Ora Capital Limited

(Formally know as 670 Venture Capital Limited)

Registration number 2006/021343/06

FSP Licence number 46653

A company incorporated under the laws of South Africa

A Section 12J Venture Capital Company established in terms of the Income Tax Act, 58 of 1962 as amended

Prospectus

An offer to the public to subscribe for a maximum of 48 279 A-Venture Capital Shares of the Company at a subscription price of R 1 035.65 per A Venture Capital Share, at a total net subscription value of approximately R 50 million.

Opening Date of the Offer	11 November 2019
Closing Date of the Offer	28 February 2020

Administrators

TBI

ALTERNATIVE THINKING

TBI Investment Managers

This Prospectus was registered with the CIPC on Friday, 11 November 2019 and is issued in compliance with the Companies Act for the purpose of giving information to the Offerees who elect to participate in the Offer.

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PROSPECTUS

The definitions and interpretations section of this document apply to this entire document, except where the context indicates a contrary intention.

The attention of the public is drawn to the fact that the A-Venture Capital Shares on offer are unlisted and are not readily marketable and should be considered to be a risk-capital investment.

Risk factors which may impact the Company's future results, include among other things, economic decline and low liquidity of underlying investments. Risk factors are described in paragraph 12 of section 4 of this Prospectus.

The Directors, whose names are given in the "Corporate Information and Advisors" section of this Prospectus, accept full responsibility, collectively and individually, for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, they have made all reasonable enquiries to ascertain such facts and that this Prospectus contains all information required by law.

The advisors, whose names are included in the "Corporate Information and Advisors" section of the Prospectus, have given and have not, prior to registration, withdrawn their written consent to the inclusion of their names in the capacities stated and, where applicable, to their reports being included in this Prospectus.

CORPORATE INFORMATION AND ADVISORS

Registered Office
Ora Capital Limited
(Registration number 2006/021343/06)
3rd Floor, FedGroup Place,
35 Willie van Schoor Avenue,
Bellville,
7530
(P.O. Box 21168, Parow, 7499)

Company Secretary
Adams Schouw & Cain 2 Inc.
(Registration number: 2008/000628/21)
9 Mitchell Street,
Hermanus,
7200
(P.O. Box 2244, Hermanus, 7200)

Tax Advisors
Norton Rose Fulbright (South Africa) Inc.
(Registration number 1984/003385/21)
1 Protea Place,
Cnr. Fredman Drive and Protea Place,
Sandton,
2196
(Private Bag X40, Benmore 2010)

Reporting Accountants and Auditors
BDO South Africa Incorporated
(Registration number: 1995/002310/21)
6th Floor, 123 Hertzog Boulevard,
Foreshore,
Cape Town,
8001

Administrators
TBI Investment Managers (Pty) Ltd
(Registration number 2010/004912/07)
3rd Floor, FedGroup Place,
35 Willie van Schoor Avenue,
Bellville,
7530
(P.O. Box 21168, Parow, 7499)

Commercial Bankers
Firstrand Bank Limited
(Registration number 1929/001225/06)
FNB Portside, 27th Floor,
5 Buitengracht Street,
Cape Town,
8001
(P.O. Box 2437, Central Cape Town, 8000)

Directors
G.C. Swanepoel (Chairman)*
A.W.C Marais (Executive director and CEO)
O.J. Goosen (Executive director)
M.J. van der Mescht*
A.P du Preez*
*Non-executive

Date of Incorporation
10 July 2006

Place of Incorporation
South Africa

GENERAL STATEMENTS

If you are in any doubt about the contents of this document, you should consult with your own independent legal, tax, accounting, investment or other relevant advisor when contemplating any investment decisions described in this document.

The information in this Prospectus has been prepared to assist in forming an initial view of the Offer. The document does not purport to contain all the information that an investor may require nor is it intended to replace any form of legal, financial or technical due diligence. The content hereof may not be utilised and/or relied upon for any purpose other than to evaluate whether you wish to participate in the Offer.

Investments in Ora Capital by taxpayers in accordance with the provisions of Section 12J, will qualify for a deduction from their taxable income as provided for in Section 12J.

In the event of any conflict or inconsistency between the terms of this Prospectus and the MOI, the terms of the MOI shall prevail. In the event that it is necessary to amend the MOI in order to procure the enforcement of any of the provisions of this Prospectus or to carry into effect the intent of this Prospectus, the Directors will apply all reasonable endeavours to procure that the MOI is so amended.

General

This Prospectus and the Offer do not constitute an offer in or from the United States, Canada, Australia, Japan or any other jurisdiction where the dissemination of this Prospectus or the making of the Offer may be illegal or fails to conform to the laws of such countries ("Affected Jurisdictions"). To the extent that this Prospectus may be sent to any Affected Jurisdiction, it is provided for information purposes only. Persons in Affected Jurisdictions may not accept the Offer. No person accepting the Offer should use the mail of any such Affected Jurisdiction nor any other means, instrumentality or facility in such Affected Jurisdiction for any purpose, directly or indirectly, relating to the Offer. It shall be the responsibility of any persons resident in a jurisdiction outside South Africa to inform themselves about, and observe, any applicable legal requirements in the relevant jurisdiction.

Disclaimer

The contents of this Prospectus do not constitute and should not be construed as investment, tax, legal, accounting and/or other advice. For advice on these matters we recommend that you should consult your preferred investment, tax, legal, accounting or other advisor about any information contained in this Prospectus.

The CIPC registers a prospectus in terms of Chapter 4 of the Companies Act. The CIPC takes no responsibility for the comments of the Prospectus, makes no representations as to the accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in the reliance upon any part of the contents of this Prospectus.

Warning

Venture capital investments are speculative by their very nature and prospective subscribers should refer to paragraph 13 of section 4 of this Prospectus concerning the potential risks.

Date of issue: 11 November 2019

This Prospectus is only available in English. Copies of this Prospectus may be obtained during Business Hours from the registered office of the Company, 3rd Floor Fedgroup Place, 35 Willie van Schoor Avenue, Bellville, 7530 from the date of issue hereof until Tuesday, 28 February 2020.

TABLE OF CONTENTS

EXECUTIVE SUMMARY

This is a summary of the key terms of the Prospectus and contains the salient features of the Offer for subscription.

For a full appreciation of the terms of the Offer, the Prospectus should be read in its entirety.

1. Overview of Ora Capital

The Company is an investment company, registered with SARS as a Venture Capital Company (VCC-0032). Its mandate is the management of investments in equity shares in companies which are classified as Qualifying Companies in terms of Section 12J. The Company was established to provide investors with superior, risk-adjusted after-tax returns over the medium to long term.

2. Tax Deductibility of Investment

Under Section 12J, South African taxpayers will be entitled to deduct the full amount of their investment in Ora Capital against their taxable income in the tax year that the investment is made. A certificate to substantiate a claim for tax deduction will be provided to investors.

Investors are required to hold investments for a minimum of five years. If an investor sells the shares within the five years, he/she will have a recoupment equal to the capital invested in the year of sale in accordance with Section 8(4) of the Income Tax Act.

3. Management

The Company is managed by its executive Directors.

4. Abridged Terms of the Offer of A-Venture Capital Shares

Ora Capital is an open-ended investment company. The capital structure of the Company consists of Ordinary Shares, A-Venture Capital Shares, Linked Venture Capital Shares and Participation Preference Shares. Following this Offer, further capital will be raised from time to time by the Company, in the form of loans and offers for subscription for A-Venture Capital Shares or Linked Venture Capital Shares, as the need arises.

This Prospectus is issued for the purpose of inviting Offerees to participate in the Offer as principals in a non-renounceable Offer for A-Venture Capital Shares in the Company, based on the terms and conditions contained herein.

Subscription price per A Venture Capital Share as at 30 September 2019	R 1 035.65
Number of A-Venture Capital Shares	48 279
Opening Date of the Offer	11 November 2019
Closing Date of the Offer	28 February 2020
Minimum investment for each application:	
• By new investors • By existing shareholders, directors and related parties	R 100 000 No minimum
Listing	Unlisted

The Board reserves the right to withdraw the Offer, or to amend the Closing Date to an earlier date, at its sole discretion.

5. Purpose of the Prospectus and Application of Proceeds

The purpose of the Prospectus is to expand Ora Capital's capital to an optimal size by issuing A-Venture Capital Shares, to expand its long-term capital base to an appropriate level and to allow investors the opportunity to invest in a registered Venture Capital Company managed by experienced investment managers.

The proceeds of the Prospectus will be applied towards further investments in investee companies and to have capital available to enable the Company to take full advantage of specifically identified investment opportunities, as well as other new investment opportunities that may arise.

6. Investment Mandate and Strategy

Investment Objectives	The investment objectives of the Company are to: • Use its long-term capital to acquire investments within the asset allocation guidelines and the time frames applicable to Section 12J; • Invest in Qualifying Companies, with strong dividend yield and capital preservation potential; • Partner with strong management teams or investing partners, with experience in the selected industry; • Hold such investments with a long-term investment view.
Target Net After Tax Return	Consumer Price Index plus 15% per annum, over a rolling five-year investment period. The return is calculated (after deducting any administration fees and expenses and performance participation), on an after-tax basis, taking into account the upfront income tax relief for investors, dividends tax payable and capital gains tax payable on realisation after 5 years. The tax relief applies to individual tax payers at a marginal tax rate of 45%.
Targeted Dividend Policy	Subject to solvency and liquidity, the targeted dividend yield is between 9% - 11%. The targeted dividend yield is based on the investors' net invested equity, after taking into account the upfront tax relief on the investment and before taking into account dividend withholding tax. The tax relief applies to individual tax payers at a marginal tax rate of 45%. Dividends are expected to be declared to shareholders on a quarterly basis.
Investment Strategy	The investment focus is on risk mitigation and capital preservation through an investment strategy that aims to deliver superior after-tax returns, uncorrelated to traditional investment markets. The investments should provide attractive dividend returns with a lower risk vs return profile than traditional private equity instruments and should be replicable, allowing for larger-scale rollouts. The return profile is focused on capital preservation, with a self-liquidating underlying portfolio. Investments will be made in businesses and industries focusing on operating rental assets including but not limited to IT equipment and software, security and access control equipment, renewable energy (production, storage and energy monitoring and efficiency) systems and equipment, power generation and medical equipment. Ora Capital applies a hands-on investment approach, assisting management teams of investee companies and providing strategic input, without assuming direct operational responsibility. Investment decisions are made on a case-by-case basis, depending on circumstances prevailing at the time and as opportunities are presented. The Company's investments are assessed on a continuous basis, based on the relative attractiveness of the investments compared to the market and other available opportunities.
Geographic Focus	The Company invests mainly in South African markets.

Details of the Delegated Mandate are contained in **Annexure 5**.

7. Distribution Policy

Investors may expect annual distributions equal to the total (cash realised) net profit after-tax and investment realisations after-tax during the financial year, after disbursement of Annual Participation Dividends and other amounts due to shareholders.

8. Liquidity and Realisation of Investment

Ora Capital is an open-ended Venture Capital Company, investing in long-term assets. The A-Venture Capital Shares are illiquid and are not listed on any exchange. The Company's investment strategy is focused on creating long-term shareholder value over a period of at least five years. Therefore, an investment in Ora Capital should only be considered with a long-term view.

Notwithstanding the above, the Company undertakes to repurchase its A-Venture Capital Shares from shareholders wishing to realise their investments. Exiting shareholders must provide at least two years' written notice, which may only be given five years after the subscription date.

Shareholders are permitted to sell their A-Venture Capital Shares to current or third party investors, subject to approval by the Board and only after five years after the subscription date, if such shareholders wish to retain the Section 12J tax deduction. The Company is willing to assist shareholders wishing to dispose of their A-Venture Capital Shares, by identifying potential buyers.

9. Administration fees and Capped Expenses

The Company has entered into an Administration and Services Agreement with the Administrators. Subject to the Capped Expenses arrangement described below, the Company will pay the Administrators an administration fee of 2% (excluding VAT) per annum of the average of the Investment Value on the last Business Day of each month during the relevant financial year.

The aggregate of the remuneration payable to the Directors, salaries, disbursements and costs (other than Specified Expenses) and all administration fees payable by the Company shall in any financial year not exceed 2% (excluding VAT) per annum of the average of the Investment Value.

10. Profit Participation

Subject to solvency and liquidity, the Company will declare cumulative Annual Participation Dividends to holders of Participating Preference Shares equal to 10% of net investment profits for the relevant year.

11. Contact Details

Please contact us to discuss any matters related to the Offer or the information contained in this Prospectus.

www.oracapital.co.za

directors@oracapital.co.za

+27 (0)21 948 0322

FedGroup Place, 35 Willie van Schoor Avenue, Bellville, 7530

Wynand Marais	wynandm@oracapital.co.za	+27 (0)82 428 3934
Ockert Goosen	ockertg@tbi.co.za	+27 (0)21 948 0322
Jonathan Whittaker	jonathanw@tbi.co.za	+27 (0)72 185 8382

DEFINITIONS AND INTERPRETATIONS

In this Prospectus, unless the context indicates otherwise, reference to the singular shall include the plural and vice versa, and words denoting one gender shall include the other, and expressions denoting natural persons include juristic persons and associations of persons, and the words in the first column have the meanings stated opposite them in the second column, as follows:

"670 Owner Trust"	670 Owner Trust, a trust registered with the Master under the reference number IT 0000999/2016(C);
Administrators" or "TBI Investment Managers"	TBI Investment Managers Proprietary Limited, registration number 2010/004192/07, a private company incorporated under the laws of South Africa and a licensed financial services provider (FSP number: 42968) in terms of FAIS, authorised to conduct financial advisory and intermediary services (Category I) and as a discretionary financial services provider (Category II);
"Annual Participation Dividend"	annual preferred cumulative participation dividends on Participating Preference Shares as set out in paragraph 4.5.3 of section 1 of the Prospectus;
"Application Form"	the application form attached to this Prospectus;
"Applicable Law"	all South African laws, rules, ordinances, regulations, grants, concessions, licences, orders, directives, judgments, decrees, and other governmental restrictions applicable to the Company, including permits and other similar requirements, whether national, provincial, territorial, municipal, foreign or local, and whether legislative, administrative or judicial in nature;
"A-Venture Capital Shares"	A Ordinary Shares of no par value in the capital of the Company, issued by Ora Capital as venture capital shares as defined by Section 12J;
"Board" or "Directors"	the board of directors of Ora Capital as at the Last Practicable Date whose names are set out in the "Corporate Information and Administrators" section of this Prospectus;
"Business Day"	any day other than a Saturday, Sunday or a public holiday in South Africa;
"Business Hours"	08h00 to 17h00 on a Business Day;
"Capped Expenses"	total expenses to manage the Company excluding Specified Expenses and subject to the limit set out in paragraph 2.8.2 of section 1 of the Prospectus;
"CIPC"	the Companies and Intellectual Property Commission;
"Closing Date"	the closing time and date of the Offer, expected to be 17h00 on Friday, 28 February 2020 but which may be amended to an earlier date at the discretion of the Board, which amendment shall be communicated via e-mail;
"Commercial Bankers"	First National Bank, registration number 1929/001225/06, a public company incorporated under the laws of South Africa;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended from time to time;
"Company Secretary"	Adams, Schouw & Cain 2 Incorporated Chartered Accountants (SA), registration number 2008/000628/21, whose details are set out in the "Corporate Information and Administrators" section of this Prospectus;
"Delegated Mandate"	the investment mandate delegated by the Board to the Investment Committee which mandate is summarised in **Annexure 5**;

"FAIS"	the Financial Advisory and Intermediary Services Act, No. 37 of 2002, as amended from time to time;
"FICA"	Financial Intelligence Centre Act, No. 38 of 2001, as amended from time to time;
"Group"	the Company and all of its subsidiaries from time to time, it being recorded that the Company had no subsidiaries as at the Last Practicable Date;
"Impermissible Trade"	in accordance with Section 12J, is a trade that is carried out by or in respect of: • Immovable property, other than a trade carried on as an hotel keeper; • A bank as defined in the Banks Act No. 94 of 1990, a long-term insurer as defined in the Long-Term Insurance Act No. 52 of 1998, a short term insurer as defined in the Short-Term Insurance Act No. 53 of 1998, and any trade carried on in respect of money-lending or hire-purchase financing; • Financial or advisory services, including trade in respect of legal services, tax advisory services, stock broking services, management consulting services, auditing or accounting services; • Gambling, liquor, tobacco, arms or ammunition; or • A trade carried out mainly outside South Africa;
"Independent Reporting Accountants and Auditors" or "Auditors"	BDO South Africa Incorporated registration number 2010/016204/21, registered auditors, a firm of chartered accountants, whose details are set out in the "Corporate Information and Administrators" section of this Prospectus;
"Investments"	all financial interests in investee companies held by the Company (on an unconsolidated basis) from time to time, including equity shares, preference shares, loans and bonds whether convertible or not, including Liquid Assets;
"Investment Value"	the net market value of Investments at a specified date, after having deducted any provisions for tax on realisation and any borrowings or preference share funding, whether attributed to any particular Investment or raised directly by the Company;
"Investment Committee"	a committee of the Company established by the Board, with members nominated by the Board comprising the members set out in paragraph 2.9.2 of section 1 of the Prospectus;
"Income Tax Act"	Income Tax Act, No. 58 of 1962 as amended from time to time;
"Last Practicable Date"	Friday, 25 October 2019, being the last practicable date prior to the finalisation of this Prospectus;
"Linked Distribution"	a distribution of dividends on Linked Venture Capital Shares on the terms set out in paragraph 4.5.2 of section 1 of the Prospectus;
"Linked Venture Capital Shares"	B-Venture Capital Shares, C-Venture Capital Shares, D-Venture Capital Shares, E-Venture Capital Shares and F-Venture Capital Shares of no par value in the authorised share capital of the Company. It is the intention that these shares will be issued from time to time to investors whose investments in the Company will be linked to specific Qualifying Companies, on terms and fees to be determined by the Board;
"Liquid Assets"	cash at bank, money market instruments, bonds and notes, collective investments schemes;

"Administration and Services Agreement"	the Administration and Services Agreement concluded between the Company and the Administrators on 23 October 2017 in terms of which the Administrators will provide certain services to the Company, details of which are set out in **Annexure 3** to this Prospectus;
"Master"	the Master of the High Court of South Africa;
"Measurement Period"	a recurring, discrete three year period, with the first such period beginning on 1 June 2017 and ending on the last Business Day of the third financial year following such date, and the final period beginning on the last Business Day of the previous three year period and ending on the date of the final dissolution of the Company;
"MOI"	the memorandum of incorporation of the Company as amended or replaced from time to time;
"NAV"	net asset value of the Company as determined by the Board on a quarterly basis;
"Offer"	the offer for the subscription of A-Venture Capital Shares on the terms set out in this Prospectus;
"Offerees"	members of the public who are invited in terms of this Prospectus to become holders of A-Venture Capital Shares;
"Offeror"	Ora Capital, which offers A-Venture Capital Shares to Offerees;
"Opening Date"	Friday, 11 November 2019;
"Open Period"	the period commencing on the Opening Date and closing on the Closing Date, both dates as set out in this Prospectus;
"Ordinary Distribution"	a distribution of dividends on A-Venture Capital Shares of the Company on the terms as set out in paragraph 4.5.1 of section 1 of the Prospectus;
"Ordinary Shares"	ordinary shares of R 1 each in the capital of the Company authorised and issued as set out in paragraph 4.3.1 of section 1 of this Prospectus;
"Participation Preference Shares"	perpetual cumulative participation preference shares with no par value in the capital of the Company, authorised and issued as set out in paragraph 4.3.4 of section 1 of this Prospectus;
"Prospectus"	this prospectus and its annexures, dated Friday, 11 November 2019;
"Prime Rate"	rate of interest (per cent, per annum, compounded monthly in arrear and calculated on a 365 day year) published by First National Bank Limited as its prime overdraft rate from time to time;
"Qualifying Companies"	investee companies that strictly comply with the requirements of Section 12J, defined by the section as a company that: • Is a tax resident of South Africa; • Has its tax affairs in order and has complied with all relevant provisions of the tax laws; • Is not a "controlled group company" such that no other company directly or indirectly holds 70% or more of the equity shares in such Qualifying Company; • Is an unlisted company and its shares are not listed on any stock exchange; • Atleast 80% of the expenditure incurred by the Venture Capital Company is to acquire qualifying shares issued issued to the qualifying companies which immediately after it issues Qualifying Shares to a Venture Capital Company, will have assets with a

	book value not exceeding R 50 000 000 (fifty million Rand); • The sum of its investment income (as specified in section 12E (4) (c) of the Income Tax Act) derived during any year of assessment, does not exceed 20% of its gross income for that year; and • Does not carry on any Impermissible Trade;
"Qualifying Shares"	in accordance with Section 12J, means an equity share held by a Venture Capital Company which is issued to that company by a Qualifying Company, and does not include any share which - • Would have constituted a hybrid equity instrument, as defined in section 8E (1) of the Income Tax Act, but for the three year period requirement contemplated in paragraph (*a*) of the definition of "hybrid equity instrument" in that section of the Income Tax Act; or • Constitutes a third-party backed share as defined in section 8EA (1) of the Income Tax Act;
"Rand" or "R"	South African Rand, the official currency of South Africa;
"Repurchase Notice"	the written notice given to the Company by a holder of A-Venture Capital Shares, of its intention to sell a specified number of A-Venture Capital Shares on a specified date, in terms of paragraph 4.7.1 of section 1 of this Prospectus;
"Repurchase Undertaking"	the written undertaking by the Company to repurchase A-Venture Capital Shares from shareholders pursuant to a Repurchase Notice, in terms of paragraph 4.7.2 of section 1 of this Prospectus;
"SARS"	South African Revenue Services;
"Section 12J"	section 12J of the Income Tax Act;
"Specified Expenses"	expenses that the Company is liable for, being fees and costs related to its audit, legal and tax consultancy fees, capital raising fees and costs associated with such capital raise, professional services fees and costs relating to the acquisition or sale of investments, bank fees and costs, broking fees and costs, compliance costs, custodial costs, insurance premiums, taxes and secretarial fees;
"Specified Sale Date"	the specified date in terms of a Repurchase Notice of a shareholder's intention to sell a specified number of A-Venture Capital Shares to the Company;
"South Africa"	the Republic of South Africa;
"Tax Advisors"	Norton Rose Fulbright South Africa Incorporated, registration number 1984/003385/21, a firm of practicing attorneys in terms of the Attorneys Act, No. 53 of 1979, whose details are set out in the "Corporate Information and Advisors" section of this Prospectus;
"TBI"	Trustee Board Investments Proprietary Limited, registration number 1993/005253/07, incorporated with limited liability in South Africa;
"TBI Group"	TBI and all of its subsidiaries from time to time;
"VAT"	Value Added Tax; and
"Venture Capital Company"	a company registered as a venture capital company in terms of the provisions of Section 12J.

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Ora Capital Limited

Registration number 2006/021343/06

FSP Licence number 46653

A company incorporated under the laws of South Africa

SECTION 1 – INFORMATION ABOUT Ora Capital

1. Name, Address and Incorporation

Ora Capital Limited was incorporated as a private company on 10 July 2006 and later converted to a public company on 5 September 2017 (Registration number 2006/021343/06).

The Company's registered office and primary place of business is 3rd Floor Fedgroup Place, 35 Willie van Schoor Avenue, Bellville, 7530.

The Company had no subsidiaries as at the Last Practicable Date. Furthermore, the holding company of the Company as at the Last Practicable Date is the 670 Owner Trust. The registered office of the 670 Owner Trust is 3rd Floor Fedgroup Place, 35 Willie van Schoor Avenue, Bellville, 7530.

The Company changed its name from 670 Venture Capital Limited to Ora Capital Limited on 18 October 2019.

2. Directors, Other Office Holders and Material Third Parties

2.1 Directors of the Company

The Board currently comprises three non-executive, on who is classified as independent, and two executive Directors. The non-executive Directors bring to the Company a wide range of skills and experience that will enable them to exercise objective judgement in matters requiring the Directors' decisions. The Chairman is a non-executive Director.

Board meetings are held at least semi-annually, with additional meetings convened when circumstances necessitate it. Information relevant to a meeting is supplied on a timely basis to the Board ensuring that Directors can make informed decisions.

The Board sets the Company's overall policy and provides guidance and input in areas relating to the strategic direction, investment strategy and objectives, planning, acquisitions, performance measurement, resource allocation, control compliance, key appointments, standards of conduct and ethical behaviour of the businesses under its direction and communication with shareholders. The Board retains full and effective control of the Company. Strong oversight is in place at all levels throughout the Company including executive management. The Investment Committee allows executive management and the Board to evaluate the investment risks, as well as the effectiveness of the management thereof.

The Board has established two committees to give detailed attention to certain of its responsibilities and which operate within defined, written terms of reference. The Board has delegated its investment authority to the Investment Committee and the Board has also established an audit committee, whose primary responsibility is to discharge the duties specified in section 94 (7) of the Companies Act. Functions normally associated with a remuneration committee are assumed directly by the Board.

The Company operates a policy of prohibiting dealings by directors and certain other managers in periods of time as deemed necessary by the Board.

The Board may in furtherance of their duties, take independent professional advice, at the Company's expense, when necessary. All Directors have access to the advice and services of the Company Secretary.

The full names, qualifications, positions and experience of the Directors, all of whom are South African citizens, are set out in **Annexure 2**:

The Directors are as follows:

- GC Swanepoel (non-executive Chairman)
- Wynand Marais (Chief Executive Officer)
- Ockert Goosen (executive)
- Abrie du Preez (non-executive)
- Tienie van der Mescht (non-executive)

The business address of the Directors stated above is 3rd Floor, FedGroup Place, 35 Willie van Schoor Avenue, Bellville, 7530.

2.2 Independent Reporting Accountant and Auditor

The Independent Reporting Accountant and Auditor is BDO Cape Incorporated whose business address is set out in the "Corporate Information and Administrators" section of the Prospectus.

2.3 Tax Advisor

The Tax Advisor is Norton Rose Fulbright South Africa Incorporated, whose business address is set out in the "Corporate Information and Advisors" section of the Prospectus.

2.4 Commercial Banker

The Commercial Banker is First National Bank Limited whose business address is set out in the "Corporate Information and Advisors" section of the Prospectus.

2.5 Company Secretary

The Company Secretary is Adams, Schouw & Chain 2 Inc., whose business address is set out in the "Corporate Information and Advisors" section of the Prospectus.

The Company Secretary is represented by Mr. Selwyn Schemel who is a qualified Chartered Accountant (SA) and has over 10 years of the relevant industry experience.

2.6 Additional Information Relating to the Directors

2.6.1 Election and Retirement of the Directors

The Directors are elected by the shareholders of the Company. All Directors are subject to retirement by rotation and re-election by shareholders at least once every three years in accordance with the MOI.

2.6.2 Directors' Remuneration Policy

There is no remuneration proposed to be paid to the Directors in the year to March 2020 and no policy on the remuneration of the Directors has been established. Directors' fees are limited to the extent set out in paragraph 2.8.2 of the Prospectus.

2.6.3 *Borrowing Powers of the Company Exercisable by the Directors and Variation of such Borrowing Powers*

The MOI does not limit or restrict the authority of the Directors to manage and direct the business and affairs of the Company. The Directors' borrowing powers have not been exercised, exceeded or varied since incorporation. Variation of the directors' borrowing powers would require an amendment to the MOI.

2.6.4 *Directors Declaration*

None of the Directors have been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements, or has been publicly criticised by any statutory or regulatory authorities, including recognised professional bodies, or being disqualified by court from acting as a director of a company or for acting in the management or conduct of the affairs of the Company, or has been convicted of any offense involving dishonesty.

No payment has been made to any Director as at the Last Practical Date, to induce him to become a director or in connection with the promotion or formation of the Company.

Formal letters of appointment have been entered into with all of the Executive Directors.

2.7 Management of the Company

The Company is managed by its executive Directors.

Administration of the Company: The Administrators have been appointed since 1 April 2017 to perform custodial and financial management functions in terms of the Administration and Services Agreement.

In term of the Administration and Services Agreement, several administration services are provided by the Administrator including financial management, governance and compliance functions, risk management, secretarial functions, legal assistinance and various other services.

The Company and the Administrators' business address is listed in the "Corporate Information and Administrators" section of this Prospectus.

2.8 The Administrators

The Administrators are TBI Investment Managers, a subsidiary of TBI.

Established in 1992, Trustee Board Investments (Pty) Ltd ("TBI") is an owner-managed South African alternative investment and fund management group holding company, with a proven track record of providing superior returns to its shareholders.The TBI Group manages Tax Efficient Investments, Structured Investments and Renewable Energy Equity Refinancing via its wholly-owned subsidiary, TBI Investment Managers.

TBI Investment Managers, founded in 2004, is an alternative investment management company that aims to offer investors higher returns than conventional solutions with similar risks. They have the ability to identify clients' needs, and then source and manage investments to meet those needs. They believe in creating long-term partnerships to add value for their clients.The TBI Group generates its returns not only from investments, but also from asset administration fees on third party managed investment portfolios and other transactional income which is generated by its subsidiaries and its associates. At 31 March 2019, the group had total portfolio assets of R461 million, a net asset value of R355 million and through ownership of TBI Investment Managers, investment assets under management exceeding R9.1 billion.

For more information on the TBI Group, please visit www.tbi.co.za.

The Administrators' business address is listed in the "Corporate Information and Administrators" section of this Prospectus.

2.8.1 Administration fee

A fixed administration fee payable in terms of the Administration and Services Agreement is determined as follows:

- Subject to the Capped Expenses arrangement set out below, the Company will pay the Administrators an administration fee of 2% per annum (excluding VAT) of the average of the Investment Value on the last Business Day of each month during the relevant financial year.
- The administration fee will accrue on a daily basis and paid semi-annually in arrears. The Company will be entitled to make payment of the administration fee as and when the cash resources of the Company allow.

2.8.2 Capped Fees Arrangement

The administration fee is limited by the following Capped Expenses arrangement. The aggregate of the remuneration payable to the directors, salaries, disbursements and costs (other than Specified Expenses) and all administration fees payable by the Company (including the administration fee) shall in any financial year not exceed 2% per annum (excluding VAT) of the average of the Investment Value on the last Business Day of each month during the relevant financial year.

2.9 Investment Committee

The Investment Committee has been established by the Board. The decisions of the Investment Committee are taken on a unanimous consensus basis. If members of the Investment Committee are not able to reach consensus on any decision, the matter is referred to the Board.

The Investment Committee meets semi-annual or when required.

2.9.1 Responsibilities

The responsibility of the Investment Committee is to:

- Manage the investment process of the Company by evaluating and approving all new investments and consequent investment decisions, consistent with the Delegated Mandate and the Company's investment strategy and investment objectives;
- Monitor the performance, long-term growth strategies and strategic direction of investee companies;
- Oversee the investment performance of the Company and its investments;
- Review and implement the investment strategies of the Company and make recommendations to the Board;
- Ensure adherence to the Delegated Mandate;
- Review the liquidity management and adherence to the gearing limits;
- Approve the quarterly valuations of investments in line with the Company's valuation policies and best practice; and
- Ensure regulatory compliance and to establish the best risk and control practices.

2.9.2 Members

The members of the Investment Committee are:

- Dr. Steve Booysen (Chairman)
- Ockert Goosen
- Bruce Chelius
- Ian Groenewald

The resumes of the members of the Investment Committee can be found in **Annexure 2**.

2.10 Audit Committee

The Board has established an audit committee whose primary responsibility is to discharge the duties specified in section 94 (7) of the Companies Act.

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The audit committee is elected at each annual general meeting of the Company and meets at least twice a year and comprises of non-executive Directors, one of whom acts as Chairman. The members of the audit committee of the Company are:

- Tienie van der Mescht (Chairman)
- Abrie du Preez
- GC Swanepoel

The resumes of the members of the audit committee can be found in **Annexure 2.**

2.11 Remuneration Committee

The Board performs the functions of a remuneration committee in that it monitors the remuneration policies of the Company and reviews and approves the remuneration set for Directors. The Company's remuneration policies are reviewed annually.

3. History, State of Affairs and Prospects of the Company

3.1 History of the Company and Nature of Business

Although the Company was established on 10 July 2006, it did not actively trade until 1 February 2017, when it commenced business with the sole objective set out below. The Company became a public company on 5 September 2017.

The Company is an open-ended investment company, registered with SARS as a Venture Capital Company. Its sole objective is investing in Qualifying Shares in companies which are classified as Qualifying Companies, and in other investments within the permitted limitations of Section 12J.

The nature of the business is to operate as an equity investment company within the ambit of Section 12J.

The Company is a licensed financial service provider (FSP number 46653) in terms of FAIS, authorized to conduct financial advisory and intermediary services (Category 1), limited to financial products defined in section 1(a) of the FAIS. The Company's FSB license is shown in **Annexure 1**.

The Company changed its name from 670 Venture Capital Limited to Ora Capital Limited on 18 October 2019.

The Company changed its financial year end from 31 March to 31 December on 11 October 2019.

On 30 July 2019 the Board approved and paid a R 200 000.00 dividend to A Venture Capital Share holders being a distribution of R 10.99263 (ten Rand ninety nine point two six three cents) per A Venture Capital Share.

On 24 October 2019 the Board approved an R 200 000.00 dividend to A Venture Capital Share holders being a distribution of R 10.99263 (ten Rand ninety nine point two six three cents) per A Venture Capital Share to A Venture Capital Share holders on 30 September 2019. The divend was paid on 30 October 2019 The dividend is accrued for and incorporated in the Subscription Price per A Venture Capital Share resulting in the Subscription Price per A Venture Capital Share of R 1 035.65 being an ex-dividend price.

The Company is also registered with SARS as a Venture Capital Company in terms of Section 12J of the Income Tax Act under reference number VCC-0032. A copy of the confirmation of registration by SARS is attached as **Annexure 6**.

The Company does not fall within the ambit of the Collective Investment Schemes Control Act, 45 of 2002.

3.2 Material Changes

In 2016, the Company's ownership structure was modified in order to better reflect the strategic vision of the Company and its sole objective to operate as a Venture Capital Company. In 2016 and in 2017 the MOI was amended to reflect its sole objective as stated.

Other material changes to the authorized share capital are set out in 4.6 of section 1 of this

Prospectus and changes to the issued share capital of the Company are set out in 3.2 of section 2 of this Prospectus.

Save for as contemplated herein, there have been no other material changes to the Company during the preceding three years.

3.3 Investments

3.3.1 Thunderbolt Solutions Proprietary Limited ("Thunderbolt")

On 5 June 2017, the Company invested R 1 000 000 (one million Rand) in Thunderbolt. Thunderbolt was founded in 1999 to service the domestic printing industry. Following the investment by Awande Capital, it is a black-owned and managed business. It is the leading supplier of capital equipment, consumables, spares and specialist paper products to the Southern African graphic arts and printing industry, representing a number of established principals in the local market (www.thunderbolt.co.za).

3.3.2 Seam Investments Proprietary Limited ("Seam")

During July 2018 and August 2018, the Company invested R1.7 million and R0.7 million respectively in Seam. Seam is a niche rental company owning specialised assets, which are rented to corporate clients in terms of operating rental agreements (to the exclusion of finance leases or hire purchase agreements).

Seam will grow its portfolio by acquiring assets through the discounting of rental agreements. It is envisaged that rental assets will include, but will not be limited to, hotel equipment, IT equipment and software, security and access control equipment, renewable energy equipment and medical equipment.

The investment should provide investors with predictable revenue streams at an above-average return on investment. The return profile is focused on dividend return and capital preservation, with a self-liquidating portfolio for an efficient exit.

3.3.3 Konig Coffee Renatls Proprietary Limited ("Konig")

Konig rents premium automated coffee machines to corporate clients, and supplies maintenance and consumables. Since launching, Konig has grown to over 36 franchisees nationally. At the end of August 2019 the Company has invested R 2.0 million (two million Rand) in Konig

3.3.4 Broadreach Solar E Proprietary Limited ("Broadreach")

Ora Capital has partnered with Broadreach Capital Proprietary Limited to fund and implement energy efficiency projects for retail, commercial and industrial clients, which are structured as shared energy savings contract. At the end of August 2019 the Company has invested R 0.8 million (eight hundred thousand Rand) in Broadreach.

3.3.5 Liquid Investments

The balance of the funds are invested in the Sanlam Diversified Income Fund of Funds, a liquid (48 hour notice period) unit trust investment with better after tax yield than a money market or enhanced cash fund. The fund invests in a diversified portfolio consisting of liquid instruments and low risk unit trust funds primarily investing in redeemable preference shares and fixed interest and money market instruments. The fund will generate income predominantly in the form of dividends and capital growth with a small portion of interest. Capital risk is restricted as there is no exposure to equity portfolios. This fund has no direct foreign currency exposure.

3.4 The Offer

The Company intends to raise equity capital by the issue of 48 279 (forty eight thousand nine hundred and sixty three) A-Venture Capital Shares, which comply with the provisions of the definition of a "venture capital share" contained in Section 12J, at a price of R 1 035.65 (one thousand and thirty five Rand and seventeen cents) per A Venture Capital Share for a total subscription value of approximately R 50 million (fifty million Rand).

The Company in its discretion will accept investments of a minimum of R 100 000 (one hundred thousand Rand) and a maximum of R 5 000 000 (five million Rand) per single investor.

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Where the applicants subscription amount gives rise to a fraction of a new A Venture Capital Share, the fraction will be rounded down to the nearest whole number where the fraction is less than 0,5 and rounded up to the nearest whole number where the fraction is 0,5 or more.

3.5 The Delegated Mandate

Investment Objectives	The investment objectives of the Company are to: • Use its long-term capital to acquire investments within the asset allocation guidelines and the time frames applicable to Section 12J; • Invest in Qualifying Companies, with strong dividend yield and capital preservation potential; • Partner with strong management teams or investing partners, with experience in the selected industry; • Hold such investments with a long-term investment view.
Investment Mandate	The Company has an investment mandate which adheres strictly to Section 12J. The Company's investment mandate is to develop a well-diversified investment portfolio, which will be an attractive proposition for private investors, maximizing dividends and generating superior after-tax returns while aiming to preserve capital for shareholders over the long-term; in line with the Investment Strategy below. The portfolio will consist of equity investments made in high yielding Qualifying Companies with predictable and contractual amortising revenue streams providing consistent return on investment. Targeted Qualifying Companies typically holds a portfolio of rental assets, rented to selected South African corporate clients, in terms of operating rental agreements. The Company will not invest in companies that enters into any finance leases or hire purchase agreements. The Company will not invest in any "junior mining company", as defined by the Income Tax Act. The investment mandate of the Company is otherwise unconstrained and not limited to any particular market sector or industry. The Company's investments have no fixed holding period.
Investment Strategy	The investment focus is on risk mitigation and capital preservation through an investment strategy that aims to deliver superior after-tax returns, uncorrelated to traditional investment markets. The investments should provide attractive dividend returns with a lower risk vs return profile than traditional private equity instruments and should be replicable, allowing for larger-scale rollouts. The return profile is focused on capital preservation, with a self-liquidating underlying portfolio. Investments will be made in businesses and industries focusing on operating rental assets including but not limited to IT equipment and software, security and access control equipment, renewable energy (production, storage and energy monitoring and efficiency) systems and equipment, power generation and medical equipment.

	Ora Capital applies a hands-on investment approach, assisting management teams of investee companies and providing strategic input, without assuming direct operational responsibility. Investment decisions are made on a case-by-case basis, depending on circumstances prevailing at the time and as opportunities are presented. The Company's investments are assessed on a continuous basis, based on the relative attractiveness of the investments compared to the market and other available opportunities.
Authorised Investments	Investments are made in: • Qualifying Shares in Qualifying Companies with a high yielding dividend and capital preservation mandate and potential holding assets with an amortizing profile in line with the Company's Investment Mandate. • Liquid Investments and other investments that add to shareholder value, assist in the management of liquidity and/or provides additional shareholder benefits such as asset class diversification that fall within the provisions of Section 12J.
Asset Allocation	The investments of the Company will be managed in order to comply with Section 12J (6A). In any Applicable Year: • At least 80% of the investments made by the Company (expenditure incurred by the Company to acquire assets) must have been made to acquire Qualifying Shares in Qualifying Companies holding assets with a book value not exceeding R 50 million immediately following the investment; and • No more than 20% of the proceeds of the Company's share issues must have been utilised to acquire Qualifying Shares in any one Qualifying Company.
Target Net After Tax Return to Individual Investors	Consumer Price Index plus 15% per annum, over a rolling five-year investment period. The return is calculated (after deducting any administration fees and expenses and performance participation), on an after-tax basis, taking into account the upfront income tax relief for investors, dividends tax payable and capital gains tax payable on realisation after 5 years. The tax relief applies to individual tax payers at a marginal tax rate of 45%.
Targeted Dividend Policy	Subject to solvency and liquidity, the targeted dividend yield is between 9% - 11%. The targeted dividend yield is based on the investors' net invested equity, after taking into account the upfront tax relief on the investment and before taking into account dividend withholding tax. The tax relief applies to individual tax payers at a marginal tax rate of 45%. Dividends are expected to be declared to shareholders on a quarterly basis.
Geographic Focus	The Company invests mainly in South Africa.
Liquidity and Borrowing Limits	Should circumstances warrant, borrowing may be employed subject to a maximum gearing limit of 50%. Gearing is defined as the ratio of total interest-bearing debt to total assets of the Company, expressed as a percentage. Liquidity is achieved by holding Liquid Assets. The Company's liquidity is monitored on an on-going basis. The objective is to ensure that the Company has sufficient liquidity to meet its cash flow requirements. Where

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	additional funds are required for investment purposes, cash may be raised by issuing new Venture Capital Shares, selling less attractive investments or by raising debt financing. In the absence of attractive investment opportunities, capital may be invested in Liquid Assets or returned to shareholders.
Liquid Assets	Cash at bank, money market instruments, bonds and notes, collective investments schemes in securities that are classified as money-market or income funds.
Qualifying Shares[1]	Section 12J defines a Qualifying share as an equity share held by the Company which has been issued to the Company by a Qualifying Company, not including any share which: • Would have constituted a hybrid equity instrument, as defined in section 8E (1) of the Income Tax Act, but for the three-year period requirement contemplated in the definition of "hybrid equity instrument" in that section of the Income Tax Act; or • Constitutes a third-party backed share as defined in section 8EA (1) of the Income Tax Act.
Qualifying Companies[1]	Investee companies that strictly comply with the requirements of Section 12J. A company will not be a Qualifying Company if: • It is not a tax resident of South Africa; • More than 70% of its equity shares are held, directly or indirectly, by a group of companies if the Company also forms part of that group; • Its tax affairs are not in order or it has not complied with all relevant tax laws; • It is a listed company; • It is carrying on an Impermissible Trade; • In any Applicable Year, its investment income exceeds 20% of its gross income; • In any Applicable Year, more that 50% of the amounts received by or accruing to that company are derived from a shareholder in the Company (or is a connected person in relation to that shareholder); • More than 50% of the participation rights or voting rights in that company are held, directly or indirectly or together with any connected person, by a shareholder in the Company; and • It carries on any trade in relation to a venture, business or undertaking (or part thereof) that was acquired by that company, directly or indirectly, from a shareholder in the Company (or a connected person in relation to that shareholder).
Impermissible Trades[1]	Section 12J defines an Impermissible Trade as a trade that is carried on: • In respect of immovable property, other than a trade carried on as an hotel keeper; • By a bank as defined in the Banks Act No. 94 of 1990, a long-term insurer as defined in the Long-Term Insurance Act No. 52 of 1998, a short term insurer as defined in the Short-Term Insurance Act No. 53 of 1998, and any trade carried on in respect of money-lending or hire-purchase financing; • In respect of financial or advisory services, including trade in respect of

[1] *In terms of the provisions of Section 12J as amended from time to time.*

	legal services, tax advisory services, stock broking services, management consulting services, auditing or accounting services; • In respect of gambling, liquor, tobacco, arms or ammunition; or • Mainly outside the Republic.
Applicable Year	Each year of assessment that ends on an Operative Date.
Operative Date	The end of the first year of assessment after the first date of issue of Venture Capital Shares and the end of each subsequent year of assessment. In the Company's case, the Operative Date is 31 December 2020 and 31 December of each subsequent year.
Venture Capital Shares	Equity shares issued by the Company other than any share which would have constituted a hybrid equity instrument as defined in section 8E (1) of the Income Tax Act but for the three year requirement in the definition of "hybrid equity instrument" in that section or would have constituted a third party backed share as defined in section 8 (EA) (1) of the Income Tax Act.

The terms on which this Investment Mandate has been delegated to the Investment Committee are contained in **Annexure 6**.

3.6 Investment Exit Strategies

Investments are made with a long-term view in unlisted companies with limited liquidity but superior growth expectations. These types of investments will not have a short-term exit opportunity or may be subject to low trading volumes and/or high price volatility. Management will continuously evaluate exit opportunities presented through the potential sale, merger or listing of an investee company.

3.7 Opinion of the Directors on the Prospects of the Company

The Directors are of the opinion that Ora Capital has good prospects of achieving its investment mandate based on its:

- Experienced, well-balanced, innovative and motivated management team;
- Well-developed pipeline of investment opportunities;
- A vigorous due-diligence and selection process; and
- Active post investment management.

3.8 General State of Affairs of the Company

The Company was not actively trading until 1 February 2017. The historic and pro forma Statement of Financial Position and Comprehensive Income for the six months period ended 30 September 2019 set out below.

The Pro Forma Statement of Financial Position has been prepared assuming the public placement of approximately R 50 000 000 (fifty million Rand), by the issue of A-Venture Capital Shares had taken place on 30 September 2019 and the Pro Forma Statement of Comprehensive Income has been prepared assuming the public placement had taken place on 01 April 2019.

3.8.1 Pro forma Statement of Comprehensive Income

(R)	**YTD Management Account figures 30-Sep-19**	**Public placement/ movement**	**Pro forma adjusted figures**
Sales	-	-	-
Cost of sales	-	-	-
Gross profit	-	-	-
Investment income	**464 654**		464 654
Fair value adjustments	**210 621**		210 621
Operating expenses	**-177 801**	**-530 500**	**-708 301**
Audit and accounting fees	60 950	15 000	**75 950**
Bank charges	607		**607**
Compliance fees	9 875		**9 875**
Secretarial fees	2 596	3 500	**6 096**
Legal fees			**0**
Subscriptions	11 662		**11 662**
Administrators fees	91 517	500 000	**591 517**
Hosting Fees	594		**594**
Preparation and registration of Prospectus		12 000	**12 000**
Profit / (loss) before tax	**497 474**	**-530 500**	-33 026
Taxation	50 518	**140 000**	190 518
Profit after tax	**446 956**	**-390 500**	**157 492**
No. of A Venture Capital Shares at NPV*	18 194	48 279	66 473

3.8.2 Pro forma Statement of Financial Position

(R)	YTD Management Account figures: 30 Sep 19	Public placement/ movemnet	Pro forma adjusted figures
Assets			
Non-current assets	**6 297 498**	**140 000**	**6 437 498**
Other financial assets	6 297 498		6 297 498
Deferred taxation		140 000	140 000
Current assets	**12 933 837**	**50 000 000**	**62 933 837**
Trade and other receivables			
Cash and cash equivalents	12 933 837	50 000 000[2]	62 933 837
TOTAL ASSETS	**19 231 335**	**50 140 000**	**69 371 335**
EQUITY AND LIABILITIES			
	18 767 332	49 609 500	**68 376 832**
Share capital	18 573 633	50 000 000[3]	68 573 633
Accumulated Profit	193 698	-390 500	-196 802
Non-current assets	**39 160**	**-**	**39 160**
Deferred taxation	39 160		39 160
Current Liabilities	**424 843**	**530 500**	**955 343**
Trade and other payables	420 535	530 500	951 035
Current tax payable	4 308		4 308
TOTAL EQUITY AND LIABILITIES	**19 231 335**	**50 140 000**	**69 371 335**
No. of A Venture Capital Shares[4]	18 194	48 279	66 473

[2] Net consideration after advisor fees.

[3] Net consideration after advisor fees.

[4] Assuming 48 279 A-Venture Capital Shares have been issued at R 1 035.65 per A Venture Capital Share

3.8.3 Further Information

Principal Immovable Property

- There are no immovable properties owned by the Company.
- In accordance with the Administration and Services Agreement, the offices situated at 3rd Floor Fedgroup Place, 35 Willie van Schoor Avenue, Bellville, 7530, have been made available to Ora Capital, free of charge, for the duration of the Administration and Services Agreement.

Capital Commitments, Lease Payments and Contingent Liabilities

- **Capital Commitments**: As at the Last Practicable Date, the Company has made no material commitments for capital expenditure for the acquisition, construction or installation of any buildings, plant or machinery.
- **Contingent Liabilities**: At the date of this Prospectus, the Company has no material contingent liabilities.

Turnover, Profit and Loss and Dividend Policy

- Refer to **Annexure 4** for the revenue, profits and losses of the Company since its date of incorporation.
- The report by the Reporting Accountants and Auditors of the Company, in terms of Regulation 79 of the Companies Act is set out in **Annexure 3**.
- Ora Capital has not paid any dividends at any time prior to the Last Practicable Date.
- The dividend policy of the Company is duly set out in paragraph 4.5 of section 1 of the Prospectus. Dividends paid will be subject to Dividend Tax as applicable.

4. Share Capital of the Company

4.1 Authorised share capital

The authorised share capital of the Company is set out below:

	Current	**March 2019**
A-Ordinary Shares (A-Venture Capital Shares) of no par value	1 000 000	1 000 000
B-Venture Capital Shares of no par value	10 000	10 000
C-Venture Capital Shares of no par value	10 000	10 000
D-Venture Capital Shares of no par value	10 000	10 000
E-Venture Capital Shares of no par value	10 000	10 000
F-Venture Capital Shares of no par value	10 000	10 000
Ordinary Shares of R 1 each	120	120
Participation Preference Shares of no par value	10 000	10 000

4.2 Issued Share Capital

The issued share capital of the Company is set out below:

	Current	March 2019
A Ordinary Shares (A-Venture Capital Shares) of no par value	18 194	18 194
B Venture Capital Shares of no par value	-	-
C Venture Capital Shares of no par value	-	-
D Venture Capital Shares of no par value	-	-
E Venture Capital Shares of no par value	-	-
F Venture Capital Shares of no par value	-	-
Ordinary Shares of R 1 each	101	101
Participation Preference Shares of no par value	10 000	10 000

The authorised but unissued A-Venture Capital Shares and Linked Venture Capital Shares of the Company are under the control of the Board, subject to the MOI and the Companies Act.

4.3 Description of the Rights of Each Class of Shares

4.3.1 Ordinary Shares

The 670 Owner Trust holds all of the 101 (one hundred and one) of the Ordinary Shares issued by the Company, each of which entitles the holder to 100 000 (one hundred thousand) votes on any matter to be decided by a vote of shareholders of the Company.

Ordinary Shares have no right to participate in any distribution of profit to the shareholders or any share in the distribution of the Company's residual value upon its dissolution.

4.3.2 A-Venture Capital Shares

A-Venture Capital Shares in the capital of the Company entitle the holder to:

- 1 (one) vote on any matter to be decided by a vote of shareholders of the Company;
- Participate in any distribution of profit pro rata between all holders of A-Venture Capital Shares;
- Share in the distribution of the Company's residual value upon its dissolution pro rata between all holders of A-Venture Capital Shares; and
- Give the Company the Repurchase Notice requiring the Company to give an undertaking, subject to the solvency and liquidity of the Company on the relevant date, to repurchase the A-Venture Capital Shares, on the terms and conditions specified in 4.7 of this section of the Prospectus.

4.3.3 Linked Venture Capital Shares

It is the intention that Linked Venture Capital Shares will be issued from time to time, the return of which will be directly linked to the returns of specified underlying Qualifying Companies, on terms and fees to be determined by the Board.

4.3.4 Participation Preference Shares

All of the Participation Preference Shares have been issued to the Administrators.

Each Participation Preference Share will entitle the holder to:

- One vote on any proposal to amend the preferences, rights, limitations and other terms associated with Participation Preference Shares, which proposal shall require the approval of the holders of Participation Preference Shares by special resolution;

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- Participate in any distribution of Annual Participation Dividends, as set out in paragraph 4.5.3 below; and
- Participate in any distribution of profits to holders of B Venture Capital Shares, C Venture Capital Shares, D Venture Capital Shares, E Venture Capital Shares and F Venture Capital Shares to the extent stipulated in the terms of the relevant shares as determined by the Company's Board of Directors

4.4 Shares held by the Directors

As at the Last Practicable Date, Mr. A.P du Preez, the Company's non-executive director, held 1 080 A-Venture Capital Shares though his company Newlifin (Pty) Ltd, Mr. G.C Swanepoel the Company's non-executive chariman, held 200 A-Venture Capital Shares and Mr. B. Chelius, a member of the Investment Committee, held 1 490 A-Venture Capital Shares.

4.5 Dividend and Ordinary Distribution Policy

4.5.1 Ordinary Distribution

Subject to the solvency and liquidity test of the Companies Act, the Company will declare an Ordinary Distribution annually, to holders of A-Venture Capital Shares registered as such on the last Business Day of each financial year. The distribution policy is incorporated in the MOI.

A-Venture Capital Shares confer on shareholders the right to Ordinary Distributions during each financial year (subject to solvency and liquidity), equal to 100% of (a) the after-tax consolidated profits of the Company (excluding fair value adjustments and the related deferred tax) attributable to holders of A-Venture Capital Shares; and (b) (without double counting) the after-tax capital proceeds attributable to holders of A-Venture Capital Shares of any cash realisation of Investments by the Company.

Ordinary Distributions will only be distributed after having deducted the Annual Participation Dividends that had accrued or were due prior to the relevant Ordinary Distribution declaration date.

If there are material cash realisations of Investments, the Board may, in its sole discretion, distribute an interim Ordinary Distribution.

4.5.2 Linked Distribution

Subject to the solvency and liquidity test of the Companies Act, the Company will declare a Linked Distribution annually, to holders of any Linked Venture Capital Shares registered as such on the last Business Day of each financial year. The terms and conditions of the Linked Distribution will be determined by the Board.

4.5.3 Annual Participation Dividends

Subject to the solvency and liquidity test of the Companies Act, the Company will distribute Annual Participation Dividends to holders of Participating Preference Shares. The dividend policy is incorporated in the MOI.

Participating Preference Shares confer on holders of Participating Preference Shares the right to Annual Participation Dividends, which are distributable before any Ordinary Distribution, as set out below:

- Annual Participation Dividends equal to 10% net investment profits of the Company for the relevant year will be paid.
- Annual Participation Dividends are cumulative, accrue monthly with effect from 1 June 2017 and will be distributed (subject to the solvency and liquidity of the Company) on an annual basis, within five Business Days of the approval of the annual financial statements, to the parties registered as holders of Participating Preference Shares on the last Business Day of the relevant financial year of the Company.
- Annual Participation Dividends in respect of the first three financial years will be distributed at the end of the first Measurement Period (being after three years) following the year commencing 1 April 2017 and not annually. Thereafter, the annual payments will be reconciled on a three yearly Measurement Period basis with a high watermark arrangement to recover any shortfall.

4.6 Alteration of the Company's Capital

The MOI was amended on 30 August 2017 in order to authorise the Company to issue no more than 120 (one hundred and twenty) Ordinary Shares of R 1 each, 1 000 000 (one million) A-Venture Capital Shares as well as 50 000 (fifty thousand) Linked Venture Capital Shares.

On 30 August 2017, the Company converted the Ordinary Shares to voting shares without any economic interest in the distributions of the Company as set out in 4.3.1 of this section of the Prospectus.

On 30 August 2017, the Company created 10 000 (ten thousand) Participation Preference Shares of no par value.

Save as contemplated above, there have been no other alterations of the Company's capital during the preceding 3 (three) years.

Furthermore, no shares have been offered to the public since 28 February 2019, the closing date of the previous prospectus of the Company.

4.7 Transfer of Shares and Liquidity

Ora Capital is an open-ended Venture Capital Company investing in long-term assets. The A-Venture Capital Shares are illiquid and are not listed on any exchange. The Company's investment strategy is focused on creating long-term shareholder value over a period of at least five years. Therefore, an investment in Ora Capital should only be considered with a long-term view.

No shares in the Company may be transferred without the prior written approval of the Board, which may decline to approve any transfer or to impose such conditions in relation to the transfer as it may consider appropriate.

A-Venture Capital Shares may be sold at any time but, if shareholders wish to retain the Section 12J tax deduction, they must retain their shares for five years. The Company is willing to assist shareholders wishing to dispose of their A-Venture Capital Shares, by identifying potential buyers.

Notwithstanding the above, the Company undertakes to repurchase its A-Venture Capital Shares from shareholders wishing to realise their investments as set out below.

4.7.1 Repurchase Notice

If a holder of A-Venture Capital Shares wishes to realise his/her investment by selling his/her shares to the Company, he/she must give the Company not less than two years' written notice of his/her intention to sell a specified number of A-Venture Capital Shares on a Specified Sale Date. Such Repurchase Notice:

- May only be given on a date that is at least five years after the subscription date of the A-Venture Capital Shares that are the subject of the Repurchase Notice; and
- Is subject to the shareholder either selling all of its A-Venture Capital Shares, or retaining a minimum investment of 100 (one hundred) shares or such other number as may be determined by the Board from time to time.

All shareholders will be notified of any Repurchase Notice received. Repurchase Notices received within 30 (thirty) calendar days of each other will be treated as one event and executed proportionally.

4.7.2 Repurchase Undertaking

Following receipt of a Repurchase Notice, the Company will provide the holder with a written undertaking to repurchase the specified number of A-Venture Capital Shares from the holder on the Specified Sale Date, at the NAV per A Venture Capital Share (determined as set out in 3.3 of section 2 of the Prospectus), as at the month end prior to the Specified Sale Date.

This undertaking will be subject to the Company's solvency and liquidity requirements on the Specified Sale Date.

Payment will be made by the Company on the Specified Sale Date against delivery of the relevant share certificates and share transfer form.

At any time after it has given a written Repurchase Undertaking, and in order to effectively manage its liquidity, the Company will be entitled, on not less than 30 (thirty) Business Days' written notice, to acquire all or any of the A-Venture Capital Shares specified in the relevant Repurchase Notice, at the NAV per A Venture Capital Share as at the most recent month-end prior to the expiry of the 30 (thirty) Business Days' written notice, or as otherwise agreed with the relevant shareholders.

5. Options or Preferential Rights in respect of Shares

Save as contemplated in this Prospectus, there are no contracts or arrangements, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any shares in Ora Capital. Furthermore, the Company has no share incentive scheme in place.

6. Commissions Paid and Payable in respect of Underwriting of Shares Issued

There are no commissions paid or payable in respect of underwriting of the shares, as the shares are not underwritten.

7. Material Contracts

The Company has entered into an Administration and Services Agreement with the Administrators as disclosed in paragraph 2.7 above of this section 1 of the Prospectus.

No other material contracts other than in the ordinary course of business have been entered into by the Company within the last 2 (two) years prior to the publication of the Prospectus.

The Administration and Services Agreement is open for inspection as detailed in paragraph 9 of section 4 during Business Hours at the registered office of the Company.

8. Interest of Directors and Promoters

No consideration, has been paid, or agreed to be paid within the preceding 3 (three) years to:

- Any Director or related party; or
- To another company in which the Director is beneficially interested or of which the Director is also a director; or
- To any partnership, syndicate, or other association of which the Director is a member,

to induce the Director to become a Director, or to qualify as a Director, or for services rendered by the Director or by a company, partnership, syndicate or other association in connection with the promotion or formation of the Company. The Directors do not hold an interest in the Shares of the Company as at the Last Practicable Date other than as disclosed in paragraph 4.4 of section 1.

9. Loans

There were no loans payable by the Company as at the Last Practicable Date.

10. Shares Issued other than for Cash

There have been no shares issued by the Company other than for cash since the Company was incorporated.

11. Property Acquired or to be Acquired

No properties have been acquired or disposed of by the Company since its incorporation and therefore the Directors had no interests in properties acquired or disposed by the Company since its incorporation.

12. Amounts Paid or Payable to Promoters

Other than the administration fee payable to the Administrators in terms of the Administration and Services Agreement (as referred to in 2.8.1 of section 1 of this Prospectus), there are no fees payable by the Company to any promoters as at the Last Practicable Date.

13. Preliminary Expenses and Issue Expenses

The estimated expenses of the share issue pursuant to this Prospectus are as follows:

Service	Service Provider	Rand (R)
Registration of Prospectus	CIPC	R 7 000
Submitting of Prospectus	Bridge Capital Group (Pty) Ltd	R5 000
Accountants and Auditor's report	BDO Cape Incorporated	R 15 000
Issue of Share certificates & Secretarial Fees	Adams Schouw & Cain 2 Inc.	R 3 500
Total		**R 30 500**

In addition, capital raising fees on the net subscription amount of R50 million to a maximum amount of R 1 725 000 (one million seven hundred and twenty five thousand Rand) may be payable by the Company to selected registered independent financial Administrators. As set out in 3.1 of section 2 of this Prospectus, the capital raising fees will be deducted by the Company from the gross subscription amount by an Offeree.

The expenses over the last 3 (three) years, excluding capital raising expenses, were as follows:

		30 Sept 2019 YTD	2019/03	2018/03
Service	**Service Provider**	**Rand (R)**	**Rand (R)**	**Rand (R)**
Accountants and Auditors	PKF Rademeyer Wesson Chartered Accountants (SA)			R 6 840
Accountants and Auditors	BDO Cape Incorporated Chartered Accountants (S.A.)	R 60 950	R 23 000	
Legal fees	Norton Rose Fullbright		R 35 819	R 50 645
FSB licence and compliance services	Financial Services Board	R 16 537	R 25 152	R 16 804
Secretarial fees	Adams Schouw & Cain 2 Inc	R 2 596	R 5 677	R 1 775
Total		**R 80 083**	**R 89 648**	**R 12 505**

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SECTION 2 – DETAILS OF THE OFFER

1. Purpose of the Offer

The key points outlining the purpose of the Offer are detailed below:

- To expand the capital base of the Company;
- To raise long-term capital and fund new investments that meet the relevant criteria;
- To broaden the shareholder base of the Company;
- To enhance its profile as a Venture Capital Company; and
- To be a key driver of sustainable business in Southern Africa.

Any amounts raised in excess of the minimum subscription amount of R 100 000 (one hundred thousand Rand), will still achieve the Company's goal to increase its capital base.

2. Salient Dates

The dates and times for the Opening Date and Closing Date of the Offer are set out below:

Opening Date	Date: 11 November 2019	Time: 09h00
Closing Date	Date: 28 February 2020	Time: 17h00

3. Particulars of the Offer

3.1 Subscription Price and Shares Offered

The total maximum subscription value of approximately R 50 million comprises of:

Gross maximum Subscription amount	R 51 725 000
Less upfront financial advisors' capital raising fees	R 1 725 000
Net Subscription Consideration	**R 50 000 000**
Issue Price per A Venture Capital Share (as at 30 September 2019)	R 1 035.65
Number of A-Venture Capital Shares	48 279
Secured	No

Where an applicant's investment gives rise to a fraction of a new A Venture Capital Share, the fraction will be rounded down to the nearest whole number where the fraction is less than 0,5 and rounded up to the nearest whole number where the fraction is 0,5 or more.

Although the Board do not expect any changes to the Subscription Price applicants needs to be aware that the Board reserves the right to change the Subscription Price should any material changes occure in the Company that effects the Subscription Price.

3.2 Changes to the Company's Capital

Particulars of shares offered 3 (three) years immediately preceding the date of the Prospectus:

- 100 (one hundred) Ordinary Shares were issued on 16 October 2013 to Ora Holdings Limited for a subscription price of R 1 (one Rand) per share.
- 1 (one) Ordinary Share was issued on 18 July 2016 to Ora Holdings Limited for a subscription price of R 30 000 (thirty thousand Rand). The aforementioned Ordinary Share was issued at a premium in order to ensure that the assets of the Company exceeds its liabilities to meet the requirements of the Financial Services Board.
- The entire Ordinary Share capital of 101 (one hundred and one) shares was sold to the 670 Owner Trust on 27 February 2017 at a price of R 1.
- 2 930 (two thousand nine hundred and thirty) A-Venture Capital Shares were issued on 28 February 2017, for a subscription price of R 2 930 000 (two million nine hundred and thirty thousand Rand), at an issue price of R 1 000 (one thousand Rand) per share. There is no material differentiation between this price and the subscription price of the Offer as set out in this Prospectus.
- 10 000 (ten thousand) Participating Preference Shares were issued to the Administrators on 17 August 2017, for an aggregate subscription price of R 43 000 (forty three thousand Rand).
- 7 990 (seven thousand nine hundred and ninety) A-Venture Capital Shares were issued on 28 February 2018, for a subscription price of R 8 143 455.96 (eight million one hundred and forty three thousand four hundred and fifty five Rand and ninety six cents), at an issue price of R 1 018.76 (one thousand and eighteen Rand and seventy six cents) per share. There is no material differentiation between this price and the subscription price of the Offer as set out in this Prospectus.
- 6 491 (six thousand four hundred and ninety one) A-Venture Capital Shares were issued on 28 February 2019, for a subscription price of R 6 627 077.22 (six million six hundred and twenty seven thousand and seventy seven Rand and twenty two cents), at an issue price of R 1 021.17 (one thousand and twenty one Rand and seventeen cents). There is no material differentiation between this price and the subscription price of the Offer as set out in this Prospectus.
- 783 (seven hundred and eighty three) A-Venture Capital Shares were issued on 29 March 2019, for a subscription price of R 800 000 (Eight hundred thousand Rand), at an issue price of R 1 021.17 (one thousand and twenty one Rand and seventeen cents).

Other than the aforementioned Ordinary Share issue, no shares were offered at a premium in the 3 (three) years immediately preceding the Last Practicable Date.

3.3 Determination of the Subscription Price per A Venture Capital Share

The issue of A-Venture Capital Shares in terms of this Offer is being made at the adjusted NAV per A Venture Capital Share, as set out below:

NAV of the Company (as at 30 September 2019), net of preference shares	R 18 742 231
Adjusted for amortised capital raising and legal costs incurred	R 100 337
Adjusted NAV of the Company (as at 30 September 2019), net of preference shares	R 18 842 568
A-Venture Capital Shares in issue	18 194
Adjusted NAV per A Venture Capital Share	R 1 035.65

3.4 Application

Offerees are invited to subscribe for A-Venture Capital Shares by completing the attached Application Form, in accordance with the instructions provided therein and submitting it to the address shown, together with proof of payment of the investment amount, and submission of all applicable information required in terms of FICA.

All application forms completed in accordance with the provisions of this Prospectus and the instructions set out in the Application Form, should be delivered to:

E-mail Address	directors@670ventures.co.za
Physical Address	3rd Floor, FedGroup Place, 35 Willie van Schoor Avenue, Bellville, 7530
Registered Mail	P.O. Box 21168, Parow, 7499

Applications will be regarded as complete once payment has been received. Payment may be made by electronic transfer into the following bank account:

Bank	FNB
Branch	Willowbridge
Account Name	Ora Capital Limited
Branch Code	250655
Account Number	62669742168
Swift Number	FIRNZAJJ

3.5 Acceptance of Applications

The Board reserves the right to accept (either in whole or in part) or to reject each application, at its sole discretion. Each Offeree will, within 7 (seven) Business Days of the date on which their respective applications are received, be informed of the acceptance (or otherwise) by the Company of its application, on which date the relevant A-Venture Capital Shares will be issued together with the requisite tax certificate confirming the subscription.

If an application is accepted in part only or if it is rejected, the relevant amount shall be refunded without interest to the Offeree within 7 (seven) Business Days of the date of rejection. If the Offer is withdrawn, all application amounts shall be refunded without interest to the Offeree within 7 (seven) Business Days of the date of the withdrawal of the Offer.

The Board reserves the right to withdraw the Offer, or to amend the Closing Date to an earlier date, at its sole discretion.

3.6 Applicable Law

The Offer is governed exclusively by the Applicable Law of South Africa and by applying for the A-Venture Capital Shares, each Offeree shall be deemed to have consented and submitted to the jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the Offer.

3.7 Results of allocations

Investors will be notified of the allocation of shares within 7 (seven) days of the Closing Date by way of e-mail.

3.8 Over-Subscriptions

Should an application that is received, not including any interest, by the Company be rejected or accepted for a fewer amount of shares than applied for by an applicant, any surplus application monies received will be refunded by the Company within seven days of the Closing Date.

4. Minimum Subscription in terms of this Offer

The minimum amount to be raised in respect of the Offer is R 100 000 (one hundred and thousand Rand).

Should the minimum amount of R 100 000 (one hundred thousand Rand) not be raised in terms of the Offer, the Offer in terms of this Prospectus will become null and void, all moneys received will be returned to investors and no A-Venture Capital Shares will be issued pursuant to this Offer.

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SECTION 3 – STATEMENTS AND REPORTS RELATING TO THE OFFER

1. Statement of Adequacy of Capital

The Directors are of the opinion that the working capital of Ora Capital, both before and pursuant to the Offer, is sufficient for Ora Capital' present requirements for a period of at least the next 12 (twelve) months from the date of issue of this Prospectus.

2. Report by Directors as to Material Changes

Save for as contemplated in paragraph 3.2 of section 1 of this Prospectus and the Independent Reporting Accountant's Report, there have been no other material changes in the financial and trading position of the Company since the previous financial reporting period and the Last Practicable Date.

3. Statement as to Listing on the Stock Exchange

No application has been made to any stock exchange for the listing of the Company's shares.

4. Report by the Independent Reporting Accountants and Auditors

In terms of Regulation 79 of the Companies Act, the Independent Reporting Accountants and Auditors are required to prepare a report on the profits and losses, dividends and assets and liabilities of the Company. In this regard **Annexure 3** and **Annexure 4** of this Prospectus is provided and sets out the Independent Reporting Accountant's Report and the Audited Financial Statements of the Company, respectively.

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SECTION 4 – ADDITIONAL MATERIAL INFORMATION

1. Tax Deductibility of Investment in Ora Capital

In terms of Section 12J, investors will be entitled to deduct from their taxable income the full amount of their investment in Ora Capital in the tax year in which the investment is made, provided all the conditions of Section 12J have been met.

A summary of the tax impact is shown below:

	Type of investor		
	Individuals	**Trusts**	**Corporates**
Gross investment	R 1 500 000	R 1 500 000	R 1 500 000
Tax relief	(R 675 000)	(R 675 000)	(R 420 000)
Net investment	R 825 000	R 825 000	R 1 080 000
Effective tax relief percentage assuming marginal tax rates as indicated	**45%**	**45%**	**28%**

For purposes of calculating capital gains tax payable by an investor on a disposal of A-Venture Capital Shares, the base cost of the shares is to be reduced by the amount of the deduction claimed in terms of Section 12J.

2. Procedure to Claim Tax Deduction of Investment

Within 30 (thirty) Business Days after the investment has been received in the Company's designated account, the Company will issue share certificates to the investor, along with the appropriate tax certificate for the investor for submission to SARS.

3. Litigation Statement

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which the Company is aware that may have or have had in the last 12 (twelve) months, a material effect on the Company's or the Group's financial position.

4. Corporate Governance

Ora Capital subscribes to the Companies Act requirements on Governance as disclosed in the MOI which is available for inspection at the registered office of the Company as detailed in paragraph 9 below.

5. Experts' Consents

The parties whose names are set out on the "Corporate Information and Advisors" section of this Prospectus, have consented in writing to act in the capacities stated and to their names being stated in this Prospectus and have not, withdrawn their consents prior to the publication of this Prospectus.

The Independent Reporting Accountant and Auditor, whose details are set out in the "Corporate Information and Advisors" section of this Prospectus, have consented in writing to have their report appear in this Prospectus in the form and context in which they appear and have not withdrawn their approval prior to the publication of this Prospectus.

6. Directors' Responsibility Statement

The Directors, whose names are set out in paragraph 2.1 of section 1 of this Prospectus, collectively and individually, accept full responsibility for the accuracy of the information provided in this Prospectus and certify that to the best of their knowledge and belief that there are no facts relating to the Company that have been omitted which would make any statement relating to the Company false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Prospectus contains all information relating to the Company required by law.

7. Financial Advice

This Prospectus consists of objective information relating to Ora Capital. Nothing contained in this Prospectus should be construed as constituting any form of investment advice or recommendation, guidance or proposal of a financial nature in respect of any investment. Nothing in this Prospectus should be construed as constituting the canvassing for, or marketing or advertising of financial services by Ora Capital.

Investors should be cognisant that the value of, and potential income generated from, an acquisition of shares in Ora Capital may appreciate as well as depreciate. Investors may not realise the initial share acquisition price. If in doubt, investors should seek advice from their financial advisor, attorney, accountant, banker or other professional advisor.

8. Confidentiality

The Company will not use or disclose any confidential information obtained, except to the extent permitted by the Company's investors or required by the Applicable Law.

9. Documents Available for Inspection

The following documents relating to Ora Capital, or copies thereof, will be available for inspection at the registered offices of Ora Capital which details are set out in the "Corporate Information and Advisors" section of this Prospectus from the Opening Date until 10 Business Days after the Closing Date:

- The MOI;
- The Administration and Services Agreement;
- The Delegated Mandate;
- The powers of attorney authorising the signing of the Prospectus;
- The written consent letters referred to in paragraph 5 above;
- The Independent Reporting Accountant and Auditor's report;
- The Audited Annual Financial Statements;
- SARS confirmation of registration as a Venture Capital Company; and

- Ora Capital' FSCA licence.

10. Professional Indemnity and Fidelity Insurance Cover

The Company has no indemnity insurance. TBI has agreed to indemnify the Company to the extent of R 1 000 000 (one million Rand) in respect of certain civil liabilities to third parties for specified claims against the Company. The Administrators have professional indemnity insurance.

11. General Communication with Shareholders

A quarterly update of the Company and its portfolio will be provided to the shareholders of the Company via e-mail. Such communication to shareholders will include a calculation of the NAV and any other appropriate measures of return applicable to the Company.

12. Prior Offers

During the Company's prospectus open period from 3 November 2017 to 28 February 2018, the Company successfully raised additional new capital by issuing 7 990 A Venture Capital Shares at R1 018.76 per share, for a total consideration of R 8 143 455. The offer was made to the public to subscribe for a maximum of 49 079 A Venture Capital Shares of the Company at a subscription price of R 1 018.76 per A Venture Capital Share, at a total net subscription value of approximately R 50 million.

During the Company's previous prospectus open period from 25 January 2019 to 28 February 2019, the Company successfully raised additional new capital by issuing 6 491 A Venture Capital Shares at R1 021.17 per share, for a total consideration of R 6 628 414.47. The offer was made to the public to subscribe for a maximum of 48 963 A Venture Capital Shares of the Company at a subscription price of R 1 021.17 per A Venture Capital Share, at a total net subscription value of approximately R 50 million.

13. Risk Factors

Risk	Impact of Risk	Probability Level	Mitigating Factor
Change in legislation: Section 12J is subject to a sunset clause terminating on 30 June 2021. Depending on the degree of success the section has in contributing to the growth of small business and the other aims behind the legislation, as well as the degree of abuse the section might lead to, the South African Revenue Service will review and may amend the provisions of Section 12J.	**Medium-High**	**Medium-High**	The management of Ora Capital continuously monitors any changes in legislation which might have an impact on the Company. The management team has extensive experience in managing the risks as well as possible opportunities that tax legislation changes may introduce.
South African economic conditions: Ora Capital is a South African Venture Capital Company investing exclusively in South Africa. South Africa is at the time of this Prospectus in a technical recession and this has an impact on business operating in the country.	**Medium**	**High**	South Africa's economy has been in a low growth malaise for a number of years. The Board has a proven track record of providing exceptional returns for investors over a long-term despite depressed national economic conditions.
Fraud	**High**	**Low**	Ora Capital' annual financial statements are audited annually by reputable external auditors. TBI has indemnified the Company to the extent of and not exceeding an amount of R 1 000 000 (one million Rand) in respect of its civil liability to third parties for any specified claims which may arise out of the ordinary course of the provision by Ora Capital of services to clients in its capacity as a Venture Capital Company and licensed financial services provider.
Illiquidity of underlying investments: Venture capital investments are made in small companies with limited liquidity.	**Low-Medium**	**High**	The management of Ora Capital will manage liquidity by taking appropriate measures to ensure sufficient cash holdings to cover budgeted expenses.
Operational risk: Venture capital and private equity investments are by their nature high risk and because of the liquidity constraints, exit strategies are more cumbersome and complicated.	**High**	**Medium**	The Investment Committee of Ora Capital consists of top investment professionals with decades of investment experience to help ensure proper evaluation and valuation of prospective investments. The Investment Committee only considers investments in investee companies with competent management and are skilled at assisting investee companies' management in achieving their respective targeted outcomes.
Underperformance risk: There is a risk that the Company's investments will underperform the Company's targeted returns for shareholders.	**High**	**Low**	The Company's management is confident in its ability to make quality investments in quality Qualifying Companies at attractive prices despite current challenging South African economic conditions.

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SECTION 5 – INAPPLICABLE OR IMMATERIAL MATTERS

The following list sets out those regulations numbers and headings of the Companies Act contemplated in section 1, 2 or 3 of the Prospectus that are not applicable in the circumstances of the Offer:

- Regulation 54 (2);
- Regulation 57 (2);
- Regulation 57 (3)(b);
- Regulation 59 (2)(a);
- Regulation 59 (3)(a)(i);
- Regulation 59 (3)(c)(ii);
- Regulation 59 (3)(c)(iii);
- Regulation 59 (3)(d)(ii);
- Regulation 59 (4);
- Regulation 61 (1);
- Regulation 62;
- Regulation 64;
- Regulation 65;
- Regulation 66;
- Regulation 67;
- Regulation 68;
- Regulation 74(b);
- Regulation 77;
- Regulation 78;
- Regulation 79 (3); and
- Regulation 80.

Signed in Cape Town on Friday, 25 October 2019 by Wynand Marais in his capacity as an Executive Director on behalf of all the Directors, duly authorised in terms of powers of attorney.

Wynand Marais

2016/00032/FSP
11/09/2018

FSCA
Financial Sector
Conduct Authority

FINANCIAL SECTOR CONDUCT AUTHORITY

LICENCE No. 46653

It is hereby certified that with effect from 9 February 2016

670 VENTURE CAPITA LTD

is licensed as a financial services provider
in terms of section 8 of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002),
subject to the conditions and restrictions set out in the Annexure

....

For Financial Sector Conduct Authority

FSCA
07 AUG 2018
FINANCIAL SECTOR CONDUCT AUTHORITY

BOARD MEMBERS

GC Swanepoel[5]

Non-executive Chairman and Member of the Audit Committee

BCompt (Hons), CA (SA)

GC graduated with a BCompt (Hons) from Unisa in 1982 and obtained his CA (SA) in 1983. He did his articles at one of the predecessor firms of PwC from 1980 to 1984. GC spent two years in the building industry before joining Prestasi Insurance Brokers (now Indwe Risk Services) in 1986. During his seven years at Prestasi he held directorships at various companies in the Prestasi group of companies. He was a founding shareholder of Trustee Board Investments and Non-executive Director since 1992 whereafter he joined as an Executive Director in 1994 to develop private equity and insurance divisions of the group. GC acquired Barton Financial Services Proprietary Limited from Trustee Board Investments in 2003 and continued as a Non-executive Director of Trustee Board Investments.

Wynand Marais

Executive Director and Chief Executive Officer

MCom Finance and Risk Management, BCom (Hons) Financial Analysis and Portfolio Management

Wynand joined TBI Investment Managers in 2012 as a portfolio analyst after working in Maitland Fund Administrators' Hedge Fund division. During 2015 he was appointed as a portfolio manager. He has experience ranging from the valuation of properties, unlisted and listed investments and managing a fixed income unit trust fund of fund at TBI Investment Managers. Wynand is currently employed as the CEO of Ora Capital after being employed as a portfolio manager for TBI Strategic Partner since 2016. He is also an Executive Director for TBI Properties (Pty) Ltd.

Ockert Goosen

Executive Director and Member of the Investment Committee

BCom (Hons)(Acc), MBA (Wits), CA (SA)

Ockert qualified as a chartered accountant in 1986, completing his articles at Peat, Marwick, Mitchell. He accumulated extensive experience during his 17-year career in investment banking, commencing at Barclays Merchant Bank in 1986 and later at FirstCorp and First National Bank. He joined Real Africa Durolink in 1996 and served as a director of RAD Bank and group companies and as member of management, credit and investment committees. In 2002 he joined Gensec Bank where he headed the securitisation unit in the debt finance division.

Ockert was a founding member of TBI Investment Managers (formerly Ora Fund Managers), from its inception in 2003 and serves as Executive Director and Key Individual. He currently serves as CEO of TBI Strategic Partners and also as a Director of TBI and other subsidiaries and investee companies of the TBI group, including listed companies, Efficient Group and Accéntuate. Ockert has extensive experience in asset management, structured and corporate finance, securitisation, treasury, credit management and managing collective investment schemes.

[5] Forms part of the Audit Commitee

Tienie van der Mescht[6]

Non-executive Director and Member of the Audit Committee

BSc, MBA

After five years at Sasol, Tienie completed an MBA before joining Sanlam Investments in 1990. He held various positions in equity research and portfolio management before becoming the Chief Executive of Gensec Private Clients, re-named Sanlam Private Clients in 1998. In this role, Tienie led the acquisition of businesses from ANB Amro and Merrill Lynch.

In 2004, Tienie was appointed Chief Executive of Sanlam Collective Investments. He was part of the Sanlam team that assessed investment opportunities in India. In 2009, he relocated to India to become the Chief Executive of SMC Global, a wealth and asset management joint venture between Sanlam and SMC India. Tienie returned to South Africa in late 2011 and joined TBI Investment Managers as a Non-executive Director on 1 February 2012 and is also the Chairman of the TBI Audit and Risk Committee. He is the Non-executive Chairman of H4, the CIS Manco in the Citadel Group and Non-executive Chairman of CI Collective Investments an associated company in the Analytics group. Tienie also serves as a Non-executive Director of Trustee Board Investments and Sasfin Financial Services.

Abrie du Preez[7]

Non-executive Director and Member of the Audit Committee

BCom (Hons) Accounting, CA (SA)

Abrie graduated with a B Com (Hons) (Acc) from the University of Pretoria in 1978 and obtained his CA (SA) in 1979. He did his articles at one of the predecessor firms of PwC from 1979 until 1981 and then joined Prima Foods as Financial Manager. Abrie joined Prestasi Insurance Brokers (today Indwe Risk Services) in 1984 and resigned as Group Managing Director in 1992 to launch the Trustee Board Investments (TBI) group. Abrie serves as non-executive director and chairman of the TBI group.

INVESTMENT COMMITTEE MEMBERS

Dr. Steve Booysen

Chairman of the Investment Committee

BCompt (Acc) (Hons), MCompt, DCom (Acc), CA (SA)

Steve qualified as a Chartered Accountant in 1985. After completing his articles at Ernst & Young (1980-1983) he was a Senior Lecturer in Accounting at the University of South Africa (1983-1988). He joined Trust Bank in August 1988 and is a former Group Chief Executive of the Absa Group.

He holds many directorships, including, the following: Executive Chairman of Metrofibre, Non-executive Chairman of Efficient Group Limited, Non-executive Director of Clover Industries Limited, Non-executive Deputy Chairman of Senwes Limited and Non-executive Director of Vukile Property Fund Limited.

He is involved in various community initiatives, is a council member of the University of Pretoria, is a professor extraordinaire at the Business School of the University of the North West (PUK) and is Chairman of AfriSake.

The business address of Steve Booysen is 17 Pencarrow Lane, Cornwall Hill, Irene, Centurion, 0178.

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[6] Forms part of Audit Committee

[7] Forms part of Audit Committee

Bruce Chelius

Member of the Investment Committee

BCom, BAcc, CA (SA)

Bruce qualified as a Chartered Accountant in 1991 and as a Chartered Financial Analyst in 2002. He completed his articles at Deloitte in 1994 following which he did some part-time financial work while traveling for two years. In 1996, he joined the corporate finance and leveraged buy-out teams of Standard Corporate & Merchant Bank in Johannesburg. In 1998, he relocated to Durban where he joined the Private Equity team of BoE Bank.

In 2004, Bruce started Collins Private Equity, in partnership with the Collins Property Group, with a focus on making small to medium sized non-property equity investments. To date, the company has invested over R 200 million in ten transactions in various industries and has also completed eight portfolio acquisitions within its investee companies. Bruce is a shareholder in, and the Managing Director of, Collins Private Equity and has also served as interim Managing Director of a number of investee companies. Bruce has been a director of a number of unlisted companies and has served as an alternate director on the board of the JSE listed company, Glenrand MIB Limited. He currently sits on the boards of Eveready and Nordland Proprietary Limited (where he acts as Chairman).

The business address of Bruce Chelius is 1 Richefond Circle, Ridgeside Office Park, Umhlanga Ridge, Durban, 4320.

Ockert Goosen

Member of the Investment Committee

The resume of Ockert Goosen is set out above.

The business address of Ockert Goosen is 3rd Floor Fedgroup Place, 35 Willie van Schoor Avenue, Bellville, 7530.

Ian Groenewald

Member of the Investment Committee

BCom (Accounting), BCompt (Hons)

Ian started his career at Stannic in 1991. He joined Real Africa Durolink Holdings in 1993 and went on to become the head of its highly successful structured finance business. He was a member of the Real Africa Durolink Holdings Group's management committee and served as a director of Real Africa Durolink Holdings and various subsidiaries. In 1998, Ian relocated to London where he established and managed the Real Africa Durolink Group's UK office. Following the takeover of the Real Africa Durolink Group in 2001, Ian joined Gensec in London and subsequently relocated to Cape Town in 2002.

In addition to the design and implementation of structured finance transactions, Ian has acquired considerable experience in designing collective investment schemes and other investment products in various markets including South Africa. He is also an experienced dealmaker with a proven ability to build financial services businesses.

Ian is one of the founding partners of the TBI Investment Managers and currently serves as the Chief Executive Officer of Trustee Board Investments and the Investment Manager.

The business address of Ian Groenewald is 3rd Floor Fedgroup Place, 35 Willie van Schoor Avenue, Bellville, 7530.

BDO

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6th Floor,
119 - 123 Hertzog Boulevard,
Foreshore, Cape Town, 8001
PO Box 2275
Cape Town, 8000

The Directors
Ora Capital Limited
3rd Floor, FedGroup Place
35 Willie van Schoor Avenue
Bellville
7530

25 October 2019

Dear Sirs

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON ORA CAPITAL LIMITED

Introduction

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Ora Capital Limited ("Ora" or the "Company"), formerly known as 670 Venture Capital Limited, consisting of the *pro forma* statement of financial position as 30 September 2019 and the *pro forma* statement of comprehensive income for the 6 months period then ended (the "*Pro Forma* Financial Information") as set out in the prospectus to be issued by Ora on or about 01 November 2019. Because of its nature, the *pro forma* financial information does not represent the company's actual financial position, financial performance or cash flows.

The *pro forma* financial information has been compiled by the Directors to illustrate the impact of the corporate action or event, described as the issue and subscription of shares (the "Share Issue") on the company's financial position as at 30 September 2019, and the company's financial performance for the period then ended, as if the Share Issue had taken place at 30 September 2019 for purposes of the *pro forma* statement of financial position and at 01 April 2019 for purpose of the *pro forma* statement of comprehensive income.

As part of this process, information about Ora's financial position and financial performance has been extracted by the Directors from the Company's unaudited financial information for the 6 months ended 30 September 2019 ("Unaudited Financial Information").

Directors' responsibility for the *pro forma* financial information

The Directors of Ora are solely responsible for the compilation, contents and presentation of the *pro forma* financial information, and for the financial information from which it was prepared.

Their responsibility includes determining that:

- The pro forma financial information contained in the prospectus has been properly compiled on the basis stated; and

- The basis is consistent with the accounting policies of Ora.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors ("IRBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the Directors in accordance with the applicable criteria, based on our procedures performed.

We are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

Scope

We conducted our engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3420: *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the responsible party has applied the process to compile the *pro forma* financial information in accordance with the applicable criteria.

As the purpose of *pro forma* financial information included in a prospectus is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria as described in the prospectus

Per Marnus Fourie

Director
Chartered Accountant (SA)
Registered Auditor

BDO South Africa Inc

BDO South Africa Incorporated

Chartered Accountants (SA)
Registered Auditors
6th Floor
123 Hertzog Boulevard Foreshore
Cape Town
8001

670 Ventures

670 Venture Capital Limited
(Registration number 2006/021343/06)

Annual Financial Statements
for the year ended 31 March 2019

General Information

Country of incorporation and domicile	South Africa	
Nature of business and principal activities	Investment holding	
Directors	GC Swanepoel	Chairman
	AWC Marais	Chief Executive Officer
	OJ Goosen	Executive
	AP du Preez	Non-executive
	MJ van der Mescht	Non-executive
Registered office	3rd Floor, Fedgroup Place Willie van Schoor Avenue Bellville 7530	
Postal address	P.O. Box 21168 Parow 7499	
Holding entity	670 Owner Trust registered in South Africa	
Auditors	BDO Cape Incorporated Chartered Accountants (S.A.) Registered Auditors	
Secretary	Adams, Schouw & Cain 2 Inc.	
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.	
Preparer	The annual financial statements were compiled under the supervision of: JR Hodgskiss Chartered Accountant (S.A.)	
Issued	30 July 2019	

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The reports and statements set out below comprise the annual financial statements presented to the shareholders:

Audit Committee Report

This report is provided by the audit and risk committee appointed in respect of the 2019 financial year of 670 Venture Capital Limited and its subsidiary.

670 Venture Capital Limited Audit Committee Terms of Reference

The 670 Venture Capital Limited Audit Committee ("Audit Committee") assists the Board of Directors of 670 Venture Capital Limited ("670 Venture Capital Board") to ensure that management creates, maintains and operates an effective process for all its external audit responsibilities and considerations. The Audit Committee has an independent role, operating as an overseer and a maker of recommendations to the Board for its consideration and final approval. The Audit Committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

As part of its charter, the Audit Committee adopted the Terms of Reference approved by the 670 Venture Capital Board and conducted its affairs and discharged its responsibilities in compliance with these terms during the reporting period. The Audit Committee is independent and consists of a non-executive director MJ van der Mescht (Chairman) and two other non-executive directors, Thys du Preez and GC Swanepoel.

The Chairman of the Audit Committee may invite any other member of management or staff or external auditors or any other individuals external to the 670 Venture Capital Limited and its subsidiary to attend meetings in order to provide advice, facilitation or clarification regarding any audit related issues.

The Audit Committee has two scheduled meetings per year, with the authority to convene additional meetings if required.

Key Objectives

The Audit Committee has the following key objectives:

1. To oversee the appointment of the auditors and the audit process of 670 Venture limited including the approval of the audit fee.

2. To report and make recommendations to the Board on 670 Venture Capital Limited's accounting policies, financial controls, records, reporting and annual financial statements.

3. To provide a forum at which constructive and open interaction can take place with executive management regarding all audit related matters.

External auditors

The Audit Committee is satisfied that the external auditor, BDO Cape Incorporated, is independent of 670 Venture Capital Limited. The Audit Committee, in consultation with executive management, agreed to the auditor's engagement letter, terms of appointment, audit plan and audit fees for the financial year ended 31 March 2019.

Financial statements

The Audit Committee has reviewed the financial statements of 670 Venture Capital Limited and is satisfied that they comply in all material respects with International Financial Reporting Standards for small and medium sized entities and the requirements of the Companies Act of South Africa (as amended).

MJ van der Mescht
Chairman Audit Committee

BDO

Dx 158 Cape Town
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Chartered Accountants (SA)
6th Floor, BDO House
123 Hertzog Boulevard, Foreshore,
Cape Town, 8001

PO Box 2275, Cape Town, 8000

Independent Auditor's Report
To the *Members* of
670 Venture Capital Limited

Opinion

We have audited the separate financial statements of 670 Venture Capital Limited set out on pages 10 to 22, which comprise the separate statement of financial position as at 31 March 2019, and the separate statement of profit or loss and other comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of 670 Venture Capital Limited as at 31 March 2019 , and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other Matter

The directors of 670 Venture Capital Limited have prepared consolidated financial statements in accordance with the requirements of the International Financial Reporting Standard for Small and Medium-sized Entities, which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. These are available on request.

We were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the consolidated financial statements and therefore we issued a Disclaimer of Opinion on the consolidated financial statements of 670 Venture Capital Limited.

Other information

The directors are responsible for the other information. The other information comprises the information presented on page 23 and the Directors' Report and Audit Committee Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

BDO

misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Cape Inc

BDO Cape Incorporated
Registered Auditors

Marnus Fourie
Director
Registered Auditor
31 July 2019

6th Floor, BDO House
119-123 Hertzog Boulevard
Foreshore
Cape Town
8001

Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 4 to 6.

The annual financial statements set out on pages 8 to 23, which have been prepared on the going concern basis, were approved by the board of directors on 30 July 2019 and were signed on its behalf by:

AWC Marais
Chief Executive Officer
Authorised Director

OJ Goosen
Executive Director
Authorised Director

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of 670 Venture Capital Limited for the year ended 31 March 2019.

1. Nature of business

670 Venture Capital Limited is registered as a "venture capital company" in terms of the provisions of section 12J of the Income Tax Act and its sole objective is the management of investments in companies which are classified as "qualifying companies" for the purposes of the Income Tax Act.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

During the year under review the company acquired 488 ordinary shares, equivalent to 69.91%, in Seam Investments Proprietary Limited for the consideration of R2,443,063.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

During the year under review there was a issue of 7,274 A-ordinary shares for a total consideration of R7,427,077.

Refer to note 6 of the annual financial statements for detail of the movement in authorised and issued share capital.

4. Dividends

A dividend of R19,667 was accrued to participating preference shareholders during the year under review.

5. Directors

The directors in office at the date of this report are as follows:

Directors	Changes
GC Swanepoel	
AWC Marais	Appointed 23 July 2018
OJ Goosen	
AP du Preez	Appointed 01 October 2018
MJ van der Mescht	
MM du Preez	Resigned 16 October 2018
RJ Hamman	Resigned 16 October 2018

6. Holding entity

The company's holding entity is 670 Owner Trust which holds 100% (2018: 100%) of the company's ordinary shares. 670 Owner Trust is registered in South Africa.

7. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Directors' Report

8. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

9. Auditors

BDO Cape Incorporated continued in office, in accordance with Section 90 of the Companies Act of South Africa, as auditors for 2019.

10. Secretary

The company secretary is Adams, Schouw & Cain 2 Inc.

Postal address	
	P.O. Box 2244 Hermanus 7200
Business address	
	9 Mitchell Street Hermanus 7200

Statement of Financial Position as at 31 March 2019

	Notes	2019 R	2018 R
Assets			
Non-Current Assets			
Investments in subsidiaries	2	2,670,587	-
Other financial assets	3	788,458	1,000,000
		3,459,045	**1,000,000**
Current Assets			
Trade and other receivables	4	-	43,000
Cash and cash equivalents	5	15,397,245	10,056,844
		15,397,245	**10,099,844**
Total Assets		**18,856,290**	**11,099,844**
Equity and Liabilities			
Equity			
Share capital	6	18,573,633	11,146,556
Retained income		191,438	(87,301)
		18,765,071	**11,059,255**
Liabilities			
Non-Current Liabilities			
Deferred tax	7	3,591	-
Current Liabilities			
Trade and other payables		64,655	31,083
Current tax payable		3,306	9,506
Dividend payable		19,667	-
		87,628	**40,589**
Total Liabilities		**91,219**	**40,589**
Total Equity and Liabilities		**18,856,290**	**11,099,844**

MK

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2019 R	2018 R
Revenue	8	411,818	147,698
Operating expenses		(222,679)	(236,244)
Operating profit (loss)	9	**189,139**	**(88,546)**
Movement in unrealised fair value of assets	10	15,982	-
Realised gains on sale of assets		157,514	36,116
Profit (loss) before taxation		**362,635**	**(52,430)**
Taxation	11	(64,229)	(25,086)
Profit (loss) for the year		**298,406**	**(77,516)**
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		**298,406**	**(77,516)**

Statement of Changes in Equity

	Share capital R	Share premium R	Total share capital R	Retained income R	Total equity R
Balance at 01 April 2017	**2,930,101**	**29,999**	**2,960,100**	**(9,785)**	**2,950,315**
Loss for the year	-	-	-	(77,516)	(77,516)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	**(77,516)**	**(77,516)**
Issue of Ordinary Shares	8,186,456	-	8,186,456	-	8,186,456
Total changes	**8,186,456**	-	**8,186,456**	-	**8,186,456**
Balance at 01 April 2018	**11,116,557**	**29,999**	**11,146,556**	**(87,301)**	**11,059,255**
Profit for the year	-	-	-	298,406	298,406
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	**298,406**	**298,406**
Issue of Ordinary Shares	7,427,077	-	7,427,077	-	7,427,077
Dividends accrued - Participation Preference Shares	-	-	-	(19,667)	(19,667)
Total changes	**7,427,077**	-	**7,427,077**	**(19,667)**	**7,407,410**
Balance at 31 March 2019	**18,543,634**	**29,999**	**18,573,633**	**191,438**	**18,765,071**

NWC

Statement of Cash Flows

	Notes	2019 R	2018 R
Cash flows from operating activities			
Cash generated from (used in) operations	12	265,711	(64,347)
Tax paid	13	(66,838)	(11,775)
Net cash from operating activities		**198,873**	**(76,122)**
Cash flows from investing activities			
Acquisition of investment in subsidiary		(2,443,063)	-
Purchase of other financial assets		(10,257,127)	(1,000,000)
Sale of other financial assets		10,414,641	-
Net cash from investing activities		**(2,285,549)**	**(1,000,000)**
Cash flows from financing activities			
Proceeds on share issue	6	7,427,077	8,186,456
Total cash movement for the period		**5,340,401**	**7,110,334**
Cash at the beginning of the year		10,056,844	2,946,510
Total cash at end of the period	5	**15,397,245**	**10,056,844**

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

In preparing the annual financial statements, management are required to make judgements, estimates and assumptions that affect the amounts presented in the annual financial statements and related disclosures. Use of available information and critical judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are detailed in the accounting policies and/or notes to the annual financial statements.

Key sources of estimation uncertainty

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amonts that were initially recorded, such a differences will impact the income tax and deferred tax provisions in the periods in wich such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.2 Investments in subsidiaries

Investments in subsidiaries are measured at fair value through profit or loss.

The company did prepare consolidated annual financial statements and is available upon request.

Accounting Policies

1.3 Financial instruments

Initial measurement

In terms of section 11 of the International Financial Reporting Standard for Small and Medium-sized Entities, the company has elected to recognise its financial instruments at amortised cost for the first 12 months after acquisition and at fair value through profit and loss after 12 months.

Classification

The company classifies its financial instruments into the following categories: loans and receivables and financial liabilities at amortised cost. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. These include cash and cash equivalents.

b) Financial liabilities at amortised cost

Financial liabilities are recognised initially at fair value, net of transaction costs incurred. Financial liabilities are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. This includes the loan form a group company.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

1.4 Share capital and equity

Ordinary shares are classified as equity.

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Accounting Policies

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences.

Deferred tax assets and liabilities are measured at an amount that includes the effect of the possible outcomes of a review by the tax authorities using tax rates that, on the basis of enacted or substantively enacted tax law at the end of the reporting period, are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax asset balances are reviewed at every reporting date. When necessary, a valuation allowance is recognised against the deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realised on the basis of current or future taxable profit.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the taxes arise from a transaction or event which is recognised, in the same or a different period, to other comprehensive income.

1.6 Revenue

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

Notes to the Annual Financial Statements

	2019 R	2018 R

2. Investments in subsidiaries

	% holding 2019	% holding 2018	Carrying amount 2019	Carrying amount 2018
Seam Investments Proprietary Limited	69.91	-	2,670,587	-

Seam Investments Proprietary Limited is incorporated in South Africa and renders specialised operating rental solutions to corporate clients.

The carrying amount of the subsidiary is calculated by using the net present value of the future cash flows over the remaining life of the contracts it holds with its clients. The discount rate used is in line with that of the operating rental contracts.

Movement in subsidiary - 2019	2018 Carrying amount	Additions / (sales)	Movement in unrealised fair value	Realised gain (loss) on disposal	2019 Carrying amount
Seam Investments Proprietary Limited	-	2,443,063	227,524	-	2,670,587

3. Other financial assets

Shares at fair value

	2019 R	2018 R
Thunderbolt Solutions Proprietary Limited	788,458	1,000,000

Thunderbolt Solutions Proprietary Limited is a leading supplier of capital equipment, consumables, spares and specialist paper products to the Southern African graphic arts and printing industry.

Thunderbolt is classified as an unlisted private company with illiquid shares.

Thunderbolt consist of 3 companies, being the established Thunderbolt Solutions Proprietary Limited and Thunderbolt Graphics Proprietary Limited and newly established, Thunderbolt Print and Paper Proprietary Limited.

The established companies are valued using a maintainable earnings multiple approach while the newly established company is valued based on the net realisable cash value.

Notes to the Annual Financial Statements

	2019 R	2018 R

3. Other financial assets (continued)

Movement in other financial assets - 2019	2018 Carrying amount	Additions / (sales)	Movement in unrealised fair value	Realised gain (loss) on disposal	2019 Carrying amount
Thunderbolt Solutions Proprietary Limited	1,000,000	-	(211,542)	-	788,458

Movement in other financial assets - 2018	2017 Carrying value	Additions / (sales)	Movement in unrealised fair value	Realised gain (loss) on disposal	2018 Carrying amount
Thunderbolt Solutions Proprietary Limited	-	1,000,000	-	-	1,000,000

4. Trade and other receivables

	2019 R	2018 R
Amounts due for preference shares	-	43,000

5. Cash and cash equivalents

Cash and cash equivalents consist of:

	2019 R	2018 R
Bank balances	20,584	40,856
Call account balances	15,376,661	10,015,988
	15,397,245	**10,056,844**

The call account balances consist of a call account with a 48 hour notice period.

Notes to the Annual Financial Statements

	2019 R	2018 R
6. Share capital		
Authorised		
120 Ordinary Shares of R1 each	120	1,000
1,000,000 A Ordinary Shares at no par value	1,000,000	1,000,000
10,000 B Venture Capital Shares at no par value	10,000	10,000
10,000 C Venture Capital Shares at no par value	10,000	10,000
10,000 D Venture Capital Shares at no par value	10,000	10,000
10,000 E Venture Capital Shares at no par value	10,000	10,000
10,000 F Venture Capital Shares at no par value	10,000	10,000
10,000 Participation Preference Shares at no par value	10,000	10,000
	1,060,120	**1,061,000**
Issued		
101 Ordinary Shares of R1 each	101	101
18,194 A Ordinary Shares at no par value	18,500,533	11,073,456
10,000 Participation Preference Shares	43,000	43,000
Share premium	29,999	29,999
	18,573,633	**11,146,556**
Reconciliation of number of shares issued:		
Opening balance	21,021	3,031
Issue of shares – A Ordinary Shares	7,274	7,990
Issue of shares – Participation Preference Shares	-	10,000
	28,295	**21,021**

Each Ordinary Share entitles the holder to 100,000 votes on any matter to be decided by a vote of shareholders of the Company. Ordinary shares have no right to participate in any distribution of profit to the shareholders or any share in the distribution of the Company's residual value upon its dissolution.

Each A Ordinary Share entitles the holder to one vote on any matter to be decided by a vote of shareholders of the Company. A Ordinary shares participates pro rata in any distribution between all holders of A Ordinary Shares and also share in the distribution of the Company's residual value upon its dissolution pro rata between all holders of A Ordinary Shares.

The 10,000 Cumulative Participation Preference Shares are held by TBI Investment Managers Proprietary Limited. The annual participation dividend will be calculated at 10% of the growth on the investment value of the company. Each Preference Share entitles the holder to one vote on all preference share related matters to be decided by a vote of preference shareholders of the company.

Notes to the Annual Financial Statements

	2019 R	2018 R
7. Deferred tax		
Deferred tax liability		
Temporary difference on movement in fair value of assets	(3,591)	-
Deferred tax asset		
Reconciliation of deferred tax asset \ (liability)		
Temporary difference on movement in fair value of assets	(3,591)	-
8. Revenue		
Interest received (trading)	157,107	99,508
Dividends received (Trading)	254,711	48,190
	411,818	**147,698**
9. Profit before tax		
Profit before tax for the year is stated after accounting for the following:		
Operating expenses		
Auditor services	23,000	6,840
Administration fees	111,743	31,083
	134,743	**37,923**

The Administration fees were paid to TBI Investment Managers Proprietary Limited and are in terms of a Administration and Service Agreement.

	2019 R	2018 R
10. Movement in unrealised fair value of assets		
Investment in subsidiaries	227,524	-
Other financial assets	(211,542)	-
	15,982	-

Notes to the Annual Financial Statements

	2019 R	2018 R
11. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	60,638	21,281
Deferred		
Originating and reversing temporary differences	3,591	-
Tax losses available for set off against future taxable income	-	3,805
	3,591	3,805
	64,229	25,086
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting (loss) profit before tax	362,635	(52,430)
Tax at the applicable tax rate of 28% (2018: 28%)	101,538	(14,680)
Tax effect of adjustments on taxable income		
Movement in unrealised fair value of assets	(884)	-
Expenses not deductible	43,715	55,281
Non-taxable income	(71,319)	(13,493)
Non-taxable portion of capital gain	(8,821)	(2,022)
	64,229	25,086

Notes to the Annual Financial Statements

	2019 R	2018 R
12. Cash generated from (used in) operations		
Profit (loss) before taxation	362,635	(52,430)
Adjustments for:		
Realised gain on sale of asset	(157,514)	-
Movement in unrealised fair value of assets	(15,982)	-
Changes in working capital:		
Trade and other receivables	43,000	(43,000)
Trade and other payables	33,572	31,083
	265,711	**(64,347)**

13. Tax paid

	2019 R	2018 R
Balance at beginning of the year	(9,506)	-
Current tax for the year recognised in profit (loss) or loss	(60,638)	(21,281)
Balance at end of the year	3,306	9,506
	(66,838)	**(11,775)**

14. Related parties

Relationships

Holding entity	670 Owner Trust
Companies associated with directors	TBI Investment Managers Proprietary Limited
Members of key management	GC Swanepoel AWC Marais OJ Goosen AP du Preez MJ van der Mescht

Related party balances

	2019 R	2018 R
Loan accounts - Owing by related parties		
TBI Investment Managers Proprietary Limited	-	43,000

Related party transactions

	2019 R	2018 R
Administrat fees to related parties		
TBI Investment Managers Proprietary Limited	111,743	31,083
Capital raising administration costs paid to related parties		
TBI Investment Managers Proprietary Limited	-	30,000

15. Directors' remuneration

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

670 Venture Capital Limited

(Registration number 2006/021343/06)
Annual Financial Statements for the year ended 31 March 2019

Detailed Income Statement

	Note(s)	2019 R	2018 R
Revenue			
Interest received		157,107	99,508
Dividends received		254,711	48,190
	8	**411,818**	**147,698**
Other income			
Movement in unrealised fair value of subsidiary	10	227,524	-
Realised gains on sale of assets		157,514	36,116
		385,038	36,116
Operating expenses			
Administration fees		111,743	31,083
Auditors remuneration		23,000	6,840
Bank charges		1,640	1,097
Capital raising costs		19,075	128,000
Compliance fees		18,900	10,500
Hosting fees		573	-
Legal fees		35,819	50,645
Secretarial fees		5,677	1,775
Subscriptions		6,252	6,304
		222,679	236,244
Operating profit (loss)	9	**574,177**	**(52,430)**
Movement in unrealised fair value of other financial assets	10	(211,542)	-
Profit (loss) before taxation		362,635	(52,430)
Taxation	11	(64,229)	(25,086)
Profit for the period		**298,406**	**(77,516)**

The supplementary information presented does not form part of the annual financial statements and is unaudited

14. Background and Purpose of Delegated Mandate

The Company is a South African Venture Capital Company registered in accordance with Section 12J of the Income Tax Act. The Company has an investment strategy focussing on high dividend yielding investments and capital preservation with no fixed holding period but which strictly adheres to the requirements of Section 12J.

The purpose of this Delegated Mandate is to:

- Document the establishment and functions of the Investment Committee ("the Committee") as a formal sub-committee under the authority of the Board; and
- Document the authority delegated by the Board and the terms of reference of the Committee.

15. Committee

2.1 Establishment

A Committee has been established by the Board. The Committee consists of members nominated by the Board and shall include at least two non-executive directors, one of whom shall be the chairman of the Committee. The Committee is, with the consent of the Board, entitled to appoint external investment professionals or other advisors on a permanent or ad-hoc basis based on specific expertise.

The Committee semi-annually or whenever required on not less than 48 hours written notice given by the chairman. The quorum for meetings of the Committee is at least 50% of its members. The chairman of the Committee may invite persons other than the members to attend meetings.

The minutes of meetings of the Committee are circulated promptly to members of the Committee and the Board.

2.2 Responsibility

It is the responsibility of the Committee to:

- Evaluate and approve all new investment proposals and consequent investment decisions, consistent with this Delegated Mandate;
- Monitor the performance, long-term growth strategies and strategic direction of investee companies;
- Approve the allocation of responsibility for monitoring investments to members of the management team or other external persons;
- Monitor the investment performance of the investment portfolio and advise the Board semi-annually on the performance relative to the Target Net After Tax Return;
- Review the investment objectives and mandate of the Company annually and make recommendations to the Board;
- Ensure adherence to the terms of this Delegated Mandate; and
- Approve the valuations, presented by management, of investments in line with the Company's valuation policies and best practice.

2.3 Decision Making

The Committee evaluates whether investments presented to the Committee are suitable investments consistent with the Investment Mandate set out in paragraph 4 below, the Company's objectives and Section 12J.

The Company's investment portfolio is monitored on an ongoing basis and reviewed on a semi-annual basis by the Committee, with semi-annual reporting to the Board.

Decisions of the Committee are taken on a unanimous consensus basis. If members of the Committee are unable to reach consensus on any matter, such matter shall be referred to the Board.

16. Authority

The Committee may approve investments which meet the Company's Investment Mandate, where the amount of the investment does not exceed 20% of the proceeds of the Company's share issues.

The Committee must obtain prior Board approval for all costs and disbursements to be incurred by the Committee.

17. Investment Mandate

The following is the Investment Mandate of the Company, provided by the Board and shareholders of the Company:

Investment Objectives	The investment objectives of the Company are to: • Use its long-term capital to acquire investments within the asset allocation guidelines and the time frames applicable to Section 12J; • Invest in Qualifying Companies, with strong dividend yield and capital preservation potential; • Partner with strong management teams or investing partners, with experience in the selected industry; • Hold such investments with a long-term investment view.
Investment Mandate	The Company has an investment mandate which adheres strictly to Section 12J. The Company's investment mandate is to develop a well-diversified investment portfolio, which will be an attractive proposition for private investors, maximizing dividends and generating superior after-tax returns while aiming to preserve capital for shareholders over the long-term; in line with the Investment Strategy below. The portfolio will consist of equity investments made in high yielding Qualifying Companies with predictable and contractual amortising revenue streams providing consistent return on investment. Targeted Qualifying Companies typically holds a portfolio of rental assets, rented to selected South African corporate clients, in terms of operating rental agreements. The Company will not invest in companies that enters into any finance leases or hire purchase agreements. The Company will not invest in any "junior mining company", as defined by the Income Tax Act. The investment mandate of the Company is otherwise unconstrained and not limited to any particular market sector or industry. The Company's investments have no fixed holding period.
Investment Strategy	The investment focus is on risk mitigation and capital preservation through an investment strategy that aims to deliver superior after-tax returns, uncorrelated to traditional investment markets. The investments should provide attractive dividend returns with a lower risk vs return profile than traditional private equity instruments and should be replicable, allowing for larger-scale rollouts. The return profile is focused on capital preservation, with a self-liquidating underlying portfolio. Investments will be made in businesses and industries focusing on operating rental assets including but not limited to IT equipment and software, security and access control equipment, renewable energy (production, storage and energy monitoring and efficiency) systems and equipment, power generation and medical equipment. Ora Capital applies a hands-on investment approach, assisting management teams of investee companies and providing strategic input, without assuming direct operational responsibility. Investment decisions are made on a case-by-case basis, depending on circumstances prevailing at the time and as opportunities are presented.

	The Company's investments are assessed on a continuous basis, based on the relative attractiveness of the investments compared to the market and other available opportunities.
Authorised Investments	Investments are made in: • Qualifying Shares in Qualifying Companies with a high yielding dividend and capital preservation mandate and potential holding assets with an amortizing profile in line with the Company's Investment Mandate. • Liquid Investments and other investments that add to shareholder value, assist in the management of liquidity and/or provides additional shareholder benefits such as asset class diversification that fall within the provisions of Section 12J.
Asset Allocation	The investments of the Company will be managed in order to comply with Section 12J (6A). In any Applicable Year: • At least 80% of the investments made by the Company (expenditure incurred by the Company to acquire assets) must have been made to acquire Qualifying Shares in Qualifying Companies holding assets with a book value not exceeding R 50 million immediately following the investment; and • No more than 20% of the proceeds of the Company's share issues must have been utilised to acquire Qualifying Shares in any one Qualifying Company.
Target Net After Tax Return to Individual Investors	Consumer Price Index plus 15% per annum, over a rolling five-year investment period. The return is calculated (after deducting any administration fees and expenses and performance participation), on an after-tax basis, taking into account the upfront income tax relief for investors, dividends tax payable and capital gains tax payable on realisation after 5 years. The tax relief applies to individual tax payers at a marginal tax rate of 45%.
Targeted Dividend Policy	Subject to solvency and liquidity, the targeted dividend yield is between 9% - 11%. The targeted dividend yield is based on the investors' net invested equity, after taking into account the upfront tax relief on the investment and before taking into account dividend withholding tax. The tax relief applies to individual tax payers at a marginal tax rate of 45%. Dividends are expected to be declared to shareholders on a quarterly basis.
Geographic Focus	The Company invests mainly in South Africa.
Liquidity and Borrowing Limits	Should circumstances warrant, borrowing may be employed subject to a maximum gearing limit of 50%. Gearing is defined as the ratio of total interest-bearing debt to total assets of the Company, expressed as a percentage. Liquidity is achieved by holding Liquid Assets. The Company's liquidity is monitored on an on-going basis. The objective is to ensure that the Company has sufficient liquidity to meet its cash flow requirements. Where additional funds are required for investment purposes, cash may be raised by issuing new Venture Capital Shares, selling less attractive investments or by raising debt financing. In the absence of attractive investment opportunities, capital may be invested in Liquid Assets or returned to shareholders.
Liquid Assets	Cash at bank, money market instruments, bonds and notes, collective investments schemes in securities that are classified as money-market or

	income funds.
Qualifying Shares[8]	Section 12J defines a Qualifying share as an equity share held by the Company which has been issued to the Company by a Qualifying Company, not including any share which: • Would have constituted a hybrid equity instrument, as defined in section 8E (1) of the Income Tax Act, but for the three-year period requirement contemplated in the definition of "hybrid equity instrument" in that section of the Income Tax Act; or • Constitutes a third-party backed share as defined in section 8EA (1) of the Income Tax Act.
Qualifying Companies[1]	Investee companies that strictly comply with the requirements of Section 12J. A company will not be a Qualifying Company if: • It is not a tax resident of South Africa; • More than 70% of its equity shares are held, directly or indirectly, by a group of companies if the Company also forms part of that group; • Its tax affairs are not in order or it has not complied with all relevant tax laws; • It is a listed company; • It is carrying on an Impermissible Trade; • In any Applicable Year, its investment income exceeds 20% of its gross income; • In any Applicable Year, more that 50% of the amounts received by or accruing to that company are derived from a shareholder in the Company (or is a connected person in relation to that shareholder); • More than 50% of the participation rights or voting rights in that company are held, directly or indirectly or together with any connected person, by a shareholder in the Company; and • It carries on any trade in relation to a venture, business or undertaking (or part thereof) that was acquired by that company, directly or indirectly, from a shareholder in the Company (or a connected person in relation to that shareholder).
Impermissible Trades[1]	Section 12J defines an Impermissible Trade as a trade that is carried on: • In respect of immovable property, other than a trade carried on as an hotel keeper; • By a bank as defined in the Banks Act No. 94 of 1990, a long-term insurer as defined in the Long-Term Insurance Act No. 52 of 1998, a short term insurer as defined in the Short-Term Insurance Act No. 53 of 1998, and any trade carried on in respect of money-lending or hire-purchase financing; • In respect of financial or advisory services, including trade in respect of legal services, tax advisory services, stock broking services, management consulting services, auditing or accounting services; • In respect of gambling, liquor, tobacco, arms or ammunition; or • Mainly outside the Republic.
Applicable Year	Each year of assessment that ends on an Operative Date.

[8] *In terms of the provisions of Section 12J as amended from time to time.*

Operative Date	The end of the first year of assessment after the first date of issue of Venture Capital Shares and the end of each subsequent year of assessment. In the Company's case, the Operative Date is 31 December 2020 and 31 December of each subsequent year.
Venture Capital Shares	Equity shares issued by the Company other than any share which would have constituted a hybrid equity instrument as defined in section 8E (1) of the Income Tax Act but for the three year requirement in the definition of "hybrid equity instrument" in that section or would have constituted a third party backed share as defined in section 8 (EA) (1) of the Income Tax Act.

Large Business Centre
Venture Capital Company Office

Enquiries
Tony Venables

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(011) 602 2000

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011 602 3730

Facsimile
011 602 3525

E-mail
avenables@sars.gov.za

Sector
VCC Office

Reference
9220/298/16/1

Date
26 February 2016

The Public Officer
670 Venture Capital (Pty) Ltd
P O Box 21168
Parow
Western Cape
7499

Attention: Wynand Marais

South African Revenue Service

Large Business Centre

1st Floor, Blocks A and B,
Megawatt Park, Maxwell Drive,
Sunninghill, Sandton
(No postal deliveries to this address)

Private Bag X170, Rivonia, 2128

SARS online: www.sars.gov.za

Dear Sir / Madam

670 VENTURE CAPITAL (PTY) LIMITED

APPROVAL OF APPLICATION FOR VENTURE CAPITAL COMPANY STATUS

I refer to your application to register as a Venture Capital Company (VCC) in terms of section 12J of the Income Tax Act No 58 of 1962 ("the Act").

The application has been successful and the company is now an approved VCC.

Your reference number is VCC-0032. Please quote this reference number when communicating with SARS.

Please note that should the company at any stage fail to comply with the provisions of section 12J of the Act the approval may be withdrawn and the company could become liable for penalties. You may refer to the VCC reference guide on the SARS website for guidance in this regard.

Yours faithfully

Tony Venables
for Commissioner: SARS

Kgaitsewe Mofolo

Ora Capital Limited
Registration number 2006/021343/06
FSP Licence number 46653
(Incorporated under the laws of South Africa)

APPLICATION FORM FOR A-VENTURE CAPITAL SHARES

The definitions used in the Prospectus to which this form is attached, apply to this Application Form.

Opening Date of the Offer	**11 November 2019**
Deadline to submit Application form and FICA	**24 February 2020**
Deadline to submit Proof of Payment of gross subscription consideration	**27 February 2020**
Closing Date of the Offer	**28 February 2020**

In respect of the Offer at a subscription price per A Venture Capital Share as stated below, in accordance with the terms of the Prospectus.

Important information

- Applicants who wish to subscribe for A-Venture Capital Shares should submit their applications via post or e-mail to:

  E-mail Address invest@oracapital.co.za

  Physical Address 3rd Floor, FedGroup Place, 35 Willie van Schoor Avenue, Bellville, 7530

- The following documents should accompany this Application Form:
  - Proof of payment of the subscription consideration;
  - The documentation required in terms of FICA, if such documents had not been previously provided to the Company by the applicant. An individual Offeree must submit proof of residential address (not older than 3 months), a certified copy of his or her ID document or passport and proof of bank account details in the form of a copy of a cancelled cheque, bank statement or letter from the bank (not older than 3 months. The FICA documentation required for other types of Offerees are listed under FICA Requirements at http://tbi.co.za/wp-content/uploads/2018/01/TBI-FICA-Requirements_2018.pdf; and
- Please complete this Application Form in black ink.
- Payment of the subscription consideration must be made into the following bank account of the Company:

Bank	FNB		
Branch	Willowbridge	**Branch Code**	250655
Account Name	Ora Capital Limited	**Account Number**	62669742168

1) Application for A-Venture Capital Shares and investor details

Application for A-Venture Capital Shares

To the Directors

1. I/We, the undersigned, confirm that I/we have full legal capacity to contract and having read the Prospectus, hereby request you to accept my/our application for the number of A-Venture Capital Shares stated below or any lesser number of A-Venture Capital Shares that may, at your absolute discretion, be allotted to me/us.
2. I/We hereby apply for the following number of new A-Venture Capital Shares in the Company at the price per A Venture Capital Share stated below, for the following consideration, based on the terms and conditions of the Prospectus.

Subscription Price per A Venture Capital Share :	**R 1 035.65**
Gross subscription consideration Rand value (enter figures only, not words) (being not less than R 100 000 and not more than R 5 000 000 per application):	**R**

Less: Upfront Financial Advisor fee (as set out in the Financial Advisor details in 2) below)	R
Net subscription consideration Rand value	R

Investor details

Title:	**Mr**		**Mrs**		**Miss**		**Other**	
Full Name:							
Registered Name of Legal Entity:							
Entity Registration Number:							

ID Number:		**Tax Number:**	
Physical Address:		**Postal Address:**	
	Code:		**Code:**
Telephone:		**Cell phone:**	
E-mail Address:		**Contact Person:**	

Source of funds

Source of Funds *Please tick appropriate block*	**Salary**	**Trading Income**	**Investments**	**Pension Pay-out**	**Matured Policy**	**Retirement Annuity**
	If other, please specify					
	Employer:					
	Occupation:					

Bank account details

Payments (dividend payments or refunds) will be made into the nominated bank account of the Offeree only. No third party payments will be made. The Offeree's nominated bank account is as follows:

Bank:	
Account Name:	
Branch Code:	
Account Number:	

2) Financial advisor details and fees

If you have appointed a financial advisor, please complete the section below.

Name of Financial Advisor:			
Name of Company:			
E-mail:			
Telephone:		**Cell phone:**	

Please complete the sections below, as applicable.

Upfront advice fee

Upfront advice fee: ________ % of the gross subscription consideration, equal to R________ (excluding VAT).

The upfront advice fee stated above will be deducted from your subscription amount

The upfront advice fee indicated above is over and above the normal annual administration fee charged by the Company.

Ongoing financial advice fee

Ongoing Fee: ______% per annum of the value of the investor's shareholding in the Company (excluding VAT).

The investor agrees as follows:

1. The Ongoing Fee shall be calculated monthly, on the last Business Day of each month during the relevant financial year of the Company by multiplying the number of A-Venture Capital Shares held by the investor and the month end share price of the A-Venture Capital Shares.
2. Payment of the Ongoing Fee shall be made in respect of each Payment Period on behalf of the investor by the Company deducting an amount equal to the Ongoing Fee from any distribution (net of dividends tax) in respect of A-Venture Capital Shares payable to the investor.
3. If the aggregate amount of distributions paid by the Company in respect of the A-Venture Capital Shares held by the investor during a Payment Period, is less than the Ongoing Fee amount owed to the FSP in respect of such Payment Period, the outstanding balance of such fees shall be paid from the distributions due to the investor in the next occurring Payment Period (subject again to the distribution received from the Company at that time being sufficient). Should the distributions received by the investor over the total period during which it holds A-Venture Capital Shares, be less than the aggregate amount of Ongoing Fees payable by the investor to the FSP during such period, then the outstanding balance of the Ongoing Fees due will be settled from the proceeds of the realisation of the investor's A-Venture Capital Shares.
4. If:

4.1 any distribution amount payable to the investor in respect of a particular Payment Period is insufficient to pay the Ongoing Fee due to the FSP in respect of such Payment Period, no interest shall accrue in favour of the FSP in respect of any of the unpaid balance of the Ongoing Fee; and

4.2 if at realisation of the A-Venture Capital Shares of the investor, the realisation proceeds are less than any amount owing to the FSP in respect of Ongoing Fees, the FSP shall not be entitled to claim such unpaid balance from the Company or the Administrators.

Participation fee

Participation fee of 0.50%% per annum, paid out of the administration fee paid to the Administrators (excluding VAT).The Administrators are entitled to an administration fee of **2% per annum** (excluding VAT) of the average of the Investment Value on the last Business Day of each month during the relevant financial year (the "Administration **Fee**").

FSP licence

I declare that I am a licensed financial services provider or a representative of a licensed financial service provider. I am authorised to sell shares.

FSP licence number

FICA declaration

I confirm that I have identified the investor of this application, as well as the person acting on their behalf (if applicable). I have verified their identity in line with the requirements of the Financial Intelligence Centre Act, 38 of 2001 ("FICA"), and any legislation, regulations or guidelines related to it. I will keep a record of the verification documents as required in terms of FICA. I will make available, on request, copies of these documents as well as details of the verification procedures followed.

____

Signature of Financial Advisor

3) Investor acknowledgement

I/we acknowledge the following:

1. This application is made pursuant to an Offer issued by the Company inviting applicants to participate in a subscription for A-Venture Capital Shares in the Company.
2. This application is made based on the terms and conditions contained in the Prospectus to which this Application Form is attached. Applicants should consult their brokers, bankers, or other professional Administrators in case of doubt as to the correct completion of this Application Form.
3. The Prospectus is for the confidential use of those persons to whom it is transmitted in connection with the Offer and is not to be re-produced for any other purpose or distributed to, or used or accepted by, any other person.
4. The Directors reserve the right to accept, either in whole or in part, or reject any applications.
5. If the Company is not able to reconcile a payment or proof of payment with a particular application for A-Venture Capital Shares, it will not make any allocation of A-Venture Capital Shares.
6. Should a shareholder be exempt from dividends tax or is liable for dividends tax at a reduced rate, then such shareholder should contact the Company and obtain a dividend information form that should be completed, signed and returned to the Company. Failure to do so will result in dividends tax being deducted from dividends declared by the Company.
7. All alterations to this Application Form must be authenticated by a full signature.
8. No receipts will be issued for Application Forms.
9. The upfront advice fee stated above (where applicable) will be deducted from the gross subscription amount.

Date:	
Signature:	
Assisted by (where applicable)	

I/ we also acknowledge and confirm that:

1. I/we am/are responsible for my/our own investment research and my/our decision to invest in shares issued by the Company.
2. I/we understand that the information provided in the Prospectus is general in nature and provided for informative purposes only, does not constitute financial advice or investment advice and does not take into account my/our personal situation.
3. I/we have taken such professional and investment advice as I/we consider appropriate before taking the decision to invest.

Date:	
Signature:	
Assisted by (where applicable)	