rental adjustment valuation	**(8 115)**	(1 556)	(2 889)
Taxation on property revaluation	**(12 665)**	(10 881)	(2 907)
On capital transactions	**(13 161)**	(10 938)	(3 101)
Straight-line rental adjustment	**496**	57	194
Net profit	**875 932**	544 708	225 997
Units in issue (000)	**725 184**	725 184	725 184
Headline earnings per unit (cents)			
Prior to straight-line rental adjustment	**38,18**	25,29	24,40
Straight-line rental adjustment	**1,05**	0,21	0,26
After straight-line rental adjustment	**39,23**	25,50	24,66
Net profit per unit (cents)	**120,79**	75,11	32,42
Distributable income per unit (cents)	**38,00**	25,50	24,75

CONSOLIDATED BALANCE SHEET (R'000)	31 December 2006 Reviewed	31 July 2005 Restated
ASSETS		
Non-current assets		
Investment property	**2 959 851**	1 888 902
At valuation	**3 026 564**	1 947 500
Straight-line rental adjustment	**(66 713)**	(58 598)
Property under development	**–**	13 282
Rental receivable straight-line adjustment	**55 199**	46 085
Current assets		
Properties classified as held for disposal	**76 410**	–
Trade and other receivables	**43 649**	39 914
Rental receivable straight-line adjustment	**11 514**	12 513
Cash resources and short-term investments	**22 096**	66 529
TOTAL ASSETS	**3 168 719**	2 067 225
UNITHOLDERS' FUNDS AND LIABILITIES		
Unitholders' funds	**2 375 610**	1 774 925
Non-current liabilities		
Interest bearing borrowings	**652 665**	155 000
Interest rate swap derivative	**–**	1 602
Deferred capital gains taxation	**24 484**	11 763
Current liabilities		
Trade and other payables	**28 900**	25 738
Capital gains taxation and Secondary Taxation on Companies	**64**	3 905
Distributions payable	**86 996**	94 292
TOTAL UNITHOLDERS' FUNDS AND LIABILITIES	**3 168 719**	2 067 225

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE UNAUDITED PROFIT FORECASTS OF SA RETAIL

"The Directors
SA Retail Properties Limited
Marriott at Kingsmead
Kingsmead Office Park
Kingsmead
Durban
4001

20 March 2007

Dear Sirs

Independent Reporting Accountants' Assurance Report on the unaudited profit forecast of SA Retail Properties Limited including a portfolio of properties from various property owning companies administered by Sharemax Investments (Pty) Ltd

Introduction

SA Corporate Real Estate Fund ("SA Corporate") has made an offer to acquire all the linked units in SA Retail Properties Limited ("SA Retail") (the "Offer"). SA Retail is in the process of acquiring a portfolio of properties from various property owning companies administered by Sharemax Investments (Pty) Ltd ("Sharemax portfolio").

We have examined the profit forecast and the related assumptions of SA Retail including the Sharemax portfolio for the twelve months ending 31 December 2007 ("forecast information"), amounting to an attributable net profit before distribution to linked unitholders of R272 870 963 as set out in Annexure 5 to this Circular to be dated on or about 28 March 2007.

Directors' responsibility

The directors of SA Retail are responsible for the forecast information, including the assumptions set out in Annexure 5, 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 ("Listings Requirements"), includes:

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

Reporting accountants' responsibility

Our responsibility is to provide a limited assurance report on the forecast information prepared for the purpose of complying with the Listings Requirements and for inclusion in the Circular. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to the *Examination of Prospective Financial Information* and the circular entitled *The reporting accountant's reporting responsibilities in terms of section 13 of the Listings Requirements of the JSE Limited* issued by the South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence as to whether:

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

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 the management of SA Retail 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 SA Retail for the year ended 31 March 2006;
- the published interim results of SA Retail for the six months ended 30 September 2006;
- the audited historical financial information of the Sharemax portfolio for the year ended 2006 (due to non-conterminous year-ends), where available;
- the management accounts of SA Retail for the two months ended 28 February 2007;
- management prepared forecasts for the twelve months ending 31 December 2007;
- discussions with the directors of SA Retail regarding the forecasts presented;
- discussions with directors of SA Retail regarding the prevailing market and economic conditions;
- valuation reports, prepared by the independent valuer appointed by SA Retail, in respect of the properties;
- the report from the IPD South African Property Investors Digest;
- lease agreements for a sample of the properties held under such leases; and
- the agreement between SA Retail and Marriott Property Services (Proprietary) Limited ("Marriott"), the asset management agreement between SA Retail and Marriott, a sample of the acquisition agreements in respect of the Sharemax portfolio and the trust deed.

Procedures

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

Rental income

- The forecast contracted rental income streams as contained in the profit forecast model, were selected for a sample of properties relating to both SA Retail and the Sharemax portfolio and agreed to the underlying lease agreements. The total coverage obtained was 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 that same sample of properties, forecast recoveries relating to SA Retail's existing portfolio were compared to historical recoveries and the forecast operating expenditure for reasonableness. Forecast recoveries relating to the Sharemax portfolio were compared to historical recoveries, industry benchmarks and the recoveries per the valuator's reports for reasonableness. All variances greater than 10% were discussed with the property manager and the reasons for the variances were considered. The terms of the leases with respect to both SA Retail's existing portfolio and the Sharemax portfolio were considered so as to ensure that the basis of the recoveries was correct.
- Forecast rental income relating to the Sharemax portfolio resulting from rental guarantees provided by the seller was agreed to the relevant purchase agreement.
- The following procedures were performed with regard to uncontracted rental income contributed by the SA Retail portfolio:
  - For a sample of lease agreements, the expiry dates per the profit forecast model were compared to the expiry dates per the original lease agreements.
  - The historical vacancy factor for SA Retail was compared to the forecast vacancy factor. Variances were discussed with the property manager.
  - The forecast uncontracted rental streams as contained in the profit forecast model were selected for a sample of properties and the following procedures were performed:
    - ■ forecast uncontracted revenue was broken down by category, i.e. anchor, national and line to determine whether this split was in line with contracted revenue.
    - ■ an analysis was performed in respect of each of the selected properties to determine the extent of downtime provided for. This was then discussed with the property manager and the explanations given were assessed for reasonableness.

  - ■ average escalations were calculated for the selected properties and their reasonableness was assessed through inspection of recently negotiated SA Retail leases.

- The following procedures were performed with regard to uncontracted rental income contributed by the Sharemax portfolio:
  - For a sample of lease agreements, the expiry dates per the profit forecast model were compared to the expiry dates per the original lease agreements.
  - The forecast uncontracted rental streams as contained in the profit forecast model were selected for a sample of properties and the following procedures were performed:
    - ■ expiring leases were analysed by category of tenant, i.e. anchor, national and line shops and the probability of the existing tenants who's leases have expired renewing their leases for a period of six months was discussed with the property manager based on the nature of the tenant.
    - ■ the escalation percentage applied to the forecast revenue stream was compared to industry norms and discussed with the property manager.
- Uncontracted rental income comprises 11% and 18% of the total forecast revenue with respect to the SA Retail and the Sharemax portfolios respectively for the 12 months ending 31 December 2007.

Expenses

For a sample of properties relating to SA Retail's existing portfolio, forecast expenses were compared to historical expenses. Explanations were obtained for any significant differences.

For a sample of properties relating to the Sharemax portfolio, forecast expenses were compared to historical expenses, industry benchmarks and the expenses per the valuer's reports. Explanations were obtained for any significant differences.

The total expenses tested amounted to 66% and 41% of the total forecast expenses with respect to the SA Retail and Sharemax portfolios respectively for the 12 months ending 31 December 2007.

The detailed forecast expenditure was reviewed to ensure that all material expenditure items, as required by paragraph 13.14(f) of the Listings Requirements, were disclosed. The explanations for variances of 15% or more between the historic and forecast expenditure line items were assessed for reasonableness.

Portfolio expenses

The company costs, 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 as set out in Annexure 1 to the Circular, were applied consistently in arriving at the forecast income and agreed to the disclosed accounting policies and International Financial Reporting Standards for the respective accounting periods. Variances and principles were primarily discussed with the directors of SA Retail.

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.

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 SA Retail 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 SA Retail's 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 not been properly presented and all material assumptions are not adequately disclosed; and
- the forecast information is not presented on a basis consistent with the accounting policies of SA Retail.

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 SA Retail and existing and prospective unitholders of SA Retail for the purpose of their consideration of the Offer. This letter is not addressed to and may not be relied upon by any other third party for any purpose whatsoever.

Yours faithfully

KPMG Inc.
Per Mickey Bove

Chartered Accountant (SA)
Registered Auditor
Director"

KPMG Crescent
85 Empire Road
Parktown, 2193
Johannesburg

"The Directors
SA Retail Properties Limited
Marriott at Kingsmead
Kingsmead Office Park
Kingsmead
Durban
4001

20 March 2007

Dear Sirs

Independent Reporting Accountants' Assurance Report on the unaudited profit forecasts of SA Retail Properties Limited including a portfolio of properties from various property owning companies administered by Sharemax Investments (Pty) Ltd

Introduction

SA Corporate Real Estate Fund ("SA Corporate") has made an offer to acquire all the linked units in SA Retail Properties Limited ("SA Retail") (the "Offer"). SA Retail is in the process of acquiring a portfolio of properties from various property owning companies administered by Sharemax Investments (Pty) Ltd ("Sharemax portfolio").

We have examined the profit forecasts and the related assumptions of SA Retail including the Sharemax portfolio for the eight months ending 31 December 2007, amounting to an attributable net profit before distribution to unitholders of R197 384 564 as set out in Annexure 5 to this Circular to be dated on or about 28 March 2007. We have also examined the distribution contribution for the period ending 30 April 2007 amounting to R149 012 711.

Directors' responsibility

The directors of SA Corporate Real Estate Fund Managers Limited ("SA Corporate") are responsible for the forecast information, including the assumptions set out in Annexure 5, 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 ("Listings Requirements"), includes:

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

Reporting accountants' responsibility

Our responsibility is to provide a limited assurance report on the forecast information prepared for the purpose of complying with the Listings Requirements and for inclusion in the Circular. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to the *Examination of Prospective Financial Information* and the circular entitled *The reporting accountant's reporting responsibilities in terms of section 13 of the Listings Requirements of the JSE Limited* issued by the South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence as to whether:

- 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 information is properly prepared on the basis of the assumptions;
- the forecast information is properly presented and all material assumptions are adequately disclosed; and
- the forecast information is prepared and presented on a basis consistent with the accounting policies of SA Corporate.

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 the management of SA Corporate and SA Retail 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 SA Retail for the year ended 31 March 2006;
- the published interim results of SA Retail for the six months ended 30 September 2006;
- the audited historical financial information of the Sharemax portfolio for the year ended 2006 (due to non-conterminous year ends), where available;
- the management accounts of SA Retail for the five months ended 28 February 2007;
- management prepared forecasts for the seven months ending 30 April 2007 and the eight months ending 31 December 2007;
- discussions with the directors of SA Corporate Fund Managers and SA Retail regarding the forecasts presented;
- discussions with directors of SA Corporate Fund Managers regarding the prevailing market and economic conditions;
- valuation reports, prepared by the independent valuer appointed by SA Corporate and SA Retail, in respect of the properties;
- the report from the IPD South African Property Investors Digest;
- lease agreements for a sample of the properties held under such leases; and
- the Management Agreement between SA Corporate and Marriott, a sample of the acquisition agreements in respect of the Sharemax portfolio and the trust deed.

Procedures

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

Rental income

- The forecast contracted rental income streams as contained in the profit forecast model, were selected for a sample of properties relating to both SA Retail and the Sharemax portfolio and agreed to the underlying lease agreements. The total coverage obtained was 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 that same sample of properties, forecast recoveries relating to SA Retail's existing portfolio were compared to historical recoveries and the forecast operating expenditure for reasonableness. Forecast recoveries relating to the Sharemax portfolio were compared to historical recoveries, industry benchmarks and the recoveries per the valuator's reports for reasonableness. All variances greater than 10% were discussed with the property manager and the reasons for the variances were considered. The terms of the leases with respect to both SA Retail's existing portfolio and the Sharemax portfolio were considered so as to ensure that the basis of the recoveries was correct.
- Forecast rental income relating to the Sharemax portfolio resulting from rental guarantees provided by the seller was agreed to the relevant purchase agreement.
- The following procedures were performed with regard to uncontracted rental income contributed by the SA Retail portfolio:
  - For a sample of lease agreements, the expiry dates per the profit forecast model were compared to the expiry dates per the original lease agreements.
  - The historical vacancy factor for SA Retail was compared to the forecast vacancy factor. Variances were discussed with the property manager.
  - The forecast uncontracted rental streams as contained in the profit forecast model were selected for a sample of properties and the following procedures were performed:
    - ■ forecast uncontracted revenue was broken down by category, i.e. anchor, national and line to determine whether this split was in line with contracted revenue;

- ■ an analysis was performed in respect of each of the selected properties to determine the extent of downtime provided for. This was then discussed with the property manager and the explanations given were assessed for reasonableness; and
- ■ average escalations were calculated for the selected properties and their reasonableness was assessed through inspection of recently negotiated SA Retail leases.

- The following procedures were performed with regard to uncontracted rental income contributed by the Sharemax portfolio:
  - For a sample of lease agreements, the expiry dates per the profit forecast model were compared to the expiry dates per the original lease agreements.
  - The forecast uncontracted rental streams as contained in the profit forecast model were selected for a sample of properties and the following procedures were performed:
    - ■ expiring leases were analysed by category of tenant, i.e. anchor, national and line shops and the probability of existing tenants who's leases have expired renewing their leases was discussed with the property manager based on the nature of the tenant.
    - ■ the escalation percentage applied to the forecast revenue steams was compared to industry norms and discussed with the property manager.
- Uncontracted rental income comprises 11% and 20% of the total forecast revenue with respect to the SA Retail and Sharemax portfolio's respectively for the eight months ending 31 December 2007.

Expenses

For a sample of properties relating to the SA Retail existing portfolio, forecast expenses were compared to historical expenses. Explanations were obtained for any significant differences.

For a sample of properties relating to the Sharemax portfolio, forecast expenses were compared to historical expenses, industry benchmarks and the expenses per the valuer's reports. Explanations were obtained for any significant differences.

The total expenses tested amounted to 67% and 44% of the total forecast expenses with respect to the SA Retail and Sharemax portfolios respectively for the eight months ending 31 December 2007.

The detailed forecast expenditure was reviewed to ensure that all material expenditure items, as required by paragraph 13.14 (f) of the Listings Requirements, were disclosed. The explanations for variances of 15% or more between the historic and forecast expenditure line items were assessed for reasonableness.

Portfolio expenses

The company costs, 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 as contained in SA Corporate's annual report for the 17 months ended 31 December 2007, were applied consistently in arriving at the forecast income and agreed to the disclosed accounting policies and International Financial Reporting Standards for the respective accounting periods. Variances and principles were primarily discussed with the directors of SA Corporate Fund Managers.

Model review

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

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 SA Corporate 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 SA Corporate's 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 not been properly presented and all material assumptions are not adequately disclosed; and
- the forecast information is not presented on a basis consistent with the accounting policies of SA Corporate.

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 soley for the benefit of the board of directors of SA Corporate Fund Managers and existing and prospective unitholders of SA Corporate for the purpose of their consideration of the Offer. This letter is not addressed to and may not be relied upon by any other third party for any purpose whatsoever.

Yours faithfully

KPMG Inc.
Per Mickey Bove

Chartered Accountant (SA)
Registered Auditor
Director"

KPMG Crescent
85 Empire Road
Parktown, 2193
Johannesburg

FORECAST FINANCIAL INFORMATION RELATING TO SA RETAIL

The forecast income statements of SA Retail including Sharemax, prepared in accordance with IFRS and SA Retail's accounting policies for the 12 months ending 31 December 2007 and in accordance with IFRS and SA Corporate's accounting policies for the 8 months ending 31 December 2007, are set out in the table below:

	SA Retail 12 months to 31 December 2007 (3)	Less: SA Retail 4 months to 30 April 2007 (4)	Adjustments (5)	Adjusted SA Retail 8 months to 31 December 2007 (6)
Rent	311 047 406	(94 866 888)	–	216 180 518
Straight-line rental adjustments	62 216 121	–	–	62 216 121
Recovery of property expenses	82 928 130	(26 702 663)	–	56 225 467
Revenue	456 191 657	(121 569 551)	–	334 622 106
Net property expenditure	(107 290 435)	35 430 794	–	(71 859 641)
Net property income	348 901 222	(86 138 757)	–	262 762 465
Interest received	12 942 926	(1 498 831)	–	11 444 095
Interest paid	(5 466 633)	4 247 485	–	(1 219 148)
Asset management and accounting fees	(12 292 814)	3 431 853	8 860 961	–
Audit fees	(387 345)	124 241	131 552	(131 552)
Service fees	–	–	(11 226 240)	(11 226 240)
JSE fees	(149 577)	49 217	80 288	(20 072)
Annual report	(316 421)	114 957	201 464	–
Transfer secretarial fees	(45 358)	17 171	25 368	(2 819)
Trustees fees	(42 399)	13 599	(28 800)	(57 600)
Valuation fees	(246 545)	116 545	–	(130 000)
Sundry expenses	(2 000)	400	–	(1 600)
Share issue expenses written off	(121 890)	40 630	81 260	–
Debenture discount written off	(100 184)	31 208	68 976	–
Debenture premium	863 239	(277 583)	(585 656)	–
Subscriptions	(86 346)	24 445	61 901	–
Directors' fees	(770 293)	335 589	434 704	–
Bank charges	(7 413)	2 213	5 200	–
Insurance	(44 396)	14 604	29 792	–
Legal expenses	(27 544)	17 544	10 000	–
Promotions and marketing	(17 000)	3 400	13 600	–
Professional fees	(76 357)	24 517	51 840	–
Travelling costs	(47 628)	12 804	34 824	–
SAPIX/IPD	(107 882)	32 706	75 176	–
Occupational interest	(7 264 279)	7 264 279	–	–
Interest lost on transaction costs (2)	–	–	(1 816 845)	(1 816 845)
Deferred tax on straight line adjustments	(18 042 675)	–	–	(18 042 625)
Headline earnings	317 044 408	(71 995 764)	(3 490 635)	241 558 009
Fair value adjustments – property	(62 216 121)	–	–	(62 216 121)
Taxation	18 042 675	–	–	18 042 675
Net profit	272 870 962	(71 995 764)	(3 490 635)	197 384 563
Units in issue	343 618 201	–	–	343 618 201
Weighted cents in issue	312 143 169	–	–	230 647 834
Weighted EPU (cents)	87,42	–	–	85,58
Weighted HEPU (cents)	101,57	–	–	104,73
Distributable income:				
Headline earnings	317 044 408	(71 995 764)	(3 490 635)	241 558 009
Adjustments for:				
Distribution contribution (1)	44 170 112	(44 170 112)	149 012 711	149 012 711
Debenture/Share premiums write off	(641 166)	205 745	435 421	–
Straight-line adjustments – net of tax	(44 173 446)	–	–	(44 173 446)
Distributable income	316 399 908	(115 960 131)	145 957 497	346 397 274
Distribution per unit	92,08	–	–	100,81

Notes:

1. The distribution contribution comprises:
   - the SA Retail distributable income for the period 1 October 2006 to 30 April 2007 which will accrue to SA Corporate in terms of the structure of the transaction; and
   - the pre-paid distribution payable by new unitholders to SA Retail on the issue of the additional linked units for Sharemax, Axis and Hubyeni in terms of normal practices. These new linked units rank pari passu with existing linked units from the date of issue and the payment of the prepaid distribution is necessary to ensure that distributions to existing linked unitholders are not diluted.
2. Interest on transaction costs is the increase in interest costs as a result of SA Corporate funding the transaction costs incurred in respect of the Transaction through debt at the assumed variable interest rate.
3. The forecast income statement for the 12 months ending 31 December 2007, based on SA Retail continuing as is, other than for the acquisition of Sharemax, and in terms of its own accounting policies. This forecast is the responsibility of the SA Retail directors.
4. The impact of reducing the 12 month forecast to an 8 month forecast commencing on 1 May 2007 in view of the 1 May effective transaction date.
5. The adjustments required to the forecast income statement to take into account the changes that will arise post acquisition by SA Corporate, including any adjustments necessary to comply with SA Corporate's accounting policies.
6. The forecast impact of SA Retail on SA Corporate results for the year ending 31 December 2007, being in respect of the eight months from the 1 May 2007 effective date. This forecast is the responsibility of the SA Corporate directors and has been prepared in accordance with SA Corporate's accounting policies.

BASES AND ASSUMPTIONS

The following major bases and assumptions, which are outside the control of the directors, have been included in the profit forecasts:

- the forecasts are based on budgeted information;
- property net income:
  - net income is reflected on an aggregated basis for the whole portfolio;
  - contracted revenue (12 months to 31 December 2007 89% and 8 months to 31 December 2007 86% of total revenue) is based on existing lease agreements. The remaining 11% for the 12 months to 31 December 2007 and 14% for the 8 months to 31 December 2007 is uncontracted;
  - there will be no unforeseen economic factors that will affect lessees' abilities to meet their commitments in terms of existing lease agreements;
  - with respect to SA Retail's existing portfolio:
    - leases that expired prior to the periods and leases expiring during the periods have been forecast on a lease by lease basis, with particular regard as to the likelihood of existing tenants renewing their lease; where appropriate a vacancy provision has been allowed based on the lettability of the particular premises (revenues forecast for the period after the expiry of the leases have been included in uncontracted revenue);
    - space that is currently vacant was considered on a property by property basis. Where the property manager has demonstrated that the vacant space is in the process of being let but that the relevant documentation in that regard has not as yet been finalised the rental income has been included in uncontractual rental income;
  - with respect to the Sharemax portfolio:
    - leases that expired prior to the periods have been forecast to remain let by the current tenant at the current rates for a period of six months, unless the existing tenant has indicated that it intends to vacate the premises. Following this six month period, it has been assumed that the space will be re-let within one month at comparable rates;
    - where leases relating to anchor and national tenants expire during the periods, it has been assumed that the existing tenants will renew the lease agreements unless the existing tenant has indicated that it intends to vacate the premises;
    - where leases relating to line shop tenants expire during the periods, it has been assumed that the premises will be re-let within one month at rates that are comparable to those received in respect of similar premises that are currently let to similar tenants;

  - current vacant space will remain unlet for approximately one month and will thereafter be let at rates that are comparable to those received in respect of similar premises that are currently let with similar types of tenants i.e. anchor, national or line shops;
- income generated from expense recoveries is based on the existing contracted arrangements; consumption based recoveries are based on historical information escalated in line with expenditure forecasts;
- forecast property operating expenditure has been determined based on the individual property income statements prepared with reference to the historical expenditure with suitable escalations to take into account increases where applicable. Property operating expenditure has been escalated by 7% with respect to the Sharemax portfolio;
- municipal charges have been based on historical costs adjusted by estimated increases provided by the relevant local authority where possible;
- repairs and maintenance costs are based on expected requirements in respect of each property and the contractual obligations in terms of leases;
- straight-line rental adjustments are based on leases currently in place and exclude any assumptions on renewals or new leases during the period;

- Borrowing costs:
  - variable rate borrowings, including the transaction costs incurred with regard to the acquisitions of Sharemax, Hubyeni and Axiz, incur interest at an effective rate of 10,2%, based on the current facility at prime interest rate (12,5%) less 2,3%;
- Interest received:

  interest received on positive cash balances has been calculated at the debt rate of 10,2%;
- Portfolio costs
  - Portfolio costs are based on historical costs adjusted for inflationary increases as appropriate; converted to the same basis as is currently calculated for SA Corporate (and are limited to those expenses permitted in terms of the CISCA) in the adjustment column above;
  - SA Retail unit price used for the calculation of the asset management fee is 1100 cents; This has been converted to the SA Corporate service fee on a unit price of 400 cents in the adjustment column above;
- Other
  - Sharemax acquisition is effective on 1 March 2007 and 93 231 390 SA Retail consideration linked units are issued at a price of R11,00 plus a 30 cents distribution contribution. The linked units have been fully subscribed for;
  - current commitments for property transactions included from/to expected date of transfer using anticipated funding, which includes the issue of 16 181 818 new SA Retail linked units;
  - 100% of SA Retail units are acquired by SA Corporate in terms of the unit offer with an effective date of 1 May 2007 (97,27% have irrevocably committed prior to the date of this circular);
  - no impairment of goodwill is necessary in view of the premium attached for a portfolio of properties;
  - no fair value adjustments on investment property are required other than the opposite side of the rental straight-lining adjustment;
  - transaction costs are borne by SA Corporate, are charged against the unit capital and not expensed.

COMPARISON TO HISTORICAL NUMBERS

The above forecast for the 12 months ending 31 December 2007 has been compared to the annualised numbers for the 6-month period ended 30 September 2006, being the last reported period, and % fluctuations for the following material expenses are:

- Property expenses 32%

  The expense to revenue ratio on the existing SAR portfolio is 30%, which is in line with the historic ratio. This accounts for 15% of the total increase in the expense over the historical value. The remaining 17% increase in expense is due to the acquisition of the Sharemax portfolio.

- Interest paid 29%

  Interest paid is dependent on debt levels and interest rates. In the 2006 annualised results the debt primarily related to developments on which the interest expense was capitalised during the construction period. On completion of these developments the interest on debt is expensed and this has resulted in the 29% increase in this expense.

- Asset management fees 43%

  Asset management fees are calculated on the market capitalisation and debt. The average unit price has increased from 1 003 cents to 1 100 cents. In addition, the acquisition of the Sharemax portfolio, which is being funded through the issue of linked units, has increased the market capitalisation and therefore this expense.

Reasons for the fluctuations have been set out where the percentage fluctuation is greater than 15%.

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE PROFIT FORECASTS OF SA CORPORATE

"The Directors
SA Retail Properties Limited
Marriott at Kingsmead
Kingsmead Office Park
Durban
4001

20 March 2007

Dear Sirs

Independent Reporting Accountants' limited assurance report on the forecast information of the acquisition by SA Corporate Real Estate Fund ("SA Corporate" or "the Fund") regarding the acquisition of all the issued linked units of SA Retail Properties Limited ("SA Retail").

We have examined the profit forecast and the related assumptions of SA Corporate for the 12 months ending 31 December 2007, amounting to an attributable net profit before distribution to unit holders of R225 947 603 as set out in Annexure 7 to the circular to SA Retail linked unitholders dated 28 March 2007 ("the circular"), (collectively "the forecast information").

DIRECTORS' RESPONSIBILITY

The directors of SA Corporate Real Estate Fund Managers Limited ("SA Corporate Fund Managers") are responsible for the forecast information, including the assumptions set out in Annexure 7, on which it is based, and for the financial information from which it has been prepared. This responsibility 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 the Fund or Group in question.

REPORTING ACCOUNTANT'S RESPONSIBILITY

Our responsibility is to provide a limited assurance report on the forecast information prepared for inclusion in the circular to SA Retail linked unitholders. We conducted our assurance engagement in accordance with the International Standards 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 information is based are not unreasonable and are consistent with the purpose of the information;
- the forecast information is properly prepared on the basis of the assumptions;
- the forecast information is properly presented and all material assumptions are adequately disclosed; and
- the forecast information, is prepared and presented on a basis consistent with the accounting policies of the Fund or Group in question 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 SA Corporate Fund Managers and other information from various public, financial and industry sources.

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

- Management prepared forecasts for the year ending 31 December 2007.
- Discussions with the management of SA Corporate Fund Managers regarding the forecasts presented.
- Discussions with management of SA Corporate Fund Managers regarding the prevailing market and economic conditions.
- Discussion with the property valuers and the property managers with regard to the forecast expenses.
- Lease agreements for a sample of the properties.
- Valuation reports in respect of the properties.
- Property management agreement, asset management agreement, acquisition agreements, and trust deed.

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 for 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 that same 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 except where the property manager has demonstrated that the vacant space is in the process of being let but that the lease agreement in that regard had not been signed on the date of posting the circular. The vacancy levels per the forecast model were compared to the historical vacancy levels for reasonableness. Uncontracted rental income comprises 19% of the total forecast revenue in the 12 months ending 31 December 2007.

RENTAL INCOME (DEVELOPMENT PROPERTIES)

We confirmed with management that at the date of the circular there were no development properties.

EXPENSES

For a sample of properties, forecast expenses were compared to the historical expenses. Explanations were obtained for any significant differences. The total expenses tested amounted to 38% of the total forecast expenses.

The detailed forecast expenditure was reviewed to ensure that all material expenditure items were disclosed. The explanations for variances of 15% 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.

APPLICATION OF ACCOUNTING POLICIES

We ascertained that the accounting policies to be applied by SA Corporate in the future were applied consistently in arriving at forecast income, and agreed to the disclosed accounting policies and International Financial Reporting Standards ("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.

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 from the management of SA Corporate Fund Managers. While our work has involved an analysis of historical financial information and consideration of other information provided to us, our assurance engagement does not constitute an audit or review of historical financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements. Accordingly, we do not express an audit or review opinion thereon and assume no responsibility and make no representations in respect of the accuracy or completeness of any information provided to us, in respect of the property forecast and relevant information included in the circular to SA Retail linked unitholders.

CONCLUSION

Based on our examination of the evidence obtained, nothing has come to our attention that 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 information has not been properly presented and all material assumptions are not adequately disclosed; and
- the forecast information, is not presented on a basis consistent with the accounting policies of the Fund or Group in question.

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 SA Retail and existing and prospective linked unitholders of SA Retail for the purpose of their consideration of the offer by SA Corporate to acquire all of the linked units in SA Retail. This letter is not addressed to and may not be relied upon by any other third party for any purpose whatsoever.

Deloitte & Touche

Registered Auditors
Per **G D Kruger**
Partner

2 Pencarrow Crescent
Pencarrow Park
La Lucia
Durban"

FORECAST INFORMATION RELATING TO SA CORPORATE

The forecast information relating to SA Corporate (without taking into account the Acquisition and Sharemax Acquisition), which is the responsibility of SA Corporate Fund Managers, prepared in accordance with IFRS and SA Corporate's accounting policies, for the 12 months ending 31 December 2007 in the table below:

	12 months to 31 December 2007 R
Rent	344 869 223
Straight-line rental adjustments	5 459 043
Recovery of property expenses	58 754 670
Revenue	409 082 936
Net property expenditure	(100 702 943)
Net property income	308 379 993
Interest received	1 057 412
Interest paid	(55 411 308)
Fund expenses	(22 619 451)
Deferred tax on straight-line adjustments	(149 181)
Headline earnings	231 257 465
Fair value adjustments - property	(5 459 043)
Taxation	149 181
Net profit	225 947 603
Units in issue	771 804 023
Weighted units in issue	764 931 556
Weighted EPU (cents)	29,54
Weighted HEPU (cents)	30,23
Distributable income:	
Headline earnings	231 257 465
Adjustments for:	
Distribution contribution [(1)]	1 903 016
Straight line adjustments (net of tax)	(5 309 862)
Distributable income	227 850 619
Distribution per unit (cents)	29,52

Note:

1. The distribution contribution comprises the prepaid distribution payable by new unitholders on the issue of the additional units for the Cullinan acquisition in terms of normal practices. These new units rank *pari passu* with existing units from the date of issue and the payment of the prepaid distribution is necessary to ensure that distributions to existing unitholders are not diluted.

BASES AND ASSUMPTIONS

The following major bases and assumptions, which are outside the control of the directors, have been included in the profit forecasts:

- the forecasts are based on budgeted information;
- property net income:
  - net income is reflected on an aggregated basis for the whole portfolio;
  - contracted revenue for the 12 months to 31 December 2007 is 81% of total revenue, based on existing lease agreements. The remaining 19% in 2007 is uncontracted;
  - there will be no unforeseen economic factors that will affect lessees' abilities to meet their commitments in terms of existing lease agreements;

    - leases expiring during the periods have been forecast on a lease by lease basis, with particular regard as to the likelihood of existing tenants renewing their lease; where appropriate a vacancy provision has been allowed based on the lettability of the particular premises (revenues forecast for the period after the expiry of the leases have been included in uncontracted revenue);
    - income generated from expense recoveries is based on the existing contracted arrangements; consumption based recoveries are based on historical information escalated in line with expenditure forecasts;
    - forecast property operating expenditure has been determined based on the individual property income statements prepared with reference to the historical expenditure with suitable escalations to take into account increases where applicable;
    - municipal charges have been based on historical costs adjusted by estimated increases provided by the relevant local authority where possible;
    - repairs and maintenance costs are based on expected requirements in respect of each property and the contractual obligations in terms of leases;
    - straight line rental adjustments are based on leases currently in place and exclude any assumptions on renewals or new leases during the period;
- Borrowing costs:
    - variable rate borrowings incur interest at an effective rate of 10,2%, based on the current facility at prime interest rate (12,5%) less 2,3%;
    - current fixed borrowings of R100 million at 10,57% remains in place to maturity;
    - an additional R500 million* borrowings are fixed with effect from April 2007* at an effective rate of 9,4%;
- Portfolio costs
    - SA Corporate unit price, used for the calculation of the service fee, is 400 cents;
- Other
    - current commitments for property transactions included from/to expected date of transfer using anticipated funding, which includes the issue of 11 466 667 new units;
    - no fair value adjustments on investment property are required other than the opposite side of the rental straight-lining adjustment.

  * These items are within the control of the directors.

COMPARISON TO HISTORICAL NUMBERS

The above forecast for 2007 has been compared to the annualised numbers for the 17-month period ended 31 December 2006, being the last reported period, and percentage fluctuations for the following material expenses are:

- Property expenses 20%

  This increase is as a result of the portfolio growing, together with normal inflationary increases. It is proportional to the growth in property income which amounts to 23%.

- Interest paid 57%

  Interest paid is dependent on debt levels and interest rates and has increased due to both increasing, interest rates have increased from an average rate of 8,8% to 10,0% and debt from an average balance of R404 million to R551 million.

- Service fees paid 30%

  Service fees are calculated on the market capitalisation and debt. Average unit prices have increased from 325 cents to 400 cents and average debt from R404 million to R551 million. In addition the number of units in issue has also increased.

Reasons for the fluctuations have been set out where the percentage fluctuation is greater than 15%.

REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* AGGREGATED COMBINED PROFIT FORECASTS OF SA CORPORATE AND SA RETAIL

"The Directors
SA Retail Properties Limited
Marriott at Kingsmead
Kingsmead Office Park
Durban
4001

20 March 2007

Dear Sirs

AGREED UPON PROCEDURES REVIEW OF THE COMBINED FORECAST INFORMATION ON SA CORPORATE REAL ESTATE FUND ("SA CORPORATE") AND SA RETAIL PROPERTIES LIMITED ("SA RETAIL")

We have performed the procedures agreed with you on the combined forecast information on SA Corporate and SA Retail ("combined forecast information") as set out in Annexure 9 in the circular to SA Retail linked unitholders to be issued on or about 28 March 2007 ("the circular").

The purpose of the review is to comment on our factual findings culminating from our procedures as agreed with you. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements.

PROCEDURES

The following procedures were performed:

We compared the SA Corporate forecast for the 12 months to 31 December 2007 to the forecast as set out in Annexure 7 in the circular, on which an unqualified reporting accountants' reports has been issued.

We compared the SA Retail forecast for the 8 months to 31 December 2007 to the forecast as set out in Annexure 5 in the circular, on which unqualified reporting accountants' reports have been issued.

We checked that the figures in the combined forecast column in Annexure 9 correctly aggregate the figures presented for SA Corporate and SA Retail.

FINDINGS

We report our findings as follows:

The individual forecasts in Annexure 9 correspond to the forecasts as set out in Annexure 7 for SA Corporate and Annexure 5 for SA Retail in the circular.

No mathematical errors were noted in the aggregation of the financial information presented.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance opinion on the combined forecast information of SA Corporate and SA Retail as set out in Annexure 9 of the circular.

Had we performed additional procedures or had we performed a review of the combined forecast in accordance with International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the combined forecast information of SA Corporate and SA Retail as set out in Annexure 9 of the circular and does not extend to any financial statements or other financial information of SA Corporate or SA Retail taken as a whole.

Deloitte & Touche
Registered Auditors

per **G D Kruger**

2 Pencarrow Crescent
Penarrow Park
La Lucia
Durban"

COMBINED FORECAST INFORMATION ON SA CORPORATE AND SA RETAIL

The combined forecast information on SA Corporate and SA Retail (including the Sharemax Acquisition), both of which are the responsibility of the directors of SA Corporate Fund Managers, prepared in accordance with IFRS and SA Corporate's accounting policies, for the 12 months ending 31 December 2007 for SA Corporate and the 8 months ending 31 December 2007 for SA Retail are set out below.

	SA Corporate forecast for 12 months to 31 December 2007 (1) R	SA Retail forecast for 8 months to 31 December 2007 (2) R	Combined R
Rent	344 869 223	216 180 518	561 049 741
Straight line rental adjustments	5 459 043	62 216 121	67 675 164
Recovery of property expenses	58 754 670	56 225 467	114 980 137
Revenue	409 082 936	334 622 106	743 705 042
Net property expenditure	(100 702 943)	(71 859 641)	(172 562 584)
Net property income	308 379 993	262 762 465	571 142 458
Interest received	1 057 412	11 444 095	12 501 507
Interest paid	(55 411 308)	(1 219 148)	(56 630 456)
Fund expenses	(22 619 451)	(11 569 883)	(34 189 333)
Interest lost on transaction costs	–	(1 816 845)	(1 816 845)
Deferred tax on straight-line adjustments	(149 181)	(18 042 675)	(18 191 856)
Headline earnings	231 257 465	241 558 009	472 815 474
Fair value adjustments – property	(5 459 043)	(62 216 121)	(67 675 164)
Taxation	149 181	18 042 675	18 191 856
Net profit	225 947 603	197 384 563	423 332 166
Units in issue (3)	771 804 023	1 048 035 514	1 819 839 538
Weighted units in issue	764 931 556	703 475 893	1 468 407 449
Weighted EPU (cents)	29,54	28,06	28,83
Weighted HEPU (cents)	30,23	34,34	32,20
Distributable income:			
Headline earnings	231 257 465	241 558 009	472 815 474
Adjustments for:			
Distribution contribution	1 903 016	149 012 711	150 915 727
Straight line adjustments (net of tax)	(5 309 862)	(44 173 446)	(49 483 308)
Distributable income	227 850 619	346 397 274	574 247 893
Distribution per unit (cents)	29,52	33,05	31,55

Notes:

1. As extracted from the SA Corporate forecast, details of which are set out in Annexure 7 to the circular. The accompanying reporting accountants limited assurance report on the forecast information of SA Corporate is set out in Annexure 6 to the circular.
2. As extracted from the SA Retail forecast (including the Sharemax Portfolio), details of which are set out in Annexure 5 to the circular. The accompanying reporting accountants limited assurance report on the forecast information of SA Retail is set out in Annexure 4 to the circular.
3. Taking into account the current SA Corporate units in issue (760 337 356), together with 11 466 667 units to be issued for committed transactions, the current 234 204 993 SA Retail units in issue, the 93 231 390 SA Retail units to be issued for Sharemax portfolio, and the 16 181 818 SA Retail units to be issued for committed transactions, multiplied by the exchange ratio 3,05.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL EFFECTS OF THE OFFER ON AN SA RETAIL LINKED UNITHOLDER

"The Directors
SA Retail Properties Limited
Marriott at Kingsmead
Kingsmead Office Park
Durban
4001

20 March 2007

Dear Sirs

Independent reporting accountants' report on the unaudited *pro forma* financial effects of the offer on an SA Retail linked unitholder

INTRODUCTION

We have performed our limited assurance engagement with regard to the unaudited *pro forma* financial effects of the offer on an SA Retail Properties Limited ("SA Retail") linked unitholder set out in paragraph 4 of the circular dated on or about 28 March 2007 issued in connection with the offer by SA Corporate Real Estate Fund ("SA Corporate") to acquire all of the linked units in SA Retail ("the Offer").

The *pro forma* financial effects have been prepared for illustrative purposes only, to provide information about how the Offer might have affected the forecast financial information and the reported financial information respectively had the Offer been accepted on 1 January 2007 for income statement purposes and on 30 September 2006 for balance sheet purposes.

Because of its nature, the *pro forma* financial information may not present a fair reflection of the financial position of an SA Retail shareholder after the Offer.

DIRECTORS' RESPONSIBILITY

The directors of SA Retail are solely responsible for the compilation, contents and presentation of the *pro forma* financial effects contained in the circular and for the forecast and historical financial information from which it has been prepared.

Their responsibility includes determining that the *pro forma* financial effects contained in the circular have been properly compiled on the basis stated, such basis is consistent with the accounting policies of SA Corporate and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial effects.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the *pro forma* financial effects included in paragraph 4 of the circular. We conducted our limited 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 Revised Guide on *Pro Forma* Financial Information issued by The South African Institute of Chartered Accountants.

This standard requires us to comply with ethical requirements and to plan and perform the assurance engagement to obtain sufficient appropriate evidence to support our limited assurance conclusion, expressed below.

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 effects 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 forecast financial information and published historical financial information of SA Retail with the source documents, considering the *pro forma* adjustments in light of the accounting policies of SA Corporate, considering the evidence supporting the *pro forma* adjustments, recalculating the amounts based on the information obtained and discussing the *pro forma* financial information with the directors of SA Retail.

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

Whilst our work performed involved an analysis of forecast financial information and the historical audited financial information and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information undertaken 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 that 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 that 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 SA Corporate; and
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed.

Yours faithfully

Deloitte & Touche
Registered Auditors

per **G D Kruger**

2 Pencarrow Crescent
Pencarrow Park
La Lucia
Durban"

FAIR AND REASONABLE OPINION

"The Directors
SA Retail Properties Limited
PO Box 207
Durban
4000

20 March 2007

Dear Sirs

Report of the independent professional expert to SA Retail Properties Limited ("SA Retail") regarding an offer by the SA Corporate Real Estate Fund ("SA Corporate") to acquire the linked units of SA Retail

As set out in the circular to SA Retail linked unitholders dated on or about 28 March 2007 ("the circular"), in which a copy of this letter will be included, SA Corporate has offered to acquire all the linked units in SA Retail. The proposed transaction is to be implemented in terms of section 440 of the Companies Act and has the backing of unitholders holding 97% of the SA Retail Linked Units. The offer is subject, among other conditions, to SA Corporate procuring acceptances from those holders of at least 90% of the SA Retail linked units in issue.

SA Retail linked unitholders who accept the proposed offer will receive a consideration of either:

- 3,05 units in SA Corporate for each linked unit held in SA Retail; or
- a cash consideration of R10.50 for each SA Retail linked unit held plus interest thereon at:
  - 9% per annum calculated from 1 October 2006 until the earlier of the offer payment date or 30 April 2007 (both days inclusive);
  - the prime rate of interest calculated from 1 May 2007 until date of payment (both days inclusive).

If the offer is successful, SA Retail will be delisted and become a wholly owned subsidiary of SA Corporate. SA Retail linked unitholders will participate in SA Corporate distributions declared in respect of SA Corporate financial years commencing 1 January 2007, with future SA Retail distributions accruing to SA Corporate.

Scope

An independent fair and reasonable is required in terms of Rules 22.1 and 22.2 of the Securities Regulation Panel Code which requires the offeree board to make known to the holders of relevant securities in the offeree company the substance of the advice given to it by its external advisors.

KPMG has been appointed by the board of directors of SA Retail as the independent professional expert to advise the board on whether the terms and conditions of the offer by SA Corporate are fair and reasonable to the unitholders of SA Retail.

Responsibility

The circular and compliance with the SRP Code are the responsibility of the directors of SA Retail. Our responsibility is to report on the terms and conditions of offer.

Definition of the terms "fair" and "reasonable"

The transaction will generally be considered fair to a company's shareholders if the quantifiable benefits received by the company as a result of the transaction are equal to or greater than the value surrendered by the company or its shareholders being the value of the SA Retail units.

The assessment of reasonableness of the offer, however is generally based on qualitative considerations. Hence, even if the terms of the offer are considered not fair, the granting thereof may still be reasonable in certain circumstances after considering other significant qualitative factors.

Information and sources of information

- audited annual financial statements of SA Retail for the financial years ended 31 March 2004, 2005 and 2006;
- audited annual financial statements of SA Corporate for the financial years ended 31 July 2003, 2004 and 2005, and for the period ended 31 December 2006;
- draft annual financial statements of the Sharemax properties for the various year ends of each of the companies within which the properties reside;
- lease tenancy schedules as at 31 December 2006;
- financial and other indicators of companies traded on the JSE Securities Exchange Limited ("JSE") for South African companies, provided by McGregor BFA;
- the Circular to SA Retail linked unitholders dated on or about 28 March 2007;
- the forecasts of the individual properties which comprise the SA Retail and SA Corporate portfolios;
- summarised analyst reports on traded companies, provided by McGregor BFA;
- Rode's South Africa Property Trends, 2006 – 2011;
- bond yields provided by the Bond Exchange South Africa;
- company betas, as provided by Financial Risk Service for JSE Securities Exchange shares, a quarterly bulletin published by the University of Cape Town ("FRS");
- historic and forecast economic indicators as provided by the Bureau for Economic Research ("BER");
- information and representations provided by the management of SA Retail Properties Limited;
- the prevailing economic and market conditions in the listed property sector;
- the historic and current prices of SA Retail linked units as traded on the JSE as well as information as to the volume of linked units traded;
- the valuations of the individual properties which comprise the SA Retail, the Sharemax and SA Corporate portfolios as at 31 December 2006. The property valuations were prepared using discounted cash flow or capitalisation of income methodologies by professional valuers; and
- other information as acknowledged in this report.

Procedures performed

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

- calculated the fundamental value as at 31 December 2006 of the SA Retail linked units after the Sharemax Transaction on a discounted cash flow basis;
- calculated the fundamental value as at 31 December 2006 of the SA Corporate units on a discounted cash flow basis;
- considered the fair net asset value of SA Retail, which included an assessment of the valuation of the methodologies and assumptions applied by the property valuers in their valuation 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 property 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 (as at December 2006) and capitalisation yields (as at December 2006) appear reasonable.

  The valuation was performed taking cognisance of SA Retail's and SA Corporate's current and planned operations as well as the risks and other market and industry factors affecting these operations. Additionally sensitivity analyses were performed considering key assumptions in arriving at the valuation range set out below.

  Key value drivers to the valuation included vacancy rates, rental escalation rates and capital expenditure

  In undertaking the primary valuation we determined a range of R3,57 to R4,27 for each SA Corporate unit and a range of R9,87 to R12,07 per SA Retail linked unit.

Opinion

Based on and only subject to the aforegoing, it is our opinion that the terms and conditions of the offer are fair and reasonable to the SA Retail linked unitholders.

Limiting conditions

Our opinion is necessarily based upon the information available to us up to 16 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, revise or re-affirm.

This report and opinion is provided to the board of directors and unitholders of SA Retail in connection with and for the purposes of the offer. The opinion does not purport to cater for each individual unitholder's perspective, but rather that of the general body of SA Retail unitholders. Should an SA Retail minority unitholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual unitholder's decision as to whether to vote in favour of the proposed transaction may be influenced by his particular circumstances. The assessment as to whether or not the directors of SA Retail decide to recommend the proposed transaction is a decision that can only be taken by the directors of SA Retail.

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, including publicly available information, whether in writing or obtained in discussion with management of SA Retail. While our work has involved an analysis of 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 International Standards on Auditing.

Where relevant, forward-looking information on SA Retail and SA Corporate 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 SA Retail will correspond to those projected.

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

Independence

We advise that we have no material interest in the proposed transaction or in the success or failure thereof.

Consent

We consent to the inclusion of this letter and the reference to our opinion in the circular to be issued to the unitholders of SA Retail in the form and context in which it appears.

Yours faithfully

KPMG Services (Pty) Ltd
per J J Pienaar
Chartered Accountant (SA)
Director"

1 Mediterranean Street
Foreshore
Cape Town
8001

TRADING HISTORY OF SA RETAIL LINKED UNITS ON THE JSE

	High (cents)	Low (cents)	Close (cents)	Volume
Quarterly				
31 March 2005	875	695	875	21 565 881
30 June 2005	870	790	846	15 732 612
30 September 2005	961	820	940	7 712 727
31 December 2005	955	940	950	14 270 645
31 March 2006	1 015	950	975	4 416 508
30 June 2006	1 005	956	1 000	231 200
30 September 2006	1 400	1 000	1 030	659 458
31 December 2006	1 300	1 080	1 085	271 001
Monthly				
30 November 2005	955	950	950	3 503 401
31 December 2005	950	950	950	4 553 582
31 January 2006	1 015	950	1 015	2 088 121
28 February 2006	977	960	977	2 314 687
31 March 2006	976	975	975	13 700
30 April 2006	960	956	956	19 500
31 May 2006	1 005	1 000	1 000	15 000
30 June 2006	1 000	1 000	1 000	196 700
31 July 2006	1 000	1 000	1 000	468 173
31 August 2006	1 030	1 000	1 030	181 900
30 September 2006	1 400	1 030	1 030	9 385
31 October 2006	1 300	1 080	1 080	26 070
30 November 2006	1 115	1 100	1 115	175 764
31 December 2006	1 115	1 085	1 085	69 167
31 January 2007	1 080	1 000	1 000	68 779
28 February 2007	1 140	1 075	1 130	451 837
Daily				
1 February 2007	–	–	1 000	–
2 February 2007	1 075	1 075	1 075	10 000
5 February 2007	1 100	1 075	1 100	16 000
6 February 2007	–	–	1 100	–
7 February 2007	1 140	1 110	1 140	382 800
8 February 2007	–	–	1 140	–
9 February 2007	1 135	1 135	1 135	10 300
12 February 2007	–	–	1 135	–
13 February 2007	–	–	1 135	–
14 February 2007	–	–	1 135	–
15 February 2007	–	–	1 135	–
16 February 2007	–	–	1 135	–
19 February 2007	–	–	1 135	–
20 February 2007	–	–	1 135	–
21 February 2007	–	–	1 135	–
22 February 2007	1 130	1 125	1 130	31 937
23 February 2007	–	–	1 130	–
26 February 2007	-	–	1 130	–
27 February 2007	–	–	1 130	–
28 February 2007	–	–	1 130	–

	High (cents)	Low (cents)	Close (cents)	Volume
Daily				
1 March 2007	–	–	1 130	–
2 March 2007	–	–	1 130	–
5 March 2007	–	–	1 130	–
6 March 2007	–	–	1 130	–
7 March 2007	–	–	1 130	–
8 March 2007	–	–	1 130	–
9 March 2007	–	–	1 130	–
12 March 2007	–	–	1 130	–
13 March 2007	1 130	1 130	1 130	17 651
14 March 2007	–	–	1 130	–
15 March 2007	1 225	1 210	1 225	40 000
16 March 2007	–	–	1 225	–

TRADING HISTORY OF SA CORPORATE UNITS ON THE JSE

	High (cents)	Low (cents)	Close (cents)	Volume
Quarterly				
31 March 2005	310	260	268	83 082 363
30 June 2005	298	250	295	103 520 749
30 September 2005	335	278	325	119 152 315
31 December 2005	350	282	329	90 218 153
31 March 2006	385	320	385	63 546 779
30 June 2006	389	275	310	74 955 380
30 September 2006	340	260	304	72 890 364
31 December 2006	349	290	340	97 224 665
Monthly				
30 November 2005	334	282	301	23 181 721
30 December 2005	330	303	329	39 260 483
31 January 2006	350	323	335	18 273 164
28 February 2006	369	320	345	13 230 168
31 March 2006	385	345	385	32 043 447
30 April 2006	389	348	368	14 022 832
31 May 2006	368	327	357	34 493 200
30 June 2006	358	275	310	26 439 348
31 July 2006	305	260	280	26 850 117
31 August 2006	340	269	320	15 979 799
30 September 2006	322	295	304	30 060 448
31 October 2006	335	290	333	17 735 798
30 November 2006	348	325	343	71 698 953
31 December 2006	349	330	340	7 789 914
31 January 2007	410	335	399	31 817 290
28 February 2007	439	385	405	30 490 959
Daily				
1 February 2007	399	397	397	330 271
2 February 2007	397	390	390	6 557 863
5 February 2007	395	388	395	1 493 064
6 February 2007	396	391	394	2 126 841
7 February 2007	394	392	392	5 129 261
8 February 2007	394	387	387	1 350 195
9 February 2007	390	385	389	2 270 655
12 February 2007	390	389	390	1 512 548
13 February 2007	390	388	389	1 513 118
14 February 2007	390	388	390	766 046
15 February 2007	389	385	389	1 306 838
16 February 2007	390	388	390	190 387
19 February 2007	398	389	398	2 281 019
20 February 2007	400	397	397	637 415
21 February 2007	399	391	399	151 280
22 February 2007	420	390	399	235 233
23 February 2007	410	400	405	985 147
26 February 2007	439	400	420	660 187
27 February 2007	420	395	405	442 229
28 February 2007	405	385	405	551 362

	High (cents)	Low (cents)	Close (cents)	Volume
Daily				
1 March 2007	414	400	401	167 086
2 March 2007	404	400	403	197 202
5 March 2007	402	390	399	367 474
6 March 2007	403	400	401	1 434 971
7 March 2007	410	406	406	5 728 282
8 March 2007	410	405	405	422 628
9 March 2007	415	405	405	358 035
12 March 2007	412	406	406	1 343 590
13 March 2007	415	412	415	1 479 106
14 March 2007	415	400	413	153 212
15 March 2007	418	401	415	1 832 996
16 March 2007	413	395	395	133 955

TABLES OF ENTITLEMENT

1. An example of the offer consideration to which a SA Retail linked unitholder is entitled on acceptance of the SA Corporate unit consideration of the offer is set out below. Such example is provided for illustrative purposes only.

Number of SA Retail linked units held	Offer consideration received (rounded number of SA Corporate linked units)
1	3
2	6
3	9
4	12
5	15
6	18
7	21
8	24
9	27
10	31
20	61
50	153
100	305
1 000	3 050
10 000	30 500
20 000	61 000
50 000	152 500
100 000	305 000
200 000	610 000
500 000	1 525 000
1 000 000	3 050 000

2. The offer consideration (including the interest consideration) to which an SA Retail linked unitholder is entitled on acceptance of the cash consideration of the offer is set out below:

Date of acceptance of the offer	Cash consideration received per SA Retail linked unit (cents)
12 April 2007	1 100
13 April 2007	1 100
14 April 2007	1 101
15 April 2007	1 101
16 April 2007	1 101
17 April 2007	1 102
18 April 2007	1 102
19 April 2007	1 102
20 April 2007	1 102
21 April 2007	1 103
22 April 2007	1 103
23 April 2007	1 103
24 April 2007	1 103
25 April 2007	1 104
26 April 2007	1 104

PROVISIONS OF SECTION 440K OF THE COMPANIES ACT

"440K. COMPULSORY ACQUISITION OF SECURITIES OF MINORITY IN AFFECTED TRANSACTION

(1)(a) If an offer for the acquisition of securities under an affected transaction involving the transfer of securities or any class of securities of a company to an offeror, has within four months after the date of the making of such offer been accepted by the holders of not less than nine-tenths of the securities or any class of securities whose transfer is involved (other than securities already held at the date of the issue of the offer by, or by a nominee for, the offeror or its subsidiary), the offeror may at any time within two months after the date of such acceptance give notice in the prescribed manner to any holder of such securities who has not accepted the said offer, that he or it desires to acquire his or its securities, and where such notice is given, the offeror shall be entitled and bound to acquire those securities on the terms on which under the affected transaction the securities of the holders who have accepted the offer, were or are to be transferred to the offeror, unless on an application made by such holder within six weeks from the date on which the notice was given, the Court:

(i) orders that the offeror shall not be so entitled and bound; or

(ii) imposes conditions of acquisition different from those of the offer.

(b) If the said offer has not been accepted to the extent necessary for entitling the offeror to give notice under sub-section (1)(a), the Court may, on application by the offeror, issue an order authorising him to give notice under that sub-section if the Court is satisfied that:

(i) the offeror has after reasonable enquiry been unable to trace one or more of the persons holding securities to which the offer relates;

(ii) the securities whose transfer is involved, by virtue of acceptances of the offer, together with the securities held by the person or persons referred to in sub-paragraph (i), amount to not less than the minimum specified in sub-section (1)(a); and

(iii) the consideration offered is fair and reasonable,

but the Court shall not issue an order under this paragraph unless it considers that it is just and equitable to do so having regard, in particular, to the number of holders of securities who have been traced but who have not accepted the offer.

(2) Where a notice has been given by the offeror under sub-section (1) and the Court, on an application made by a holder of the securities who has not accepted the offer, has not ordered as contemplated in sub-section (1)(a), the offeror shall, on the expiration of six weeks from the date on which the notice was given, or, if an application to the Court by such holder is then pending, after the application has been disposed of, transmit a copy of the notice to the offeree company, together with an instrument of transfer executed on behalf of such holder by any person appointed by the offeror, and pay or transfer to the offeree company the amount or other consideration representing the price payable by the offeror for the securities which by virtue of this Section he or it is entitled to acquire, and subject to the payment of the stamp duties ordinarily payable, the offeree company shall thereupon register the offeror as the holder of those securities: Provided that an instrument of transfer shall not be required for any security for which a share warrant is for the time being outstanding.

(3) Where, in pursuance of an affected transaction referred to in sub-section (1), securities of an offeree company were or are to be transferred to a person and those securities, together with any other securities of the said offeree company held by, or by a nominee for, the offeror or its subsidiary at the date of the acceptance of the offer in question, comprise or include nine-tenths of the securities in the offeree company or of any class of those securities, then:

(a) the offeror shall within a month from the date of such acceptance (unless he or it has already complied with this requirement under sub-section (1)) give notice of that fact in the prescribed manner to the holders of the remaining securities or of the remaining securities of that class, as the case may be, who have not accepted the offer under the affected transaction in question; and

(b) any such holder may within three months from the giving of the notice to him require the offeror to acquire the securities in question,

and where the holder gives notice under paragraph (b) in relation to any securities, the offeror shall be entitled and bound to acquire those securities on the conditions on which under the affected transaction the securities of the holders who have accepted the offer were or are to be transferred to him or it, or on such other conditions as may be agreed upon or as the Court on the application of either the offeror or the holder may think fit to order.

(4) Any sum, and any dividend or other sum accruing from any other consideration, received by the offeree company under this Section shall be paid into a separate bank account with a banking institution registered under the Banks Act, 1965 (Act 23 of 1965), and any such sums, dividend or any other consideration so received shall be held in trust by the offeree company for the person entitled to the securities in respect of which the said sums, dividend or other consideration was received.

(5) In this section any reference to a 'holder of securities who has not accepted the offer' includes any holder who has failed or refused to transfer his securities to the offeror in accordance with the affected transaction."

SA Retail Properties Limited

(Incorporated in the Republic of South Africa)
(Registration number 1999/025764/06)
Share code: SRL ISIN: ZAE000034328

FORM OF ACCEPTANCE, SURRENDER AND TRANSFER

The definitions commencing on page 5 of the circular apply throughout this form of acceptance, surrender and transfer ("form"), unless the context clearly indicates otherwise.

FOR USE BY CERTIFICATED SA RETAIL LINKED UNITHOLDERS ONLY

This form of acceptance, surrender and transfer is only applicable to certificated SA Retail linked unitholders who wish to accept the offer as set out in the circular to SA Retail linked unitholders, dated Wednesday, 28 March 2007, to which this form is attached. This form is NOT to be used by dematerialised SA Retail linked unitholders, who are required to instruct their CSDP or broker if they wish to accept the offer in accordance with the terms of their agreement with the CSDP or broker.

NOTES AND INSTRUCTIONS:

Persons who have acquired SA Retail linked units after the date of posting the circular setting out the offer, can obtain copies of the circular and this form from the transfer secretaries at the address given below.

Part A must be completed by all certificated SA Retail linked unitholders who wish to accept the offer.

PART B:

Section 1 must be completed by all certificated SA Retail linked unitholders who are emigrants of the common monetary area.

The offer consideration due to a non-resident SA Retail linked unitholder who is an emigrant from the common monetary area will be sent to the authorised dealer in foreign exchange controlling such non-resident linked unitholder's blocked assets in terms of the South African Exchange Control Regulations and you are referred to paragraph 7.3.8 of the circular in this regard.

Section 2 must be completed by all other certificated SA Retail linked unitholders who are non-residents of the common monetary area (and who are not required to complete Section 1).

No receipts will be issued for documents of title lodged unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts, if required.

If you are in any doubt as to how to complete this form, please consult your broker, CSDP, banker, attorney, accountant or other professional advisor immediately.

This form must be returned to the transfer secretaries together with the SA Retail linked unit certificates or other documents of title, so as to be received prior to the closing date of the offer. If your documents of title have been lost or destroyed, you should nevertheless return this form, together with a duly executed indemnity provided by the transfer secretaries. The offeror may, in its sole discretion, dispense with the surrender of such documents of title upon production of satisfactory evidence that the documents of title have been lost or destroyed and upon provision of a suitable indemnity. Unless otherwise agreed by the offeror, only indemnity forms obtained from the transfer secretaries (available on request) will be regarded as suitable.

Signatories may be called upon for evidence of their authority or capacity to sign this form.

Any alteration to this form of acceptance, surrender and transfer must be signed in full and not initialled. Any alteration may not be accepted by the offeror.

If this form is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this form for noting, unless it has already been noted by the transfer secretaries.

Where the certificated SA Retail linked unitholder is a company or a close corporation or other juristic person, a certified copy of the directors' or members' or other resolution authorising the signing of this form must be submitted together with this form, unless it has already been registered with the transfer secretaries or this form bears the JSE broker's stamp.

Where SA Retail linked units are jointly held, this form of acceptance, surrender and transfer must be signed by all joint holders; however, the offeror shall be entitled to, in its absolute discretion, accept signature only of that holder whose name stands first in the register in respect of such SA Retail linked units.

SA Retail linked unitholders are advised to consult their professional advisors about their personal tax positions regarding the receipt of the offer consideration.

SA Retail linked unitholders are referred to the circular for the further terms and conditions applicable to the offer and its acceptance, which circular should be read in its entirety for a full appreciation thereof.

In the event of any conflict between this form and the circular setting out the terms of the offer, the circular shall prevail.

Transfer secretaries

By hand or courier:	***By post:***
Computershare Investor Services 2004 **(Proprietary) Limited** **Ground Floor** **70 Marshall Street** **Johannesburg, 2001**	**Computershare Investor Services 2004** **(Proprietary) Limited** **PO Box 61763** **Marshalltown, 2107**

Dear Sirs,

I/We hereby irrevocably accept the offer on the terms and conditions set out in the circular in respect of:

(*)________________________SA Retail linked units, held by me/us and surrender and enclose the linked unit certificates, certified transfer deeds and/or other documents of title, in respect of my/our holding of such SA Retail linked units.

I/We hereby instruct the transfer secretaries to register transfer of such SA Retail linked units to the offeror. I/We hereby appoint the directors of the offeror and the transfer secretaries acting on his/her/its/their own as my attorney and agent with full power and authority to on my behalf (in *rem suam*) sign all documents and do all such acts as may be necessary or desirable for the purpose of transferring such SA Retail linked units to the offeror pursuant to the offer.

(*Insert the number of SA Retail linked units in respect of which the offer is accepted. Failure to state the number of SA Retail linked units shall be deemed to indicate acceptance of the offer in respect of all the SA Retail linked units represented by the surrendered documents of title indicated overleaf.)

PART A – All certificated SA Retail linked unitholders holders accepting the offer must please complete this section (in BLOCK CAPITALS).

Surname or Name of corporate body

First names (in full, if applicable)

Title (Mr, Mrs, Miss, Ms, etc.)

Address to which the offer consideration should be sent (if different from registered address)* (Preferably a PO Box)

Postal code

Telephone number (   )   Telefax (   )

ELECTION OF OFFER CONSIDERATION

I/We hereby elect to receive the following offer consideration (please indicate in the appropriate box the number of SA Retail linked units in respect of which you wish to **choose either** the cash consideration **or** the SA Corporate unit consideration). SA Retail linked unitholders are reminded that partial acceptances of the consideration will not be accepted.

Number of SA Retail linked of which the SA Corporate unit consideration is elected	OR	Number of SA Retail linked units of which the cash consideration is elected

If you fail to indicate your election, you will be deemed to have elected to receive the **SA Corporate unit consideration** in respect of your SA Retail linked units in respect of which the offer is accepted.

Submission of banking details in respect of SA Retail linked unitholders wishing payment of the cash consideration to be made by way of the electronic transfer of funds.*

Name of account holder (must be the same as the linked unitholder)	Banking details (Name of bank, branch, branch code, account number) NB: No third party account
	Contact person
	Contact telephone number ( )

* The offer consideration will be settled via an electronic payment of cash within five business days of the receipt of the documents of title by the transfer secretaries. Payment to certificated SA Retail linked unitholders that do not have an existing bank mandate with the transfer secretaries will be made by cheque, posted at the SA Retail linked unitholders own risk.

In order to comply with FICA requirements, the transfer secretaries will be unable to record any changes of address or payment mandates unless a certified true copy of the undermentioned documentation is received from the relevant shareholder:

(i) a copy of an identification document (in respect of change of address and payment mandate); and

(ii) a copy of a bank statement (in respect of bank mandate).

Payment to certificated SA Retail linked unitholders that do not have an existing mandate with the transfer secretaries with be made by cheque, posted at the linked unitholders own risk

I/We hereby surrender and enclose the linked unit certificates, certified transfer deeds and/or other documents of title, details in respect of which are set out in the table below, in respect of my/our holding of SA Retail linked units:

Name of registered holder (separate form for each holder)	**Certificate number(s) (in numerical order)**	**Number of SA Retail linked units**
	Total	

PART B

1. **To be completed only by certificated SA Retail linked unitholders who are emigrants from the common monetary area (see paragraph 7.3.8 of the circular).**

   Name and address of authorised dealer in South Africa

   Blocked Rand account number

2. **To be completed by all certificated SA Retail linked unitholders who are non-residents of the common monetary area, other than those required to complete 1 above.**

   The cash consideration will be paid to the nominated authorised dealer in South Africa and it will be incumbent on the SA Retail linked unitholders concerned to instruct the nominated authorised dealer(s) as to the disposal of the amount concerned.

   Name and address of authorised dealer in South Africa

3. If no nomination is made in terms of 1 and 2 above, the offer consideration will be held in trust in accordance with paragraph 7.3.8 of the circular.

Signature of or on behalf of SA Retail linked unitholder	Stamp and address of agent lodging this form (if any)
Name	
(Who warrants that he is duly authorised)	
Capacity	
Assisted by me (if applicable)	
(State full name and capacity of assistance)	
Date 2007	

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