

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The interpretations and definitions commencing on page 4 of this circular have, where appropriate, been used on this cover page.

If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, accountant, legal advisor or other professional advisor.

Action required

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

Beneficial unitholders who have dematerialised their units through a CSDP or broker who wish to attend the general meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the general meeting or must instruct their CSDP or broker to vote (in the case of Hyprop shareholders) on their behalf in terms of their respective agreements with their CSDP or broker.

Hyprop unitholders are referred to page 2 of this circular, which sets out the detailed action required of them in respect of this circular.

Hyprop does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of dematerialised units to notify such unitholder of the contents of this circular.



Incorporated in the Republic of South Africa
(Registration number 1987/005284/06)
JSE code: HYP ISIN: ZAE000003430
("Hyprop" or the "company")

CIRCULAR TO HYPROP UNITHOLDERS

relating to:

- **the proposed disposal of Hyprop's 50% undivided share in the Southcoast Mall including Hyprop's 50% undivided share in the related immovable property to Redefine Properties Limited;**

and enclosing:

- **a notice of general meeting of Hyprop unitholders; and**
 - **a form of proxy to vote at the general meeting of Hyprop unitholders for use by certificated shareholders and dematerialised Hyprop shareholders who have elected "own-name" registration only.**
-

Corporate advisor, legal advisor and sponsor

JAVACAPITAL

Competition law advisor

✓ ANI CHETTY
COMPETITION LAW

Independent valuer

 OLD MUTUAL
Investment Group

Date of issue: Thursday, 5 April 2012

This circular is only available in English. Copies of this circular may be obtained from the registered offices of Hyprop, being 2nd Floor, Cradock Heights, 21 Cradock Avenue, Rosebank, 2196.

CORPORATE INFORMATION

Registered office of Hyprop

Hyprop Investments Limited
(Registration number 1987/005284/06)
2nd Floor
21 Cradock Avenue
Cradock Heights
Rosebank 2196
(PO Box 41257, Craighall, 2024)

Trustee for Hyprop debenture holders

Webber Wentzel
(Registration number 2001/007762/21)
15th Floor, Convention Tower
Heerengracht, Foreshore
Cape Town
8001
(PO Box 3667, Cape Town, 8000)

Independent property valuer

Old Mutual Investment Group South Africa
(Registration number 1993/003023)
1st Floor West End Retail Mall
Jan Smuts Avenue
Pinelands
7405
(PO Box 878, Cape Town, 8000)

Competition law advisor

Vani Chetty Competition Law (Proprietary) Limited
(Registration number 2007/009553/07)
1st Floor, 24 Hurlingham Road
Illovo Boulevard
Illovo
2132
(PO Box 52531, Saxonwold, 2132)

Date and place of incorporation of Hyprop

Incorporated in the Republic of South Africa in 1987

Corporate advisor and legal advisor to Hyprop

Java Capital (Proprietary) Limited
(Registration number 2002/031862/07)
2 Arnold Road
Rosebank
Johannesburg
2196
(PO Box 2087, Parklands, 2121)

Sponsor to Hyprop

Java Capital Trustees and Sponsor (Proprietary) Limited
(Registration number 2006/005780/07)
2 Arnold Road
Rosebank
Johannesburg
2196
(PO Box 2087, Parklands, 2121)

Transfer secretaries of Hyprop

Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg
2001
(PO Box 61051, Marshalltown, 2107)

Company secretary of Hyprop

Probity Business Services (Proprietary) Limited
(Registration number 2000/002046/07)
3rd Floor
The Mall Offices
11 Cradock Avenue
Rosebank
Johannesburg, 2196
(PO Box 85392, Emmarentia, 2029)

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ACTION REQUIRED BY HYPROP UNITHOLDERS

The interpretations and definitions commencing on page 4 of this circular apply *mutatis mutandis* to this section.

THE GENERAL MEETING

The implementation of the disposal is subject, *inter alia*, to Hyprop shareholders passing the requisite resolutions at the general meeting of Hyprop unitholders to be held at 10:00 on Tuesday, 8 May 2012 at the registered office of Hyprop (2nd Floor, 21 Cradock Avenue, Cradock Heights, Rosebank, 2196).

Due to the expanded meaning of “shareholder” in section 57(1) of the Companies Act, the company has expanded its notice to shareholders and debenture holders for a “combined” general meeting. Due to Hyprop’s linked unit structure, its shareholders are also its debenture holders and the matters to be voted on at the general meeting are matters on which shareholders, and not debenture holders, are entitled to vote. As a result, a proxy form has only been included for shareholders.

A notice convening the general meeting to be held at 10:00 on Tuesday, 8 May 2012 is attached to and forms part of this circular.

Certificated shareholders and dematerialised shareholders who have elected “own-name” registration in the sub-register of Hyprop maintained by a CSDP, who are unable to attend the general meeting but who wish to be represented thereat, are requested to complete and return the attached form of proxy in accordance with the instructions contained therein. The duly completed forms of proxy must be received by the transfer secretaries by no later than 10:00 on Monday, 7 May 2012 in respect of the general meeting of Hyprop unitholders.

Dematerialised shareholders who have not elected “own-name” registration in the sub-register of Hyprop maintained by a CSDP, and who wish to attend the general meeting, must instruct their CSDP or broker timeously in order that such CSDP or broker may issue them with the necessary letter of representation or equivalent authority to attend.

Dematerialised shareholders who have not elected “own-name” registration in the sub-register of Hyprop maintained by a CSDP, and who do not wish to attend the general meeting, must provide their CSDP or broker with their instruction for voting at the general meeting in the manner stipulated in the agreement between the shareholder concerned and the CSDP or broker governing the relationship between such shareholder and his CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.

Debenture holders wishing to appoint a proxy or two or more proxies to attend and participate (but not vote) in the meeting, may contact the company secretary at pbs@probitysecretaries.co.za or by fax on +27 11 327 7149, to obtain such form of proxy.

Hyprop does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised unitholder to notify such unitholder of the general meeting or any business to be conducted thereat.

SALIENT DATES AND TIMES

2012

Record date in order to receive circular	Friday, 30 March
Circular posted on	Thursday, 5 April
Last day to trade in order to be eligible to vote at the general meeting	Thursday, 19 April
Record date in order to vote at the general meeting	Thursday, 26 April
Receipt of forms of proxy in respect of the general meeting by 10:00 on	Monday, 7 May
General meeting of Hyprop unitholders at 10:00 on	Tuesday, 8 May
Results of the general meeting released on SENS on	Tuesday, 8 May
Results of the general meeting published in the press on	Wednesday, 9 May

Notes:

1. All dates and times in this circular are local times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS and published in the press.
2. Hyprop unitholders are referred to page 2 of this circular for information on the action required to be taken by them.

INTERPRETATIONS AND DEFINITIONS

In this circular and the annexure hereto, unless inconsistent with the context, an expression which denotes one gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the expressions set out in the first column bear the meaning assigned to them in the second column.

“ business day ”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“ business ”	Hyprop’s 50% undivided share in the Southcoast Mall including Hyprop’s 50% undivided share in the property itself and in the contracts, as defined in the sale agreement;
“ certificated shareholders ”	Hyprop shareholders who hold certificated shares;
“ certificated shares ”	Hyprop shares which have not been dematerialised into the Strate system, title to which is represented by share certificates or other physical documents of title;
“ Companies Act ”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“ conditions precedent ”	the conditions precedent to which the disposal is subject, as set out in paragraph 3.4 of this circular;
“ CSDP ”	Central Securities Depository Participant;
“ dematerialised shareholders ”	Hyprop shareholders who hold dematerialised shares;
“ dematerialised shares ”	Hyprop shares which have been incorporated into the Strate system, title to which is not represented by share certificates or other physical documents of title;
“ dematerialised unitholders ”	Hyprop unitholders who hold dematerialised units;
“ dematerialised units ”	Hyprop units which have been incorporated into the Strate system, title to which is not represented by unit certificates or other physical documents of title;
“ directors ”	the directors of Hyprop;
“ disposal ”	the disposal by Hyprop of the business to Redefine on the terms and conditions of the sale agreement;
“ this document ” or “ the/this circular ”	all the documents contained in this bound document, including the notice of general meeting and the form of proxy;
“ general meeting ”	the general meeting of Hyprop unitholders to be held at Hyprop’s registered office at 10:00 on Tuesday, 8 May 2012, convened for the purpose of Hyprop shareholders passing with or without modification the resolutions requisite to implement the disposal;
“ Hyprop ” or “ the company ”	Hyprop Investments Limited (Registration number 1987/005284/06), a public company duly incorporated in South Africa and listed on the JSE;
“ Hyprop debenture ”	an unsecured variable rate debenture in Hyprop with a face value of 493 cents governed by the Hyprop debenture trust deed;
“ Hyprop debenture holders ”	the registered holders of Hyprop debentures;
“ Hyprop debenture trust deed ”	the debenture trust deed dated 4 May 2006 governing the terms and conditions of the Hyprop debentures;
“ Hyprop register ”	Hyprop’s combined unit register, including all sub-registers;
“ Hyprop share ”	a no par value share of the company;
“ Hyprop shareholders ”	the registered holders of Hyprop shares;

“Hyprop units” or “units”	Hyprop combined units listed on the JSE, each comprising one Hyprop share indivisibly linked to one Hyprop debenture;
“Hyprop unitholders” or “unitholders”	holders of Hyprop units;
“independent property valuer”	Old Mutual Investment Group South Africa, a company incorporated in South Africa, the details of which are set out on the inside front cover of this circular;
“JSE”	JSE Limited (Registration number 2005/022939/06), a company incorporated in South Africa and licensed as an exchange under the Securities Services Act, 2004 (Act 36 of 2004), as amended;
“JSE Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“lodgement date”	the date on which the relevant documents are lodged at the relevant deeds office for the purpose of effecting transfer of the property;
“last practical date”	Friday, 23 March 2012, being the last practical date prior to the finalisation of the circular;
“longstop date”	31 December 2012;
“notice of general meeting”	the notice of general meeting attached to this circular;
“property”	the remainder of portion 15 of Erf 494 Shelly Beach Township, Registration Division ET, situated in the Margate Transitional Local Council area and in the UGU Regional Council Area, Province of KwaZulu-Natal, measuring in extent approximately 17,6828 hectares held under Title Deed Numbers T6032/2011 and T62722/2004;
“purchase consideration”	the purchase consideration to be received by Hyprop from Redefine in respect of the sale of the business, being R108 500 000 to be settled in cash;
“Redefine”	Redefine Properties Limited (Registration number 1999/018591/06), a public company duly incorporated in accordance with the laws of South Africa and listed on the JSE;
“resolutions”	the ordinary resolutions to give effect to the disposal as set out in the notice of general meeting that is attached to this circular;
“sale agreement”	the sale agreement entered into between Hyprop and Redefine on 2 March 2012 in terms of which, <i>inter alia</i> , Hyprop sells to Redefine which purchases the business on the terms and conditions contained therein, as set out in paragraph 3 of this circular;
“SENS”	the Securities Exchange News Service, the news service operated by the JSE;
“South Africa”	the Republic of South Africa;
“Southcoast Mall”	the property letting enterprise (including the related property) known as the “Southcoast Mall” conducted by Hyprop and Redefine as joint co-owners thereof situated at Shelly Beach, KwaZulu-Natal;
“Strate”	Strate Limited (Registration number 1998/022242/06), a company incorporated in South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“transfer date”	the date of registration of the property into the name of Redefine in accordance with the provisions of the sale agreement and in terms of the relevant legislation and regulations and the practice and rules of the deeds office concerned; and
“transfer secretaries”	Computershare Investor Services (Proprietary) Limited, a company incorporated in South Africa, the details of which are set out on the inside front cover of this circular.



Incorporated in the Republic of South Africa
(Registration number 1987/005284/06)
JSE code: HYP ISIN: ZAE000003430
("Hyprop" or the "company")

Directors

M S Aitken^{+∞}
L R Cohen[#]
E G Dube[∞]
K M Ellering
L Engelbrecht[∞]
M J Lewin
P G Prinsloo[#]
S Shaw-Taylor
G R Tipper[∞]
M Wainer
L L S Van Der Watt
L Norval
L I Weil[∞]

⁺ Chairman

[#] Executive Director

[∞] Independent

CIRCULAR TO HYPROP UNITHOLDERS

1. INTRODUCTION

On 5 March 2012, it was announced on SENS that Hyprop had entered into an agreement for the sale of the business to Redefine.

The purpose of this circular is, *inter alia*, to provide Hyprop unitholders with information regarding the disposal and to convene a general meeting of Hyprop unitholders at 10:00 on Tuesday, 8 May 2012 at the registered office of Hyprop (2nd Floor, 21 Cradock Avenue, Cradock Heights, Rosebank, 2196) to consider and if deemed fit, pass with or without modification the resolutions contained in the notice of general meeting attached to this circular.

2. RATIONALE FOR THE DISPOSAL

Hyprop's strategy is to focus on its core portfolio of premium, sizeable shopping centres, including the disposal of non-core assets and smaller underperforming properties. As part of this strategy Hyprop identified its 50% interest in the property letting enterprise trading as the Southcoast Mall together with its undivided share in the related property (which it co-owns with Redefine) as an asset for disposal. Towards the end of 2011, a process to dispose of the business was embarked upon and a third party purchaser identified and the principal terms agreed. Redefine then elected that, instead of Hyprop disposing of its interest in the Southcoast Mall to the third party purchaser, Redefine would exercise its pre-emptive right to acquire Hyprop's undivided share on the same terms and at the same price.

3. TERMS OF THE DISPOSAL

- 3.1 Hyprop has, subject to the fulfilment of the conditions precedent set out in paragraph 3.4, sold the business for a purchase consideration of R108 500 000. The purchase consideration is payable in cash by Redefine with effect from the transfer date.
- 3.2 The effective date of the disposal will be on the transfer date. In the event that transfer of the property does not occur by the longstop date then either party shall at any time prior to the lodgement date be entitled to cancel the sale agreement on written notice to the other party.
- 3.3 The purchase price shall be increased by an amount equivalent to 0.0219% in respect of each calendar day by which the transfer date is delayed beyond 30 April 2012.
- 3.4 The disposal is subject to the following conditions precedent:
- 3.4.1 the securing, to the extent necessary, of all approvals and consents required from the Competition Authorities by no later than 30 April 2012. In the event of there being any delays in obtaining such approval, such delays being in the control of neither party, the period for fulfilment of this condition shall be automatically extended for such further period (not exceeding 60 days) as necessary. The parties have undertaken to do whatever necessary, sign whatsoever documents are requisite and furnish whatever information is required in order to enable the expeditious fulfilment of this condition precedent;
- 3.4.2 approval by Hyprop's unitholders by no later than 30 April 2012.
- If the conditions precedent are not fulfilled by the dates stipulated above or any extension of such dates by mutual agreement in writing between the parties, then the sale agreement shall not automatically lapse and be of no further force and effect but any of the parties may after the date in question on written notice (the "notice") to the other parties require that the condition in question be fulfilled within 7 days of the date of the notice and, failing fulfilment of the condition in question within the aforesaid 7-day period, the sale agreement shall never become of force and effect and no party shall have a claim against any other party arising out of or in connection with the sale agreement.
- 3.5 The cash proceeds paid to Hyprop pursuant to the disposal will be used to reduce interest-bearing borrowings of Hyprop.

4. RELATED PARTY TRANSACTION

- 4.1 As Redefine is a material unitholder of Hyprop, holding in excess of 10% of Hyprop's issued unit capital, the disposal constitutes a small related party transaction in terms of section 10.7 of the JSE Listings Requirements. A small related party disposal is not subject to unitholder approval, if (where the subject of the disposal is property) there is an independent valuation reflecting a valuation that is the same or lower than the purchase price. Given that, in this instance, the purchase price is at a discount to the value of the property (being a R13,5 million or 11% discount to the valuation) per the independent valuer's valuation set out in **Annexure 1**, the disposal requires:
- 4.1.1 a circular to Hyprop's unitholders; and
- 4.1.2 approval of the disposal by Hyprop's unitholders.
- 4.2 Although Redefine will be taken into account in determining a quorum at the general meeting, the JSE Listings Requirements require that the resolution authorising the disposal must be approved by a simple majority of Hyprop unitholders, excluding the votes cast by Redefine and its associates.
- 4.3 As set out in the summary valuation report attached as **Annexure 1**, the independent valuer has valued Hyprop's 50% undivided share in the Southcoast Mall (together with its 50% undivided share in the property) at R122 000 000. Although the purchase price has been agreed at R108 500 000, a process to dispose of Hyprop's 50% undivided share in the Southcoast Mall (together with its 50% undivided share in the property) was embarked upon towards the end of 2011, pursuant to which an arms' length third party purchaser offered to purchase from Hyprop, Hyprop's 50% undivided share (together with its 50% undivided share in the property) for a purchase consideration of R108 500 000. Redefine then elected that, instead of Hyprop disposing of its interest in the Southcoast Mall (together with its 50% undivided share in the property) to the third party purchaser, Redefine would exercise its pre-emptive right (under the co-ownership agreement concluded between Hyprop and Redefine on or about 1 December 2004) to acquire Hyprop's undivided share (together with its 50% undivided share in the property) on the same terms and at the same price. Accordingly, although at an 11% discount to the valuation provided by the independent valuer as at 31 December 2011, the board of directors believe the disposal is fair insofar as Hyprop unitholders are concerned and in line with Hyprop's strategy to focus on its core portfolio of premium, sizeable shopping centres, including the disposal of non-core assets and smaller underperforming properties.

5. GENERAL MEETING

5.1 A general meeting of Hyprop unitholders will be held at 10:00 on Tuesday, 8 May 2012 at the registered offices of Hyprop (2nd Floor, 21 Cradock Avenue, Cradock Heights, Rosebank, 2196) for the Hyprop shareholders to consider and, if deemed fit, pass with or without modification the proposed ordinary resolutions necessary to implement the disposal.

5.2 Details of the action required by Hyprop unitholders are set out on page 2 of this circular.

6. FINANCIAL INFORMATION

6.1 The financial effects of the disposal on the:

6.1.1 net assets and net tangible assets per Hyprop unit are less than 1%;

6.1.2 historical earnings and headline earnings per Hyprop unit are less than 1.7%,

and accordingly are not significant and have therefore not been published in this circular.

6.2 The JSE Listings Requirements regards 3% as being significant.

7. HYPROP'S UNIT CAPITAL

The unit capital of Hyprop as at 31 December 2011 is as follows:

	R'000
<hr/>	
<i>Authorised</i>	
500 000 000 ordinary shares of no par value	
<hr/>	
<i>Issued</i>	
243 113 169 ordinary shares of no par value	1 661
<hr/>	
<i>Stated capital</i>	
243 113 169 unsubordinated variable rate debentures of 493 cents each	1 198 548
Debenture premium	5 160 993
<hr/>	
	6 359 541
<hr/>	

8. MAJOR UNITHOLDERS

Set out below are the names of those Hyprop unitholders insofar as the board of directors are aware that, directly or indirectly, are beneficially interested in 5% or more of the total Hyprop units in issue at the last practical date.

Holder	Number of units controlled	Percentage of issued units
Redefine Properties	75 937 121	31.2%
Government Employees Pension Fund	20 727 807	8.5%
Louis Norval	19 516 724	8.0%
Total	108 555 200	47.5%

9. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on page 6 of this circular, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the circular contains all information required by law and the JSE Listings Requirements.

10. LITIGATION STATEMENT

There are no material legal or arbitration proceedings against Hyprop nor, as far as the directors are aware, are there any legal or arbitration proceedings pending or threatened against Hyprop, that may have had, in the 12 months preceding the date of this circular, a material effect on the financial position of the Hyprop group. Hyprop is only involved in legal matters in the normal course of business (for example claiming moneys due to the company).

11. MATERIAL CHANGES

There have been no material changes in the financial or trading position of Hyprop or its subsidiaries since Hyprop published its audited results for the year ended 31 December 2011.

12. MATERIAL CONTRACTS

On 15 December 2010 Hyprop entered into an agreement to acquire 100% of the shares of Attfund Retail Limited ("Attfund Retail"), for the purpose of acquiring Attfund Retail's portfolio of property assets and listed securities (the "Attfund transaction"). A Category 1 circular together with Hyprop's revised listing particulars were posted to Hyprop unitholders on 21 April 2011. Unitholders are referred to Hyprop's website www.hyprop.co.za for copies of the respective Category 1 circular and revised listing particulars.

As part of the Attfund transaction (and as disclosed in that Category 1 circular), unitholders were advised that the transfer of Attfund Retail's 25% undivided share in Centurion Mall would trigger pre-emptive rights in favour of Fountainhead Property Trust ("Fountainhead"). Fountainhead had indicated that they would exercise their pre-emptive rights in that regard and accordingly, as published in an announcement released by Hyprop over SENS on 29 July 2011, Hyprop concluded an agreement with Fountainhead in terms of which Hyprop disposed of Attfund Retail's 25% undivided share in Centurion Mall to Fountainhead for a purchase price of approximately R751.5 million payable in cash. The impact of that disposal on Attfund Retail's forecast contained in that Category 1 circular were not material and therefore not published.

Other than the above-mentioned agreements as well as the sale agreement governing the disposal, Hyprop has not entered into any material contracts that are not in the normal course of business in the two years prior to the date of this circular and has not entered into any contracts at any time containing an obligation or settlement that is material to Hyprop or its subsidiaries at the date of this circular and which remains outstanding.

13. CONSENTS

- 13.1 Each of Java Capital (Proprietary) Limited, Java Capital Sponsors and Trustees (Proprietary) Limited, Old Mutual Investment Group South Africa, Vani Chetty Competition Law (Proprietary) Limited and Computershare Investor Services (Proprietary) Limited have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.
- 13.2 The independent property valuer has consented to the inclusion of its valuation report in the form and context in which it is included in this circular, which consent has not been withdrawn prior to the publication of this circular.

14. THE SOUTHCOAST MALL PROPERTY SPECIFIC INFORMATION

- 14.1 The independent valuer valued Hyprop's 50% interest in the Southcoast Mall (together with its 50% undivided share in the property) at R122 000 000 as at 31 December 2011. The Southcoast Mall is situated in KwaZulu-Natal and has a gross lettable area of 29 361m² at a weighted average rental of R89 per m². The average annualised yield of the Southcoast Mall is 10.71%.
- 14.2 An analysis of the Southcoast Mall, in respect of tenant spread and lease expiry profile, is provided in the tables below.

Tenant spread

	Based on GLA
A	28%
B	57%
C	15%
Total	100%

For the tenant profile table, the following key is applicable:

- A – Large national tenants, large listed tenants, government and major franchisees.
B – National tenants, listed tenants, franchisees and medium to large professional firms.
C – Other, comprising lineshops.

Lease expiry profile

	GLA	Gross rentals
Vacant	7%	
December 2012	8%	11%
December 2013	18%	29%
December 2014	8%	7%
December 2015	44%	38%
December 2016	15%	15%
Total	100%	100%

15. PRELIMINARY EXPENSES AND ISSUE EXPENSES

15.1 The legal fees payable to Vani Chetty Competition Law (Proprietary) Limited in respect of its competition law advisory services to secure all approvals and consents from the Competition Authorities will be settled by Redefine.

15.2 The preliminary costs of the disposal which have been or are expected to be incurred by Hyprop, are set out below:

	R'000
Corporate adviser, legal adviser and sponsor fees payable to Java Capital	80
Press announcements	75
Printing costs payable to Ince (Proprietary) Limited	58
Independent property valuer fees payable to Old Mutual Investment Group South Africa	30
JSE documentation inspection fee	13
Total costs	256

15.3 All amounts are stated exclusive of VAT.

15.4 Hyprop has not incurred any preliminary expenses within the three years preceding the date of this circular in respect of this transaction.

16. DOCUMENTS AVAILABLE FOR INSPECTION

16.1 The documents listed below will be available for inspection during normal office hours on business days from the date of this circular until Tuesday, 8 May 2012 at the registered office of Hyprop at 2nd Floor, 21 Cradock Avenue, Cradock Heights, Rosebank, 2196.

16.2 The documents available for inspection are as follows:

16.2.1 the memorandum of incorporation of Hyprop and its subsidiaries;

16.2.2 the debenture trust deed in respect of the Hyprop debentures;

16.2.3 a copy of the sale agreement, a copy of the co-ownership agreement referred to in paragraph 4.3 and all other material contracts, as detailed in paragraph 12;

16.2.4 consent letters referred to in paragraphs 13.1 and 13.2;

16.2.5 the detailed valuation report; and

16.2.6 the audited financial statements of Hyprop for the preceding three financial years, which have been published by Hyprop in respect of the financial years ending 2008, 2009 and 2010.

Signed at Rosebank, Johannesburg by an executive director of Hyprop, and on behalf of all the directors of Hyprop in terms of the powers of attorney granted to him by each director of Hyprop.

Hyprop Investments Limited

Registered address

Hyprop Investments Limited
(Registration number 1987/005284/06)
2nd Floor
21 Cradock Avenue
Cradock Heights
Rosebank 2196
(PO Box 41257, Craighall, 2024)

INDEPENDENT VALUER'S REPORT OF THE PROPERTY

“The Directors
Hyprop Investments Limited
2nd Floor
21 Cradock Avenue
Cradock Heights
Rosebank, 2196

29 March 2012

Dear Sirs,

INDEPENDENT VALUER'S REPORT ON THE SOUTHCOAST MALL, SHELLY BEACH, KWAZULU-NATAL WHICH HAS BEEN SUBMITTED TO HYPROP INVESTMENTS LIMITED (“HYPROP”)

In accordance with your instruction of 28 September 2011, we confirm that we have visited and inspected the Southcoast Mall situated at Izotsha Road, Shelly Beach, KwaZulu-Natal (the “property”) on 9 November 2011 and have received all necessary details required to perform a valuation in order to provide you with our opinion of the property’s market value as at 31 December 2011.

1. INTRODUCTION

This summary valuation report has been prepared for inclusion in the related party circular to be issued by Hyprop. The valuation of the property has been carried out by the valuer who has carefully considered all aspects of the property. A full report has been given to the management of Hyprop. The detailed report includes commentary on the nature of the property, locality, tenancy, risk profile, forward rent projections and earning capability, exposure to future expenses and property risk. The detailed report has further addressed the tenancy income capability and expenditure for the property and tenants. Historic expenditure profile as well as future expenditure increases have been considered. The value, therefore, indicates the fair market value as at 31 December 2011 date for the property, which is detailed in section 11 of the detailed report.

2. BASIS OF VALUATION

The valuation is based on the market value.

Market value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

3. VALUE CALCULATION

The calculation of the market value of this property has been based on the discounted cash flow (DCF) method. In preparing our valuation we have used our Cougar property valuation package.

The DCF basis is a generally accepted valuation method for assessing the market value of investment properties and conforms to the 2008 IPD Valuation Guide. Based on a five-year holding period, the DCF method derives a five-year cash flow incorporating the lease obligations including escalations to termination. At lease expiry, a new lease is assumed and the commencing rent is assumed to be the current gross market rental escalated at an appropriate rate.

The present value of the five years cashflow is added to the present value of the hypothetical exit value, being the sixth year’s hypothetical net annual income capitalised into perpetuity at an appropriate market related rate.

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

Assumptions for the DCF are as follows:

3.1 **Lettable Area and Income**

The property has a gross lettable area of 31 933m² which includes ancillary areas such as outside seating, storage and yard space.

Income is derived from the contractual net rental for the prevailing leases (as provided by the client) and our market rental assumptions at lease expiry and for vacant accommodation.

The resultant cashflow indicates that the gross annual income for the first year to 31 December 2012 is in the order of R49 008 737.

By deducting expenses of R22 871 217 from the gross income, the derived net operating income for the property for the first year to 31 December 2012 is in the order of R26 137 520.

3.2 **Market Rentals**

Each tenant has been analysed separately, both as an individual, and as part of the centre. The rental that the tenant pays is based on a combination of category norms for that type of retailer, individual store turnover, and tenant's location within the centre.

Different categories of tenants can afford to pay a higher or lower percentage of their turnover towards rent, based on their budgets. By analysing a tenant's turnover, one can determine how successful that tenant is within the centre, and ascertain their level of affordability.

Each centre is unique in terms of creating its own "market", and typically newly-signed leases can be considered to be representative of the current market rate for that specific type of tenant.

Where a lease has been signed a while back, the escalations may have taken the contractual rate above what the market would currently pay for that space, in which case the lease will revert to market levels on expiry. A market rental can be determined through an investigation into what a similar store with similar trading density will pay for similar space. Annual sales figures are used to avoid seasonal fluctuations. Similar retail categories should exhibit similar trading densities.

The current valuation includes turnover rental of R636 120 for the 2012 year, which is significantly higher against our previous valuation which included R224 759 attributable to turnover. This can be as a result of tenants paying turnover rental only.

We have assumed an annual market rental growth of 5.00% for 2012 and beyond, taking into account that although contractual escalation rates are being concluded between 6.50% and 12.00%, the length of the cashflow and the current demand for space in the centre has prompted us to use this rental growth rate.

3.3 **Vacancies**

The property currently has many vacant units approximately 37 units accounting for roughly 6.40% of total GLA and a fair number of leases, approximately 10.80% of total GLA, coming up for renewal within the next year. It is suspected that a fair number of these tenants will vacate upon expiry. Furthermore there have been numerous lease "casualties" among new tenants and it can take up to 8 months to re-let vacant space.

Understandably it takes time to get the tenant mix right and recently a few tenants have been relocated within the centre; this should remain an aspect of focus. To attract tenants to the centre, many tenants have been offered leases where they pay turnover rental only. Such tenants include Senqu, Freddo, Amazon Tattoo, Vidicom and Art Gallery. We have staggered our take-up assumptions and a permanent vacancy factor of 3.00% has been calculated into the cashflow.

3.4 **Expenses**

The client has provided us with their property budget to 31 December 2012. We calculate the total anticipated expenditure for the 12 months to be in the region of R22 871 217.

In accordance with the 2008 IPD Valuation Guidelines, we have excluded certain expenditure items such as refurbishment costs, sinking funds, depreciation, bad debt provisions, write-offs, outsourced technical fees and asset management fees and have budgeted market related letting costs.

We have assumed that expenses will escalate at 7.50% per annum from 1 January 2013.

4. SPARE LAND

The property comprises a retail shopping mall and parking. The land areas are consumed by the shopping mall and parking and there is no additional vacant land.

5. BASIC DESCRIPTION

- 5.1 Existing use: Retail centre;
- 5.2 Net rental for 2012: R28 450 983;
- 5.3 Physical address: Izotsha Road, Shelly Beach, KwaZulu-Natal;
- 5.4 Property nature: Retail centre;
- 5.5 Total lettable area: 31 933 sqm;
- 5.6 Legal description: RE of Portion 15 of Erf 494, Shelly Beach, Province of KwaZulu-Natal;
- 5.7 Land nature: Freehold;
- 5.8 Land area: 17.6828 hectares;
- 5.9 Age of buildings: approximately seven years.

We have valued the property in accordance with its existing use which represents its market value. Alternative use values have not been reported on.

6. OPTIONS OR BENEFIT/DETRIMENT OF CONTRACTUAL ARRANGEMENTS

No valuation has been required detailing the benefit or detriment of contractual arrangements in respect of the property or where there may be a benefit in options held.

I am unaware of any options in favour of any parties for any purchases of the property.

7. LEASES

Southcoast Mall currently accommodates approximately 75 tenants, ranging from supermarkets and national retailers to regional and independent lineshops. An Engen filling station is also on site.

We have analysed the income risk and lease expiry profile of the property and detailed in our report.

Although we have not had sight of the individual lease agreements, we have been provided with the standard Hyprop lease agreement.

We have established that generally tenants are all on standard lease terms as set out in the tenancy schedule attached to our detailed valuation report and in addition to a basic rental and a fixed operating cost, a pro rata share of the full property rates (escalating with actual increases) and actual utility expenses are recovered. We understand that certain tenants are on leases where they pay turnover rental only.

8. RELATED PARTY LEASES

Having inspected all the tenant schedules and leases, it is noted that there are no related party leases.

9. CURRENT STATE OF DEVELOPMENT

The property is developed and capable of accommodating tenants.

No part of the property is held for development.

10. EXTERNAL PROPERTY

There is no external property.

11. OTHER GENERAL MATTERS AND VALUATION SUMMARY

Accordingly to the Hibiscus Coast Town Planning Scheme, the property is zoned Special Zone 23, with the following restrictions:

Permitted use:	Office, Service Station, Shops etc
FAR :	0.75
Coverage :	50%
Height :	2 storeys
Parking :	5 bays/100m ² GLA plus loading facilities

The property currently complies with the town planning restrictions.

We are not aware of any material contravention of any statutory requirements relating to the property.

A full valuation report is available on a property basis detailing tenancy, town planning, valuer's commentary, expenditure and other details.

12. OTHER COMMENTS

A right of expropriation measuring approximately 1.1340 hectares in extent has been registered in favour of the SA Transport Services. Furthermore we are aware that building lines of 15 metres and 20 metres apply from the main road and national roads respectively. Several pipeline and municipal servitudes have been registered and mineral rights are reserved.

We have been assured by the owners that these servitudes and expropriation notices have been taken into account in the planning of the mall and these conditions should thus not influence the value of the property.

13. CAVEATS

13.1 Full disclosure

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

13.2 Standards

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

- 13.2.1 The Royal Institution of Chartered Surveyors, RICS Valuation and Appraisal Standards (the Red Book as amended);
- 13.2.2 International Accounting Standards (IAS);
- 13.2.3 International Valuation Standards Committee (IVSC, White Book); and
- 13.2.4 The rules and guidelines laid down by the South African Council for the Property Valuers Profession in accordance with the Valuers Act 2000.

13.3 Mortgage bonds, loans or other charges

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

13.4 Calculation of areas

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

13.5 Plans

All plans included within the valuation report, if any, are supplied for the purpose of identification only and are not necessarily to scale.

13.6 **Marriage value**

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

13.7 **Individual values clause**

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

13.8 **Non-publication**

Neither the whole nor any part of this valuation, nor any reference thereto may be included in any published document, circular or statement, nor published in any way without our prior written approval as to the form or context in which it may appear.

13.9 **Third party**

This valuation report is provided for the stated purpose and for the sole use of the client. It is confidential to these parties and their professional advisors and consultants, and the valuers accept no responsibility whatsoever to any other person or third party.

13.10 **Certificate of compliance**

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

13.11 **Title deed**

In the case of freehold properties, we have inspected when available, the relevant title deed documents. Where as a result of our inspection some points have caused us concern, we have referred specifically to them in the report. Where the title deed has not been made available or where we are not instructed to inspect the deed, we have assumed that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.

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

13.12 **Sources of information**

Unless otherwise stated, we have relied on information provided to us by the client and their consultants for all the information given concerning details of tenure, tenancies, planning consents, planning proposals, contravention of any statutory requirements, outstanding statutory notices and building and site areas etc.

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

13.13 **Improvements**

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

13.14 **Plant and machinery**

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

13.15 **Tax**

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

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

13.16 **Transactional costs**

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

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

13.17 **Structural condition**

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

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

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

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

13.18 **Contamination**

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

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

13.19 **Soil condition**

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

13.20 **Outgoings**

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

13.21 **Statutory enquiries**

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

14. MARKET VALUE

I am of the opinion that the market value of the property (as per the valuation and summary schedule) is an amount of R244 000 000 excluding VAT as at 31 December 2011. Therefore the value of Hyprop's 50% interest in the property is R122 000 000.

There have been no material changes in circumstances, since 31 December 2011 that would affect this valuation.

I trust that I have carried out all instructions to your satisfaction and thank you for the opportunity of undertaking this valuation on your behalf.

Assuring you of our best services at all times.

Yours faithfully,

FOR OLD MUTUAL INVESTMENT GROUP: SOUTH AFRICA

Ali Su Smith BSc Honours (Property Studies)

Professional Associated Valuer No 6937/1

Member of the South African Institute of Valuers

Mutualpark

Jan Smuts Drive

Pinelands

Cape Town

(PO Box 66, Cape Town, 8000)"



Incorporated in the Republic of South Africa
(Registration number 1987/005284/06)
JSE code: HYP ISIN: ZAE000003430
("Hyprop" or the "company")

Directors

M Aitken^{+∞}
L R Cohen[#]
E G Dube[∞]
K M Ellering
L Engelbrecht[∞]
M J Lewin
P G Prinsloo[#]
S Shaw-Taylor
M Wainer
G R Tipper[∞]
L I Weil[∞]
L L S Van Der Watt
L Norval
⁺ Chairman
[#] Executive Director
[∞] Independent

NOTICE OF GENERAL MEETING OF HYPROP SHAREHOLDERS AND DEBENTURE HOLDERS

Notice is hereby given that a general meeting of shareholders of Hyprop ("**Hyprop shareholders**" or "**shareholders**") and debenture holders of Hyprop ("**Hyprop debenture holders**" or "**debenture holders**") recorded in the register as at Thursday, 26 April 2012 ("**Hyprop unitholders**") will be held at the registered office of Hyprop at 2nd Floor, 21 Cradock Avenue, Cradock Heights, Rosebank, 2196 at 10:00 on Tuesday, 8 May 2012 (the "**general meeting**"), for the purpose of considering and, if deemed fit, passing with or without modification, the ordinary resolutions set-out hereunder in the manner required by the Companies Act, 71 of 2008, as amended ("**the Companies Act**"), as read with the Listings Requirements of the JSE Limited ("**the Listings Requirements**"), which meeting is to be:

- (a) participated in and voted at by Hyprop shareholders as at the record date of 26 April 2012; and
- (b) participated in by Hyprop debenture holders as at the record date of 26 April 2012,
in terms of section 62(3)(a), read with section 59, of the Companies Act.

Important dates to note

	2012
Record date for receipt of notice of the general meeting	Friday, 30 March
Last day to trade in order to be eligible to participate in and vote at the general meeting	Thursday, 19 April
Record date for voting at the general meeting	Thursday, 26 April
Date of general meeting	Tuesday, 8 May

Due to the expanded meaning of "shareholder" in section 57(1) of the Companies Act, the company has expanded its notice to shareholders and debenture holders for a "combined" general meeting. Due to Hyprop's linked unit structure, its shareholders are also its debenture holders and the matters to be voted on at the general meeting are matters on which shareholders, and not debenture holders, are entitled to vote. As a result, a proxy form has only been included for shareholders.

Section 63(1) of the Companies Act : Identification of meeting participants

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. In this regard, all Hyprop shareholders and debenture holders recorded in the registers of the company on the record date for voting at the general meeting will be required to provide identification satisfactory to the chairman of the general meeting. Forms of identification include valid identity documents, driver's licences and passports.

Section 62(3)(e) of the Companies Act

In terms of section 62(3)(e) of the Companies Act,

- a shareholder who is entitled to attend and vote at the general meeting is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the meeting in the place of the shareholder;
- a debenture holder who is entitled to attend the general meeting is entitled to appoint a proxy or two or more proxies to attend and participate (but not vote) in the meeting in the place of the debenture holder;
- a proxy need not be a shareholder of the company.

Where considered appropriate and applicable, the terms defined in the circular to which this notice of general meeting is attached and forms part, bear the same meanings in this notice of general meeting and in particular in the resolutions set out below.

ORDINARY RESOLUTION 1: APPROVAL OF THE DISPOSAL

“RESOLVED THAT the proposed disposal by Hyprop of its 50% undivided share in Southcoast Mall (together with its 50% undivided share in its related immovable property) to Redefine Properties Limited (“Redefine”) for a purchase consideration of R108 500 000 to be settled in cash upon the terms and conditions contained in the sale agreement entered into between Hyprop and Redefine on 2 March 2012, a copy of which has been initialled by the Chairman of this general meeting for purposes of identification, be and is hereby approved.”

Ordinary Resolution Number 1 will, in terms of the Companies Act and the JSE Listings Requirements, require the support of more than 50% of the voting rights exercised thereon, by Hyprop shareholders (other than Redefine and its associates) present in person or represented by proxy at the general meeting for it to be approved.

ORDINARY RESOLUTION NUMBER 2: DIRECTORS' AUTHORITY

“RESOLVED THAT any director of the company be and is hereby authorised to do all such things, sign all such documents and agreements and procure the doing of all such things and signature of all documents as may be necessary for or incidental to the implementation of the resolutions.”

Ordinary Resolution Number 2 will, in terms of the Companies Act, require the support of more than 50% of the voting rights exercised thereon, by Hyprop shareholders present in person or represented by proxy at the general meeting for it to be approved.

QUORUM

A quorum for the purposes of considering the ordinary resolutions shall comprise 25% of all the voting rights that are entitled to be exercised by Hyprop shareholders in respect of each matter to be decided at the general meeting. In addition, a quorum shall consist of three shareholders of the company personally present or represented by proxy (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting.

SHAREHOLDERS

GENERAL INSTRUCTIONS

Shareholders are encouraged to attend, speak and vote at the general meeting.

ELECTRONIC PARTICIPATION

The company has made provision for Hyprop shareholders or their proxies to participate electronically in the general meeting by way of telephone conferencing. Should you wish to participate in the general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:00 on Friday, 4 May 2012

by submitting by email to the company secretary at pbs@probitysecretaries.co.za or by fax to be faxed to +27 11 327 7149, for the attention of Neville Toerien, relevant contact details, including an email address, cellular number and landline as well as full details of the Hyprop shareholder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of materialised Hyprop shares) and (in the case of dematerialised Hyprop shares) written confirmation from the Hyprop shareholder's CSDP confirming the Hyprop shareholder's title to the dematerialised Hyprop shares. Upon receipt of the required information, the Hyprop shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the general meeting. Hyprop shareholders must note that access to the electronic communication will be at the expense of the Hyprop shareholders who wish to utilise the facility.

Hyprop shareholders and their appointed proxies attending by conference call will not be able to cast their votes at the general meeting through this medium.

PROXIES AND AUTHORITY FOR REPRESENTATIVES TO ACT

A form of proxy is attached for the convenience of any Hyprop shareholder holding certificated shares, who cannot attend the general meeting but wishes to be represented thereat.

The attached form of proxy is only to be completed by those shareholders who are:

- holding shares in certificated form; or
- recorded on the company's sub-register in dematerialised electronic form with "own name" registration.

All other beneficial owners who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and wish to attend the general meeting, must instruct their CSDP or broker to provide them with the necessary letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These shareholders must not use a form of proxy.

It is requested that the company receives forms of proxy at its registered office at 2nd Floor, 21 Cradock Avenue, Cradock Heights, Rosebank, 2196 or to the Transfer Secretaries, Computershare Investor Services (Pty) Ltd at 70 Marshall Street, Johannesburg or by fax on +27 11 688 6238 by no later than 10:00 on Monday, 7 May 2012. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the general meeting should the shareholder decide to do so.

A company that is a shareholder, wishing to attend and participate at the general meeting should ensure that a resolution authorising a representative to so attend and participate at the general meeting on its behalf is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company's transfer secretaries prior to the general meeting.

DEBENTURE HOLDERS

GENERAL INSTRUCTIONS

Debenture holders are encouraged to attend and speak at the general meeting.

ELECTRONIC PARTICIPATION

The company has made provision for its debenture holders or their proxies to participate electronically in the general meeting by way of telephone conferencing. Should you wish to participate in the general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:00 on Friday, 4 May 2012 by submitting by e-mail to the company secretary at pbs@probitysecretaries.co.za or by fax to be faxed to +27 11 327 7149, for the attention of Neville Toerien, relevant contact details, including an e-mail address, cellular number and landline as well as full details of the debenture holder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and debenture certificates (in the case of materialised debentures) and (in the case of dematerialised debentures) written confirmation from the debenture holder's CSDP confirming the debenture holder's title to the dematerialised debentures. Upon receipt of the required information, the debenture holder concerned will be provided with a secure code and instructions to access the electronic communication during the general meeting. Debenture holders must note that access to the electronic communication will be at the expense of the debenture holder who wishes to utilise the facility.

PROXIES AND AUTHORITY FOR REPRESENTATIVES TO ACT

Due to Hyprop's linked unit structure, its shareholders are also its debenture holders and the matters to be voted on at the general meeting are matters on which shareholders and not debenture holders are entitled to vote. As a result, a proxy form has only been included for shareholders.

Debenture holders wishing to appoint a proxy or two or more proxies to attend and participate (but not vote) in the meeting, may contact the company secretary pbs@probitysecretaries.co.za or by fax on +27 11 327 7149, to obtain such form of proxy.

By order of the board

Registered address

Hyprop Investments Limited
(Registration number 1987/005284/06)
2nd Floor
21 Cradock Avenue
Cradock Heights
Rosebank, 2196
(PO Box 41257, Craighall, 2024)

Transfer secretaries

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



Incorporated in the Republic of South Africa
 (Registration number 1987/005284/06)
 JSE code: HYP ISIN: ZAE000003430
 (“Hyprop” or the “company”)

FORM OF PROXY FOR HYPROP SHAREHOLDERS

THIS FORM OF PROXY IS ONLY FOR USE BY:

- registered shareholders who have not yet dematerialised their Hyprop linked units;
- registered shareholders who have already dematerialised their Hyprop linked units and which units are registered in their own names in the company’s sub-register.

For completion by the aforesaid registered shareholders of Hyprop who are unable to attend the general meeting of the company to be held at the offices of the company at 2nd Floor, 21 Cradock Avenue, Cradock Heights, Rosebank, 2196 at 10:00 on Tuesday, 8 May 2012 (“the general meeting” or the “GM”).

I/We _____
 (FULL NAMES IN BLOCK LETTERS PLEASE)

of (Address) _____

being the holder(s) of Hyprop linked units hereby appoint:

1. _____ or failing him/her,
2. _____ of failing him/her,
3. the chairperson of the general meeting of Hyprop shareholders and debenture holders as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the general meeting and at any adjournment thereof in the following manner:

	Number of votes		
	*For	*Against	*Abstain
Ordinary resolution number 1 – approval of the disposal			
Ordinary resolution number 2 – directors’ authority			

* Mark “For”, “Against” or “Abstain” as required. If no options are marked the proxy will be entitled to vote as he/she thinks fit.

Unless otherwise instructed my proxy may vote or abstain from voting as he/she thinks fit.

Signed this _____ day of _____ 2012

Signature _____

Assisted by me (where applicable) _____

(State capacity and full name) _____

A shareholder entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a shareholder of the company. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the general meeting.

Forms of proxy must be deposited at Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) so as to arrive by no later than 10:00 on Monday, 7 May 2012.

Please read notes on the reverse side hereof

NOTES TO THE FORM OF PROXY

1. Only shareholders who are registered in the register of the company under their own name on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, being Thursday, 26 April 2012 (the "voting record date"), may complete a form of proxy or attend the general meeting. This includes shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. A proxy need not be a shareholder of the company.
2. Certificated shareholders wishing to attend the general meeting have to ensure beforehand with the transfer secretaries of the company (being Computershare Investor Services (Proprietary) Limited) that their shares are registered in their own name.
3. Beneficial shareholders whose shares are not registered in their "own name", but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instruction on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the general meeting.
4. Dematerialised shareholders who have not elected "own name" registration in the register of the company through a Central Securities Depository Participant ("CSDP") and who wish to attend the general meeting, must instruct the CSDP or broker to provide them with the necessary authority to attend.
5. Dematerialised shareholders who have not elected "own name" registration in the register of the company through a CSDP and who are unable to attend, but wish to vote at the general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.
6. A shareholder may insert the name of a proxy or the names of two or more alternative proxies of the shareholder's choice in the space, with or without deleting "the chairman of the general meeting". The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
7. The completion and lodging of this form will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such shareholder wish to do so. In addition to the foregoing, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date:
 - 8.1 stated in the revocation instrument, if any; or
 - 8.2 upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act, 71 of 2008, as amended ("the Companies Act").
9. Should the instrument appointing a proxy or proxies have been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to:
 - 9.1 the shareholder, or
 - 9.2 the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
10. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation of the company or the instrument appointing the proxy provide otherwise.
11. If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 11.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
 - 11.2 the company must not require that the proxy appointment be made irrevocable; and
 - 11.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialed.
13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries of the company or waived by the chairman of the general meeting.
14. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
15. A company holding shares in the company that wishes to attend and participate at the GM should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company's transfer secretaries prior to the GM.
16. Where there are joint holders of shares any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present or represented at the meeting, that one of the said persons whose name appears first in the register of shareholders of such shares or his proxy, as the case may be shall alone be, shall be entitled to vote in respect thereof.
17. On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll a shareholder who is present in person or represented by a proxy shall be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by him bears to the aggregate amount of the nominal value of all the shares of the relevant class issued by the company.
18. The chairman of the meeting may reject or accept any proxy which is completed and /or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a shareholder wishes to vote.
19. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.
20. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the general meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the general meeting or other proxy to vote or to abstain from voting at the general meeting as he/she deems fit, in respect of the shares concerned. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
21. It is requested that this form of proxy be lodged or posted or faxed to the company's registered office, 2nd Floor, 21 Cradock Avenue, Cradock Heights, Rosebank, 2196 or faxed to +27 11 447 0092 or to the Transfer Secretaries, Computershare Investor Services (Pty) Ltd at 70 Marshall Street, Johannesburg or by fax on +27 11 688 6238, to be received by the company not later than 10:00 on Monday, 7 May 2012.
22. A quorum for the purposes of considering the ordinary resolutions shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of each matter to be decided at the GM. In addition, a quorum shall consist of three shareholders of the company personally present or represented by proxy (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the GM.
23. This form of proxy may be used at any adjournment or postponement of the general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
24. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.