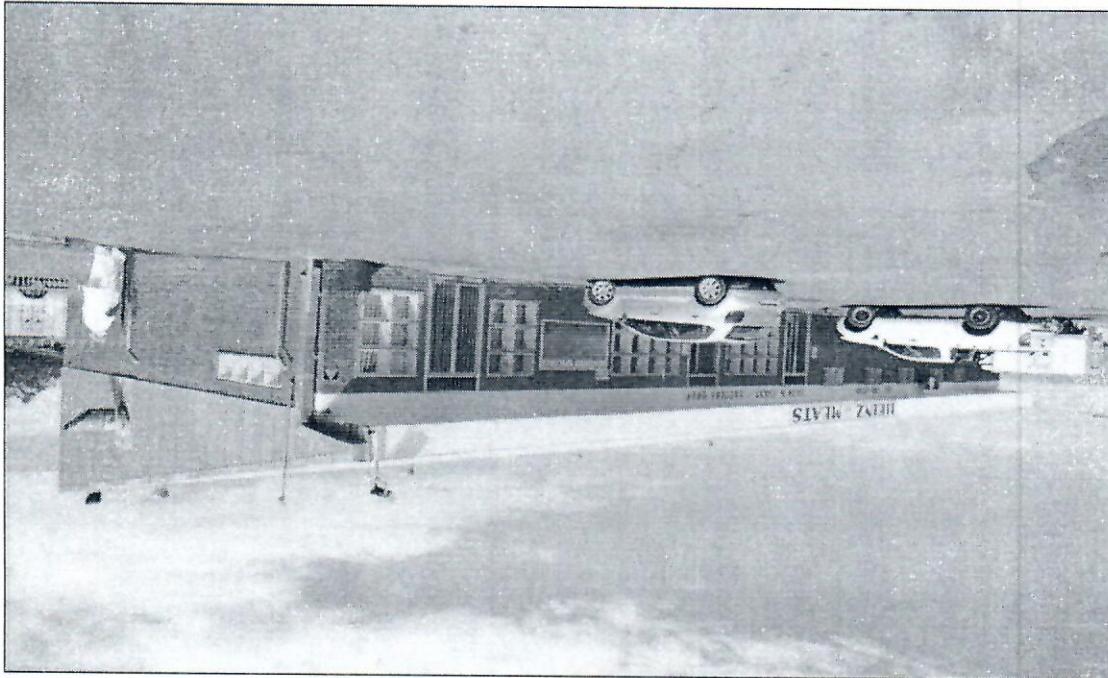


The purpose of the valuation is to determine the market value of the subject property. Market value is the value that a willing buyer is prepared to pay to a willing seller at a certain time in the open market.

Market Value:

R7 700 000-00 (Seven Million Seven Hundred Thousand Rand)

Market Value



4 MERCATOR PLACE, WILSONIA, EAST LONDON

situated at

ERF 23047 EAST LONDON

over

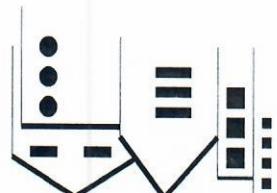
VALTONE 179 CC

for

VALUATION REPORT

Contact Details: 043-740 4786 (office), Danie Fenwick, 082 651 7656, Alan Augustine: 083 406 3023
Email: danie@daleena.co.za (Danie), alanauge@mweb.co.za (Alan)
Physical Address: 26 Main Road, Gonubie, 5257
Postal Address: P. O. Box 288, Gonubie, 5256

FENWICK & ASSOCIATES
PROPERTY VALUERS



Registration No. 3301/9
Professional Valuer
Danie Fenwick



Yours faithfully

We thank you for your instruction.

Date of Valuation.

The market valuation was carried out to determine the price, which could have been obtained upon a sale of the above-mentioned property between a willing buyer and a willing seller dealing at arm's length in the open market on the

We herewith submit our Valuation Report in accordance with your instruction.

VALUATION OF ERF 23047 EAST LONDON

Attention: Dion Crafford

Your Ref: Valtoone 179 CC
Our Ref: ERF 23047 East London
Date: 04 March 2021

Contact Details: 043-740 4786 (Office), Danie Fenwick: 082 651 7656, Alain Augustine: 083 406 3023
Email: danie@daleena.co.za (Danie), alainaug@mebigweb.co.za (Alain)
Physical Address: 26 Main Road, Gonubie, 5257
Postal Address: P. O. Box 288, Gonubie, 5256

FENWICK & ASSOCIATES
PROPERTY VALUERS



- A. DEEDS ENQUIRY
- B. PHOTO REPORT
- C. AERIAL / LOCALITY VIEW

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1. INSTRUCTION	Mr D. Crafford representing Valotone 179 CC has instructed us on the 26 th February 2021 to determine the Market Value of the subject property registered as Erf 23047 East London. Purpose of valuation is to determine a fair price for acquisition purposes.
2. DATE OF INSPECTION	03 rd March 2021
3. DATE OF VALUATION	04 th March 2021
4. EFFECTIVE DATE OF VALUATION	04 th March 2021
5. TITLE DEED INFORMATION	<p>5.1 Description: Erf 23047 East London</p> <p>5.2 Registered Owner: B K Meats CC</p> <p>5.3 Title Deed No: T19070/1998</p> <p>5.4 Area of Property: 4125m²</p> <p>5.5 Purchase Price: R700 000</p> <p>5.6 Purchase Date: 23/03/1998</p> <p>5.7 Bond Registered: None</p> <p>5.8 Servitudes: Standard</p>
6. LOCAL GOVERNMENT INFORMATION	<p>6.1 Local Authority: Buffalo City Metropolitan Municipality</p> <p>6.2 Municipal Value: R2 090 000</p> <p>6.3 Valuation Date: 01 July 2017</p> <p>6.4 Implementation Date: 01 July 2018</p> <p>6.5 Rating Factor: 0.0315169</p>

Water, Electricity and Sewerage services are provided.

8.5 Municipal Services

Irregular shaped, level plot facing west onto tarmaced roadway.

8.4 Description of Land

On inspection, improvements and surrounding works were found to be in good all-round condition.

8.3 Condition of Improvements

The property is improved with a large single storey building divided into from shop, office wing and rear factory. The front section is divided into a small shop outlet, 3 toilets, 3 small offices, chemical store staff tea room, managers office, male changing room, male changing room, male toilets and female toilets. The factory has mostly fixed cold storage units used for the processing operation, there are also loading bays, receiving bays, cooking area and various cold storage rooms used for storage and processing.

8.2 Description of Improvements

This large industrial suburb and is accessed from the Mandistane road. King Williams Town. The subject property is on the Western side of Mandistane Access road leading from East London towards Mandistane and Northen side of the East London CBD and is close to the Northen side of the East London CBD and is close to the King Williams Town. The property is situated in a large industrial suburb approximately 8 kms from shop, office wing and rear factory. The front section is divided into a small shop outlet, 3 toilets, 3 small offices, chemical store staff tea room, managers office, male changing room, male changing room, male toilets and female toilets. The factory has mostly fixed cold storage units used for the processing operation, there are also loading bays, receiving bays, cooking area and various cold storage rooms used for storage and processing.

8.1 Locality

PHYSICAL DESCRIPTION

Note: The subject property complies with all the zoning requirements.

7.7 Parking: 1 bay/100m² of GLA

7.6 Building Lines: 0m all boundaries

7.5 Height: 4 Storeys

7.4 Coverage: 75%

7.3 Floor Factor: 1.5

7.2 Zoning: Industrial Zone 1

TOWN PLANNING RESTRICTIONS

The property is in a large industrial area, the surrounding neighbourhood comprises a mixture of industrial properties improved with factories, warehouses, workshops and storage units.

9.4 Neighbourhood

The property is owner occupied, there are no signed leases in place.

9.4 Comments on Existing Leases

Due to the good demand for the type of accommodation offered, the lettability and saleability is good.

9.3 Lettability / Saleability

Researched rentals for industrial space in this area vary between R42.66/m² to R47.62/m². The subject property offers a large section of specialized cold storage used in the meat processing operation. Our market rentals are applied to the subject property taking the various aspects of the property into account coupled with current market conditions, condition of improvements and researched rates for factory, office and shop area and R100/m² for the cold storage section.

9.2 Comments on Comparable Rentals

Description	Type of Acc	Size	Rental/m ²	Comments:
Erf 31484 East	Workshop	977m ²	R44.63/m ²	Large specialised truck workshop specially fitted with overhead crane and underground service pits. Located in the same industrial area.
London	Warehouse	1933m ²	R42.79/m ²	Much larger building used as warehouse, offering double volume stacking space, located in the same industrial area.
Erf 28863 East	Workshop	4669m ²	R42.66/m ²	Much larger building used as workshop space, offers a large upmarket admin wing, located in the same industrial area.
Erf 24030 East	Warehouse	1464m ²	R47.62/m ²	Slightly larger building used as a warehouse which included support offices, located in the same industrial area.
Erf 28702 East	Warehouse	1464m ²	R47.62/m ²	Upmarket admin wing, located in the same industrial area.
London	Warehouse	1464m ²	R47.62/m ²	Specialized cold storage used in the meat processing operation. Our market rentals are applied to the subject property taking the various aspects of the property into account coupled with current market conditions, condition of improvements and researched rates for factory, office and shop area and R100/m ² for the cold storage section.

9.1. Comparable Rentals

9. MARKET TRENDS

Recent sales traced were scrutinized, from these sales we derived that capitalisation rates for similar industrial space ranges between **9.0%** to **9.7%**. We will apply a capitalisation rate of **10.0%** which in our opinion, is considered to be a true measure of the risk factor for the subject property at the time of valuation, taking current slow market into account combined with the negative effects of COVID19 on the property market.

12. CAPITALISATION RATES

Description	Lettatable area	Sales Date	Price	Comments:
1) Ptn 59 of Farm 811	1538m ²	06/06/2019	R10 100 000	Offers a larger building with Warehouse space, close to the subject property in the same area. On a much smaller plot. Sold at a cap rate of 9.0% and a sales rate of R656/m ² .
2) Erf 33298 East London	1590m ²	04/06/2019	R9 775 000	Larger building on a larger plot in a large industrial area known as Woodbrook, some distance from the subject property. Building is newer and offer superior A grade finishes. Sold at a cap rate of 9.5% and a sales rate of R6147/m ² .
3) Ptn 31 of Farm 813	1150m ²	23/08/2018	R5 800 000	Similar sized building used for warehouse and factory space, on a much smaller plot, located close to the subject property. Sold at a cap rate of 9.7% and a sales rate of R5043/m ² .

11. RECORDED SALES

The subject property is zoned for Industrial purposes and is used as a Meat Processing Factory. We are of the opinion that the current use is its highest and Best use.

The highest and best use of a property is the legal, feasible and most probable use for which the property will be employed. The main purpose of the highest and best use is to obtain the highest net return from the property under the current circumstances. The words "under the current circumstances" point to the fact that the highest and best use of a property may change from time to time.

10. HIGHEST AND BEST USE

The property is an Industrial unit and is divided into the following components:

Shop / Offices (394m²): Gross Lettable Area - 374m².

Factory (717m²): Gross Lettable Area - 374m².

Generator room (28m²): Gross Lettable Area - 708m².

Total lettable area = **1082m²**

Factory rental: 543m² x R50/m² = R27 150

Cold Storage rental 539m² x R100/m² = R53 900

Total rental = **R81 050 pm**

(10.0%) which is derived from sales traced.

The net rental is capitalised into perpetuity at a market related cap rate to the negative effect of COVID19 on the property market in general. Factor is allowed for which is slightly increased from the 2.0% norm due maintenance, management fee and audit fees. A standard 3% vacancy factor is used to determine an applicable rental income (gross income). Market rental researched vary between **R42.66/m²** to **R47.62/m²** for industrial space.

The property is currently owner occupied, market rentals are therefore used to determine the value of the property with existing improvements used to determine the value of Net Income Approach method of valuation is the Capitalisation of Net Income Approach method of valuation.

COMMENTS ON DETERMINATION OF MARKET VALUE

15.

The property was used as a funeral parlour. The method of valuation used to determine the value of the property with existing improvements is the Capitalisation of Net Income Approach method of valuation.

VALUATION METHOD

14.

Main Building	1111 m ² x R	7 200,00	= R 7 999 200,00
Paving	800 m ² x R	650,00	= R 520 000,00
Fencing	600 m ² x R	350,00	= R 210 000,00
Sub Total			
Escalation	+ 10,00%	= R 884 120,00	
Profession fees	+ 15,00%	= R 1 326 180,00	
Demolition / Removal cost			
Sub Total			
Profession fees	+ 15,00%	= R 1 326 180,00	
Escalation	+ 10,00%	= R 884 120,00	
Sub Total			
Removal cost			
Sub Total			
Vat (15%)	+ 15,00%	= R 11 336 250,00	
Total			
Industrial space.			

REPLACEMENT COST

13.

(Seven Million Seven Hundred Thousand Rand)

R7 700 000-00

EF 23047 East London is valued at:

we have come to the conclusion that the subject property registered as
After consideration of all the facts at our disposal and recorded herein,

17. CONCLUSION

ANNUAL EXPENDITURE (Estimated)	Amount	GROSS ANNUAL INCOME	R	ROUNDED MARKET VALUE
Property Rates (R2 090 000 x 0,0315169)	R 65 870,32			R 7 700 000,00
Water & Electricity for common areas	R -			
Insurance Premiums (0,30% of replacement value)	R 31 008,75			
Repairs/Maintenance (0,25% of replacement value)	R 26 740,05			
Auditor Fee (2,0% of Gross Income)	R 19 100,06			
Management Fee (3,0% of Gross Income)	R 29 100,10			
Annual Expenditure @	R 173 819,86			
Gross Annual Income	R 970 003,19			
Less: Vacancy Factor	R 29 100,10			
Less: Estimated Annual Expenditure @	R 173 819,86			
Net Annual Income	R 767 083,24			
Net Income Capitalized @ a CAP rate of	R 10,00%			R 7 670 832,36
Add: Unused Bulk	R -			
Market Value	R 7 670 832,36			
Rounded Market Value	R 7 700 000,00			

Tenant	Type of Accommodation	Lettable area	Actual rental / Market rental	Month	Actual rental / Market rental	Income
Henzel Meats	Factory	1082 m ²	R 0,00	R 80 833,60	R 0,00	R 74,71
Totals		1082	R 0,00	R 80 833,60	R 80 833,60	
				x 12 Months =	R 970 003,19	

Danie Fenwick
Danie Fenwick
Candidate Valuer
Professional Valuer
Valuer's Act 47 of 2000
Reg. No. 3301/9
Reg. No. 3742/6

Dated at East London this 04th day of March 2021

We do consider fair and reasonable, consciously believing the same to be true and correct to the best of our knowledge, information and belief.

(Seven Million Eight Hundred Thousand Rand)
R7 700 000-00
(Excluding Value Added Tax)

This fixed property being Erf 23047 East London in extent 4125m², we value as follows:

- We have taken into account the value forming characteristics of the subject property and the current property market,
- We have researched the property market,
- We have inspected the property market,
- The property valued and described herein and the property inspected is the same,
- We have no interest or contemplated interest in the Subject Property,
- To our knowledge all information supplied is true and correct.

We, the undersigned, registered in terms of the provision of the Valuer's Act 2000 (Act 47 of 2000) do hereby certify that, having identified and inspected the Subject Property herein described, and confirm that:

18. CERTIFICATE OF VALUE

No responsibility is accepted for conflicts in law, such as between the Constitution, the Expropriation Act and other legislation that have not been resolved by the Government.

No warranties are given regarding any dimensions and/or exact positions of pegs and/or boundaries and the valuer can in no way be held responsible for any discrepancies that may occur regarding the situation of pegs and/or boundaries or encroachments.

No account is taken of or allowance made for Value Added Tax of subject property, any comparables or any other aspects of the valuation unless specific mention is made thereof.

With regard to values for replacement costs and insurance purposes, no responsibility is accepted where materials, finishes, standards and methods of construction have been discontinued or are not available on the South African market. This valuation provides for presently available and acceptable equivalents of similar standards. No responsibility is assumed beyond the period of insurance in the event of the valuation being used in perpetuity by escalating it each year by a standard percentage. The valuation takes no regard of depreciation or defects and no structural investigation was undertaken.

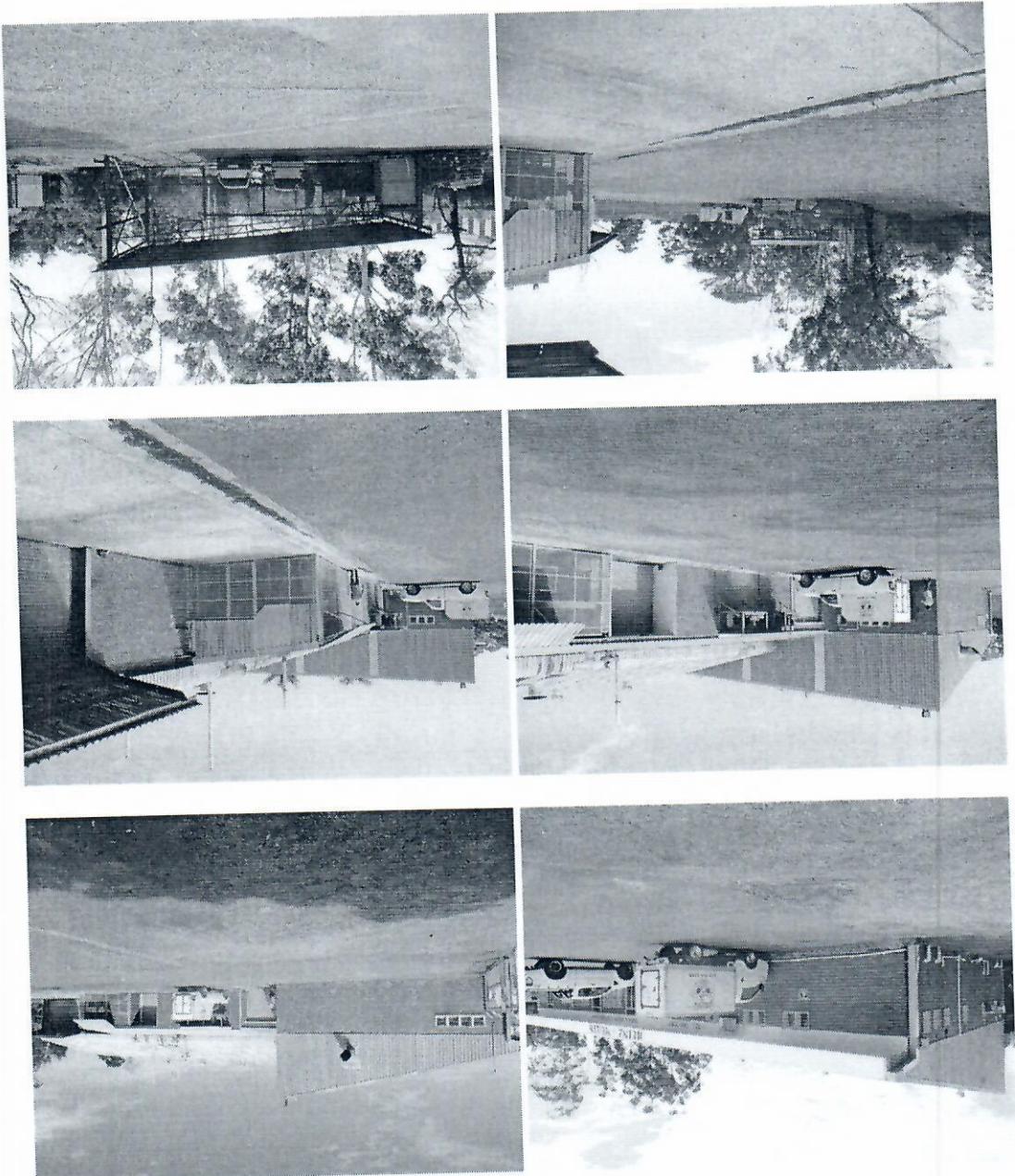
The statements of fact contained in this report are true and correct to the best of my knowledge, and the conclusions reached are based on my personal, unbiased analyses, opinions and deductions. All information furnished by outside sources is assumed to be reliable, and has been verified wherever possible, but no warranty is given for its accuracy. All improvements are assumed to be in accordance with accepted and prescribed standards unless otherwise stated.

This valuation has been prepared in accordance with the client's instructions, as well as the qualifications and assumptions detailed in the report. It is for the use of the instructing party only in the context of the purpose of the valuation stated herein. Neither the whole nor part of this valuation report or certificate or reference thereto may be included in any published document, circular or statement, or published in any way without the valuer's written approval of the form and the context in which it may appear. No responsibility is accepted to any third party who may use or rely on the whole or any part of the contents of this valuation.

LIMITING CONDITIONS

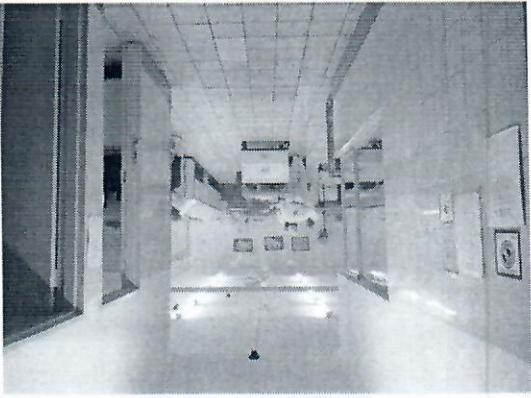
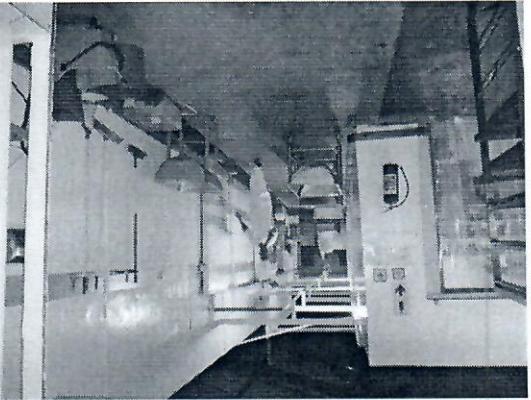
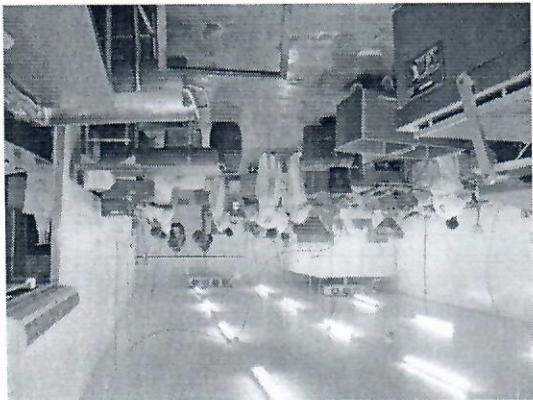
WiinDeed Property Report								
AlexisNexis® Product								
REGISTERED PROPERTY DETAILS								
Township	EAST LONDON	Ref	23047	Property Type	ERF	Plot Number	0	Ownership
		Dagmar Deed	T124/1879	Registered Size	4125.0000SQM	Municipality	BYPHALD CITY METROPOLITAN	King Williams Town
				Province		Registration Division	EAST LONDON RD	Deeds Office
						Registration Number	198701654223	Name
OWNER DETAILS								
Owner 1 of 1	Share (%)	Registrator Date	1998/03/23	Title Deed	T19070/1998	Purchase Date	700.000	Person Type
			1998/10/29					COMPANY
								B K MEATS CC
PROPERTY INFORMATION								
No property information available.								
BONDS AND OTHER DOCUMENTS								
Document Number	Holder	Amount (R)	Holder	Amount (R)	Holder	Document Number	O/DG/1990	PROPERTY HISTORY
13747/1990	H J SCHULZ BANK LTD	435 000	FIDELITY BANK LTD	200.000	-	84493/1998	73299/1990	

DEEDS ENQUIRY



EXTERIOR VIEWS

PHOTO REPORT



Interior views



LOCALITY VIEW



AERIAL VIEW