

KNYSNADOC INVESTMENT HOLDINGS (PTY) LTD



Chairman's feedback

Dear shareholders,

We had a good year. Our buildings are fully let and the hotel is doing well.

We have grown quite a bit over the last few years. This led to big spending on infrastructure and growth in our staff expenses. These things were unavoidable.

We now have a team of 5 full time staff - from general cleaner, handyman, secretary to rental contractor.

Christelle Olivier joined the team toward the end of 2018 and made a massive improvement in our rental contracts, tenant communication and occupancy.

Nicky, our secretary similarly worked very hard liaising with contractors, staff and me to produce a smooth running operation. I oversee the staff and business. This works well.

The Marriott Quays Hotel in Knysna is doing well and remains a beacon of tourism in the South Cape. We are busy upgrading the rooms - a process taking 5 years. This is done to ensure the look and feel of hotel remain fresh and in high demand by tourists.

The Hope Factory in Port Elizabeth is fully let and we are proud to be associated with the NGO running the business.

Both Beacon Place and Eagles View buildings in George are fully let. We created a rental platform, delivering great value for tenants and a solid return with growth for us.

We have moved our office to Eagles View in order to reduce expenses. Due to the stabilization of our business and the sales of 2 units in the hotel as well as the lithographs, we are cash flush and in the position to

declare a handsome dividend. Please read Dr Eloff's report for the details.

We are considering further expansion in George by developing the third floor of Eagles View (either a solar power farm or a restaurant space) and looking at other buildings as well.

I do hope to see you at the AGM.

Dr JC Olivier



ANNUAL GENERAL MEETING

10th NOVEMBER 2019, 19:00

The Presidential Suite

Protea Hotel Knysna Quays, Remembrance Drive, Knysna

Financial report 2019

We were blessed with another year of growth. Your assets grew due to the finalization of the last acquisition in George.

The two office buildings increased our revenue to top R5 million for the first time. Running two office buildings that we manage ourselves surely increased our expenses.

Revenue was up by 16% and expenses up by 120%, mostly due to salaries for 3 employees that worked

for the first full year and some renovation cost to get our properties in mint condition. Our before tax profit was down on last year. This in fact was good as our obligatory payment to SARS was thus less leaving us with a 21% increase on our after tax profit.

Since there is a higher profit after tax and better cash flow than last year (without further acquisitions to pay), we can safely declare another

dividend. The dividend declared after the dividend tax amount to 87 cent per share. The payment date is the 10th October 2019. Watch your bank account! (If you did not receive your dividend, please contact Nicolene to remedy). In the resent time where most financial results are negative, we can sure bring a few smiles.

Our net asset value also increased to R55.99

Dr WJ Eloff

Property and acquisitions report

Dear Shareholders,

As a director with the portfolio of Governance, it is once again a great pleasure for me to report back on the last financial years activities within Knysnadoc.

The untimely passing on of Mike Naran has necessitated a reallocation of the work load amongst directors. I am happy to report that this transition was smooth and our chairman and his team assumed additional responsibilities that were executed very well.

The key relationships with our bankers, auditors, municipalities, services providers and tenants have been managed very well. The relocation of our

office from Knysna to George where we have two of our main investments has also been smooth. This move has been financially beneficial from a governance perspective; we have managed to control our costs extremely well. As previously reported our buildings are now managed by a team that is employed by us. This in itself requires far more oversight from the directors and in particular from our chairman, Dr Olivier. The team has been able to retain many of our clients and catered for their needs and this has resulted in a good occupancy. We've also ensured that all of our statutory commitments such as taxes, municipal bills and other regulatory issues are in good standing. This all speaks of the governance.

One of the achievements over the last few years except for 2018 has been the payment of dividends. We endeavour to maintain this practice, unless there is good reason for investing our cash flow elsewhere.

In terms of regular meetings and consultations that is necessary for quality decision making, we have been consistent. The directors and management has demonstrated the highest level of professionalism and execution of their tasks. I am therefore proud to suggest to shareholders that Knysnadoc is once again well governed and managed.

Mr AA Da Costa