



Ingwelala Share Block Limited

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Message from the Chairman

Dear Members of Ingwelala

Potential purchase of property in the Klaserie Private Nature Reserve

Acquisition abandoned

Since my two previous Messages to Members during December 2015 regarding the potential opportunity that has arisen in the Klaserie Private Nature Reserve with the Fife property being put on the market, much work has taken place in order to determine its feasibility for Ingwelala Members.

We received an excellent response from the quick survey that we ran as well as written communication from numerous Members with most valuable input and suggestions, for which I thank you all.

We figured that the best potential model was to form a new private company that would offer equal shares of equal value to individual Ingwelala Members (not bungalows (or more correctly, Ingwelala share blocks) since share blocks are not permitted in the Klaserie) interested in purchasing this property. The assumption was that approximately 100 people may be interested at an investment of around R360,000 each, payable either in cash or through a bank financing arrangement. Only these shareholders would be able to make use of the property and would also have to bear all the costs of its ongoing operation and maintenance (which would not in any way adversely affect Ingwelala or Members who chose not to purchase). A lot of homework was still required to flesh out the finer details of how all this could work.

However, during our due diligence process this past week, we established that in terms of the Klaserie Constitution, a purchaser of a property in their reserve may not exceed the number of shareholders of the current seller. In the case of the Fife property, the seller is a close corporation which we believe has around 5-10 people, so that would not work for us. The Chairman of the Klaserie also advised us that they would enforce their Constitution and block our attempted purchase.

In view of all of the above, we have decided not to pursue this specific opportunity any further, but rather focus on land closer to Ingwelala, including possible traversing rights. All the work on this has not been wasted as we can act quicker when another opportunity arises.

Sincerely

Kevin Alborough
Chairman

Directors: Kevin A Alborough (Chairman), John M Saker (Vice Chairman), John H Llewellyn (Managing), Gavin R George, Andrew R Hauptfleisch, Christopher C Henderson, Ian P W Knight, Nicolaas J Roodt, Andrew Rossaak, Georg R Schwaeble, John M Vice, Ivan C Visée.