

Mainland Real Estate Ltd
(Incorporated in the Republic of Mauritius)
(Registration number: 135891 C1/GBL)
SEM share code: "MAIN.N0000"
JSE share code: "MLD"
ISIN: "MU0520N00000"
("Mainland" or "the company")

MAINLAND

**ABRIDGED PRE-LISTING STATEMENT REGARDING THE INWARD LISTING OF
MAINLAND SHARES ON THE ALTERNATIVE EXCHANGE OF THE JSE LIMITED**

1. Introduction

This abridged pre-listing statement relates to:

- an offer to invited investors to subscribe for up to 300 000 ordinary shares of no par value at an issue price payable in ZAR which is equivalent to GBP2.00 per share determined at the prevailing GBP:ZAR exchange rate at 12:00 (South African time) on Monday, 5 December 2016 ("**SA private placement**"); and
- the subsequent listing of all the issued shares of the company by way of a secondary listing on the Alternative Exchange ("**AltX**") of the JSE Limited ("**listing on the AltX**").

The JSE has granted Mainland a listing of all of the company's issued shares on the AltX under the abbreviated name: "Mainland", JSE share code: "MLD", ISIN: "MU0520N00000" and ICB sector: "8995 Nonequity Investment Instrument" with effect from the commencement of trade on Friday, 9 December 2016. This will be a foreign inward listing.

This abridged pre-listing statement is not an invitation to the public to subscribe for shares in the company, but is issued in compliance with the JSE Listings Requirements and the Listing Rules of the Stock Exchange of Mauritius Ltd ("**SEM**") for the purposes of providing information to the public in relation to Mainland and to invited investors in relation to the SA private placement.

This announcement contains the salient information in respect of Mainland, which is more fully described in the pre-listing statement which was issued to invited investors today, Friday, 2 December 2016 ("**the pre-listing statement**"). For a full appreciation of Mainland, the SA private placement and the listing on the AltX, the pre-listing statement should be read in its entirety.

2. Background to Mainland

The company was established in Mauritius on 2 February 2016 as a category 1 Global Business License company.

Mainland's shares were listed on the Official Market of the SEM with commencement of trade on Monday, 23 May 2016. Mainland conducts its business from Mauritius.

3. Primary objective

The company's primary objective is to acquire and invest in global real estate assets and companies, predominantly situated in the United Kingdom and selected Western European jurisdictions, specifically the Netherlands and Germany, which the board believes will deliver suitable returns for investors through both income and capital growth. Investments will be made predominantly in the office, industrial, warehousing and logistics sectors.

4. Investment policy

Mainland will follow a dual strategy approach to its real estate investments whereby it will gain exposure to real estate through: (1) investments in listed and unlisted shares and securities of real estate companies (indirect exposure). It is Mainland's intention to keep this indirect exposure to approximately 5% of total assets; and (2) portfolios of fixed property assets which it will own either directly or through subsidiaries (direct exposure). In addition, the company may invest in cash and other debt securities.

The company's investments may be held directly or through subsidiaries incorporated in various appropriate jurisdictions for the purpose of maximizing tax efficiencies of the company's investments.

Initially, Mainland's investments will comprise listed real estate securities in the United Kingdom and Western Europe, pursuant to its primary objective of investing in real estate assets and companies which deliver suitable returns. Mainland will consider opportunistic investments outside of the United Kingdom and Western Europe where the commercial merits of the opportunistic investments support Mainland's overall investment strategy.

In respect of the direct exposure, the directors of Mainland wish to follow a total return strategy comprising a value-added focus together with a strong income focus and believe attractive real estate investment opportunities exist in these sectors and region. As such, the company will target the acquisition of real estate assets that offer a combination of:

- income generating assets comprising properties with strong sustainable income from high quality tenants on medium to longer term lease expiry profiles with a high probability of renewal; and
- properties requiring value-added asset management through re-letting, lease re-gearing, upgrades, refurbishments, redevelopments or other improvements.

In respect of the indirect exposure, investments in listed real estate securities may be made from time to time where this is justified by pricing differentials between direct real estate and real estate securities, however the majority of assets will always comprise direct real estate. If Mainland invests in any companies or funds, which in turn invest in a portfolio of investments, the policies and objectives of the investee will conform to the principle objectives of Mainland.

5. Listing on the AltX

It is the view of the board that Mainland will present an attractive opportunity to South African real estate investors, who have enjoyed strong and stable returns from the South African real estate sector over the last few years and now see comparatively attractive value in carefully selected opportunities in real estate markets outside of South Africa. In order to take advantage of these opportunities, it is

necessary for the company to be able to raise capital timeously, to enable it to grow its assets. Accordingly, Mainland is seeking a listing on the AltX to:

- broaden its investor base and source additional capital to fund growth aspirations;
- enhance potential investors’ awareness of the company;
- improve the depth and spread of the shareholder base of the company, thereby improving liquidity in the trading of its securities;
- provide invited investors the opportunity to participate directly in the income streams and future capital growth of the company; and
- provide invited investors with an additional market for trading the company’s shares.

In order to take advantage of these opportunities it is necessary for the company to be able to raise capital. The benefit of a dual listing is that it allows the company to raise capital in South Africa and Mauritius, having regard to the strength of the directors’ relationships and the known interest of investors in both jurisdictions.

6. Directors

Director name, age, nationality and qualification	Role
Kamal Taposeea (58), Mauritian, LLB, LLM	Independent chairman
Lyndon Kan (43) South African, BSc Construction, Dip APP, Dip Credit	Chief Executive Officer
Andrew Glencross (48), South African, B(Tech) Real Estate, N Dip Prop Valuation, N Dip Prop Practice, Registered Property Valuer with SAIV and SACPVP	Chief Investment Officer
Francesca Chung (43), Mauritian, Fellow member of ACCA; BCom	Chief Financial Officer
Francoise Chan (48), Mauritian, MSc DEA TEP	Non-executive director
Paul Reid (54), British, BSc MRICS	Non-executive director
Cyril Wong (50), (BSC, FCA, Fellow of the Mauritius Institute of Directors)	Independent non-executive director

7. Property and transaction management agreement

Given Mainland's relatively small executive team, it will rely on external parties to source and undertake initial evaluation of potential investment opportunities for presentation to the board.

Key in this regard will be Mainland's relationship with the property and transaction manager. It is the view of the board that property and transaction manager has the appropriate expertise in sourcing direct real estate assets in the United Kingdom.

The salient details of the property and transaction management agreement are set out in the pre-listing statement.

8. Details of the SA private placement

The SA private placement comprises an offer to subscribe for up to 300 000 shares at the issue price payable in ZAR which is equivalent to GBP2.00 per share determined at the prevailing GBP:ZAR exchange rate at 12:00 (South African time) on Monday, 5 December 2016.

Mainland has the right to increase the number of shares being offered in terms of the SA private placement, subject to demand.

The SA private placement shares will be offered for subscription to invited investors in South Africa. No offer will be made to the public in respect of the SA private placement.

The shares will only be issued in dematerialised form. No certificated shares will be issued.

Those initial investors that have been invited to apply should do so by completing the SA private placement application form attached to the pre-listing statement.

The following categories of persons may not participate in the SA private placement:

- any person who may not lawfully participate in the SA private placement; and/or
- investors who have not been invited to participate; and
- persons acting on behalf of a minor or a deceased estate.

Invited investors are to provide Mainland with their irrevocable indications of interest by 12:00 (South African time) on Monday, 5 December 2016. Invited investors will be informed of their allocated shares, if any, by Tuesday, 6 December 2016, when the collated applications will be provided to the South African transfer secretaries and Strate. Invited investors must make the necessary arrangements to enable their CSDP to make payment for the allocated shares on the settlement date. The allocated private placement shares will be transferred, on a "delivery-versus-payment" basis, to successful invited investors on the settlement date, which is expected to be Friday, 9 December 2016.

Immediately prior to the listing, the issued share capital of Mainland will comprise 591 100 ordinary no par value shares. Assuming that 300 000 shares are issued in terms of the SA private placement, immediately after the SA private placement and the listing on the AltX the issued share capital of the company will comprise 891 100 ordinary shares of no par value. The anticipated market capitalisation of the company will be approximately GBP1.27 million (approximately ZAR22 million).

The proceeds from the SA private placement together with existing cash resources will be used to settle the costs associated with the SA private placement, the listing on the AltX, provide sufficient working capital and to make investments in accordance with the company's investment policy.

9. Salient dates and times for invited investors

	2016
Opening date of the SA private placement at 09:00 on	Monday, 5 December
Closing date of the SA private placement at 12:00 on	Monday, 5 December
Results of the SA private placement released on SENS and the SEM website on	Tuesday, 6 December
Notification of allotments by	Tuesday, 6 December
Listing of Mainland shares on the Alt ^X on	Friday, 9 December
Accounts at CSDP or broker updated and debited in respect of dematerialised shareholders on	Friday, 9 December

Notes:

1. The above dates and times are South African dates and times and are subject to amendment. Any such amendment will be released on SENS and the SEM website.
2. Invited investors may only receive shares in dematerialised form and must advise their CSDP or broker of their acceptance of the SA private placement in the manner and cut-off time stipulated by their CSDP or broker.
3. CSDP's effect payment on a delivery-versus-payment basis.

10. Pre-listing statement

The pre-listing statement is available in English only. Copies may be obtained during normal office hours from Friday, 2 December 2016 up to, and including Friday, 9 December 2016 from:

- Java Capital (Proprietary) Limited at 6A Sandown Valley Crescent, Sandton, Johannesburg, 2196, South Africa. **Attention: Gareth Earl/Andrew Bird: Mainland@javacapital.co.za;**
- Mainland Real Estate Ltd at c/o Intercontinental Fund Services Limited, Level 5, Alexander House, 35 Cybercity, Ebene 72201, Mauritius; and
- Link Market Services South Africa (Proprietary) Limited at 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001, Johannesburg, South Africa.

By order of the board

South African corporate advisor and JSE sponsor

Java Capital +27 11 722 3050

Corporate secretary

Intercontinental Fund Services Limited +230 466 3999

SEM authorised representative and sponsor

Perigeum Capital Ltd +230 402 0890

2 December 2016

This notice is issued pursuant to SEM Listing Rule 11.3, the Mauritian Securities Act 2005 and the JSE Listings Requirements. The Board of Directors of Mainland Real Estate Ltd accepts full responsibility for the accuracy of the information contained in this announcement.