

**Silverleaf Investments Limited**  
(Formerly Pure Capital Assets Limited)

(Incorporated in the Republic of South Africa)  
(Registration number 2018/374812/06)  
(FSP number: 49754)  
(VCC number: VCC-0155)  
("Silverleaf" or "the Company")



A Venture Capital Company as defined  
by the Income Tax Act 58 of 1962 as amended.

## PROSPECTUS

This is a Prospectus for an offer to subscribe through the Easy Equities platform for  
**7 000 Ordinary Shares of no par value at an issue price of R1 000 per share.**

If an investor would like to take part in this offer, the minimum subscription needed is 0.001 of a share,  
for a subscription value of R1. Silverleaf seeks to raise a total equity amount of R7 000 000 and a minimum of R500 000.  
This includes the projected issuing expenses excluding VAT.

If the minimum amount is not raised, the Offer will become null and void. All monies received will be returned to the Investors and  
no Shares will be issued.

Opening date of the Offer	10:30 on Monday, 4 July 2022
Closing date of the Offer	17:00 on Friday, 5 August 2022

Managed by



Administered by



*An English copy of this Prospectus and the documents referred to under "Documents" mentioned in paragraph 11 of Section 4 of this Prospectus was registered by the CIPC on 24 June 2022. It is issued in terms of the Companies Act 71 of 2008 and Companies Regulations for the purpose of providing information to the Investors wanting to participate in the Offer.*

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# PROSPECTUS

The definitions and interpretations commencing on page 10 of this Prospectus apply to this entire Prospectus (including the cover page), except where the context indicates a contrary intention.

**THE ATTENTION OF THE PUBLIC IS DRAWN TO THE FACT THAT THE SHARES ON OFFER ARE UNLISTED AND ARE NOT READILY MARKETABLE AND SHOULD BE CONSIDERED TO BE A RISK-CAPITAL INVESTMENT.**

This Prospectus includes forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; production; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditures, acquisition strategy, and expansion prospects or future capital expenditure levels and other economic factors, such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Silverleaf Investments Limited cautions that forward-looking statements are not guarantees of future performance.

These forward-looking statements have been based on current expectations and projections about future results which, although the Directors believe them to be reasonable, are not a guarantee of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Silverleaf Investments Limited operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus.

Risk factors which may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by it in the forward-looking statements include, among other things, economic decline. These risk factors are more fully described in Annexure 1 of this Prospectus.

The Directors and officers, whose names are given in *Section 1 paragraph 2* 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 written consents of the experts and advisors set out in the *Corporate Information and Advisors* section of this Prospectus have been attached to the copy of the Prospectus filed with the CIPC. Each of the undermentioned experts and advisors have consented to the use of any statement made by them in this Prospectus and/or the use of their names in this Prospectus, as the case may be, and have not withdrawn such consents as at the date of this Prospectus. The number of each applicable regulation of the Companies Regulations is given in brackets after appropriate headings or sub-headings.

This Prospectus constitutes an offer to the public and has been prepared for the purposes of complying with the Companies Act and the Companies Regulations published in terms thereof.

The release, publication or distribution of this Prospectus in jurisdictions other than South Africa may be restricted by law and therefore persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any jurisdiction.

This Prospectus and any accompanying documentation is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities in any jurisdiction in which it is illegal to make such an offer, invitation or solicitation, or such offer, invitation or solicitation may require Silverleaf Investments Limited to comply with filing and/or other regulatory obligations. In those circumstances, this Prospectus and any accompanying documentation are sent for information purposes only.

*This Prospectus is only available in English. Copies of this Prospectus may be obtained during normal business hours from the registered office of Silverleaf from 10:30 on Monday, 4 July 2022 until 17:00 on Friday, 5 August 2022.*

*Electronic copies of this Prospectus can be obtained at [www.silverleafinvestments.co.za](http://www.silverleafinvestments.co.za).*

# EXECUTIVE SUMMARY

This is a not-to-be-missed **opportunity** to become an Investor in a first-of-its-kind, Venture Capital Cannabis fund.



*Silverleaf Investments Limited offers you the chance to be a leader and invest in this first-of-its-kind Cannabis Venture Capital Fund.*

## Why Invest in Cannabis? Why Invest in Silverleaf?

**Silverleaf is part of one of the world's fastest-growing industries, offering a new asset class for investors. Across the globe, growth in Cannabis is being driven by increasing legalisation, the recognition of the medical and varied industrial uses, coupled with the ending of the stigma associated with Cannabis. The global movement to not only end prohibition but also recognise the enormous potential of Cannabis across multiple industries, is now making significant headway, making the opportunities for growth endless.**

**Cannabis is a 'sunrise industry' that offers investors the opportunity to enter on the ground floor and benefit from the exponential growth being experienced in Africa, and across the world.**

The Cannabis plant is used medically to alleviate several chronic conditions and is now gaining recognition as having multiple other medical benefits and applications. On the other hand, Hemp has widespread industrial applications and can be used for the production of paper, clothing, packaging, building materials, energy products (bioenergy) as well as health, wellness and beauty products (As an example, Levi's are making Hemp jeans and Adidas, Hemp shoes.)

Global interest in this high-growth and extremely lucrative industry has given rise to substantial local and international investment to date, with an estimated R7 Billion already invested in the South African fledgling industry. There are thousands upon thousands of applications for products from the Cannabis plant, which are gaining a strong foothold in the market. Exponential growth is being experienced as legalisation continues to transform the industry more and more.

Silverleaf Investments Limited are excited about the fact that the Cannabis and Hemp industries have the potential to be one of the largest industries in the world. Growth in the short term is being driven by the following:

- The various applications for Hemp, building material, paper, fuel, food, textiles, car parts, battery applications and use as a plastic replacement, to highlight a few. It is estimated to have thousands of uses.
- Skyrocketing international demand for natural remedies, plant-based medicine, and a focus on green and environmental awareness.
- The change in World Health Organization (WHO) classification of Cannabis, which is now viewed to have medical applications (since the recent WHO decision - December 2020 - a highly anticipated and long-delayed decision that is clearing the way for an expansion of Cannabis research and medical use).
- The growth in the use of complementary medicine as well as natural wellness products that include CBD, which is the non-psychoactive chemical compound found in Cannabis. Use of CBD amongst the elderly has significantly increased (75%) over the period 2015 to 2018 as it becomes more openly accepted as a natural remedy to treat a range of conditions common amongst elderly people. [NYU Langone News. (n.d.). *Cannabis Use Among Older Adults Has Increased 75 Percent Since 2015*. [online] Available at: <https://nyulangone.org/news/Cannabis-use-among-older-adults-has-increased-75-percent-2015>.]
- Adult recreational use of Cannabis and diminishing social stigma.

Investing in Silverleaf Investments Limited gives investors the opportunity to invest into this burgeoning ecosystem and benefit from both local and export trade opportunities.

Many of the above opportunities generate dollar-based revenue with rand-based costs as a result of exporting to foreign markets.

## A Venture Capital Company as an investment vehicle

The local Cannabis and Hemp industry is a growing industry which requires funding. Investors also need a credible, professional, and well-managed mechanism and investment vehicle to enter this dynamic, high-growth industry. Silverleaf Investments Limited, provides an ideal platform to select businesses with growth potential, to whom the fund can provide structured capital, good corporate governance, access to networks locally and internationally as well as management support.



Clear investment  
and risk strategy



Qualified and  
experienced  
investment teams



Transparent  
investor fee  
structures

*Important factors to consider when investing in a Venture Capital Company*

Silverleaf Investments Limited is a first of its kind Cannabis fund. As such, Silverleaf Investments Limited is able to provide investors with an opportunity to become part of this high-growth, lucrative and global market that is very 'on trend'. Silverleaf Investments Limited is managed by a team of highly experienced corporate financiers and industry players with extensive experience and networks.

The long-term vision for Silverleaf Investments Limited is to be recognised as a leading investment fund in the Cannabis and Hemp industries, while providing attractive returns for investors.

### The Investment:

- Investors subscribe for shares and receive a share certificate
- The minimum investment amount is R1 (0.001 of an Ordinary share at R1 000 per share)
- The maximum investment amount available to an individual investor is 20% of issued share capital of the company post investment

### Ordinary Shares:

- Targeted IRR of 20%+ on capital invested (net of fees and taxes)
- Investors are entitled to annual dividends as and when declared by the board
- The minimum investment is 0.001 of an Ordinary share

### Silverleaf Investments Limited is committed to helping government achieve their strategic development goals, which are:

- Increasing capital raising, which excitingly stimulates capital for new ventures and local investment
- Agriculture, agri-processing and beneficiation are the government's focus areas for job creation, rural economic development, and economic growth. By investing in Silverleaf Investments Limited you'll be contributing to the development of the country.
- Encouraging community involvement, economic transformation, skills development, and SMME opportunities
- Increasing export opportunities, thereby bringing foreign exchange earnings into South Africa.

## Covid-19 Impact:

The impact of the Covid-19 pandemic, although devastating for the global economy at large, has been positive for the global Cannabis industry. An array of literature has been written on CBD and Cannabis as potential treatments for COVID-19. CBD has anti-inflammatory properties, can act as a vasorelaxant, and has the ability to reduce pain and anxiety. In combination with other cannabinoids and terpenes, as well as necessary clinical intervention, CBD has much potential to treat the symptoms of a virus such as COVID-19. Cannabis consumption has increased dramatically, with many users trying Cannabis products for the first time and becoming evangelists of what many deem to be a miracle plant.

## Opportunity:

In association with Grovest, Silverleaf Investments Limited has developed an attractive venture capital company structure for individuals, trusts or companies who want to invest in Cannabis-related projects in South Africa. Grovest brings years of experience in private equity, venture capital as well as in investment management which compliments the well experienced management team of Silverleaf Investments Limited. A carefully assembled team of Cannabis industry experts and multi-disciplinary businessmen, with decades of experience in entrepreneurial and business management across multiple industries, drives investment opportunities in this new sector and asset class. An investment in Silverleaf Investments Limited should be treated as a medium- to long-term investment with associated venture capital risk.

**Manager**



**Auditor & Reporting Accountants**



**Legal Advisors to the Company**



**Administrative Manager & Compliance Officer**



**Company Secretary**

E R GOODMAN SECRETARIAL SERVICES (PTY) LTD  
2017/091079/07

**Commercial Bank**



## Corporate Information and Advisors

Business and Registered Office Address	Administrative Manager & Compliance Officer
<b>Silverleaf Investments Limited</b> Registration number: 2018/374812/06  164 Katherine Street Building 2, Pinmill Office Park Strathavon 2196  PO Box 1277 Gallo Manor 2052  Tel: 011 262 6433	<b>Grovest Proprietary Limited</b> Registration number: 2012/223909/07  164 Katherine Street Building 2, Pinmill Office Park Strathavon 2196  PO Box 1277 Gallo Manor 2052  Tel: 011 262 6433
Company Secretary	Commercial Bank
<b>E.R. Goodman Secretarial Services Proprietary Limited</b> Registration number: 2017/091079/07  1st Floor Voltex House 3 River Rd (Cnr Boeing Rd West) Bedfordview 2008  PO Box 9420 Verwoerd Park 1453  Tel: 082 308 2896	<b>FirstRand Bank Limited</b> Registration number: 1929/001225/06  Group Company Secretary's Office 4 Merchant Place, Cnr Fredman Drive and Rivonia Road 2146  PO Box 650149 Benmore 2010  Tel: 087 575 9404
Legal Advisor to the Company	Fund Manager
<b>Brett Incorporated Attorneys</b>  39A 3 <sup>rd</sup> Avenue, Illovo Johannesburg 2196  PO Box 55233 Northlands 2116  Tel: 010 980 0527	<b>Silverleaf Manco Proprietary Limited</b> Registration number: 2021/317331/07  164 Katherine Street Building 2, Pinmill Office Park Strathavon 2196  PO Box 1277 Gallo Manor 2052  Tel: 011 262 6433
Auditors & Reporting Accountants	
<b>RWFC Financial Consultants</b> Registration number: 2001/000693/21 33 Central Street Houghton Estate Johannesburg 2198  PO Box 1364 Houghton 2041  Tel: 011 483 3333	

## GENERAL STATEMENTS

Prospective Investors should consult with their own independent legal, tax, accounting, investment or other relevant advisor when contemplating any investment decisions described in this Prospectus.

The information contained herein has been prepared to assist in forming an initial view of the Offer. This Prospectus 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.

In the event of any conflict or inconsistency between the terms of this Prospectus and Silverleaf Investments Limiteds' MOI, the terms of the MOI shall prevail. In the event that it is necessary to amend the MOI in order to ensure 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.

### 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 and/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 contents of the Prospectus, makes no representations as to the accuracy or completeness thereof 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 Investors should in addition refer to **Annexure 1** of this Prospectus concerning other potential risks.

**Date of issue:** 4 July 2022

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# DEFINITIONS AND INTERPRETATIONS

In this Prospectus, unless the context indicates differently, references in the singular include the plural and vice versa. Words which denote one gender include other genders. Expressions that refer to natural persons include juristic persons and associations of persons.

<b>"Act" or "Companies Act"</b>	the Companies Act 71 of 2008, as amended, including the Companies regulations;
<b>"Administrative Manager" or "Grovest"</b>	Grovest Proprietary Limited (registration number 2012/223909/07), which is a Private Company incorporated under South African law, full details of which are contained in the <i>Corporate Information and Advisors</i> section of this Prospectus;
<b>"Advisors"</b>	E.R. Goodman, Grovest (Pty) Ltd, RWFC Financial Consultants, Silverleaf Manco Proprietary Limited, Brett Incorporated Attorneys and/or any one of them as the context may require;
<b>"Application Form(s)"</b>	the application form which denotes that you have accepted the Offer, and agree to subscribe for the Shares; the application form(s) are attached to this Prospectus;
<b>"Board"</b>	the directors of the Company which, as at the Last Practicable Date, consists of the people who are identified in paragraph 2 of section 1 of this Prospectus;
<b>"Business Day"</b>	any day other than a Saturday, Sunday or public holiday in South Africa;
<b>"Brett"</b>	Brett Incorporated Attorneys., the full details of which are set out in the <i>Corporate Information and Advisors</i> section of this Prospectus;
<b>"Cannagrow"</b>	Cannagrow Africa Proprietary Limited (registration number 2021/607438/07), which is a Private Company incorporated under South African law;
<b>"CIPC"</b>	the Companies and Intellectual Property Commission which was established in terms of section 185 of the Companies Act or its successor body;
<b>"Closing Date"</b>	the closing time and date of the Offer, which is expected to be 17:00 on 5 August 2022 or a later date which will be communicated by the Company through an announcement released on its website ( <a href="http://www.Silverleaf.co.za">www.Silverleaf.co.za</a> )
<b>"Company" or "Silverleaf"</b>	Silverleaf Investments Limited, registration number: 2018/374812/06, which is a public unlisted company incorporated under South African law; the full details are contained in the <i>Corporate Information and Advisors</i> section of this Prospectus;
<b>"Company Secretary" or "E.R. Goodman"</b>	E.R. Goodman Secretarial Services Proprietary Limited, which is a private company incorporated under South African law; the full details are contained in the <i>Corporate Information and Advisors</i> section of this Prospectus;
<b>"Companies Regulations"</b>	the regulations promulgated in terms of the Companies Act 71 of 2008;
<b>"Connected Person(s)"</b>	a connected person as defined in section 1(1) of the Income Tax Act 58 of 1962;
<b>"Directors"</b>	the directors of the Company, which, as at the Last Practicable Date, are the people identified in paragraph 2 of section 1 of this Prospectus;

<b>"FAIS"</b>	Financial Advisory and Intermediaries Services Act, 37 of 2002;
<b>"FSCA"</b>	Financial Sector Conduct Authority, which is a juristic person established in terms of section 56 of the Financial Sector Regulation Act, 9 of 2017, as amended;
<b>"Income Tax Act"</b>	the Income Tax Act 58 of 1962, as amended, and including all schedules attached to it;
<b>"Investment Portfolio"</b>	the investments portfolio created by investing the proceeds raised from the issue of Venture Capital Shares in Qualifying Companies as per the Offer;
<b>"Investor(s)"</b>	an individual, trust, company, or other legal entity who subscribes to Venture Capital Shares;
<b>"Last Practicable Date"</b>	15 June 2022, being the Last Practicable Date prior to the finalisation of this Prospectus; (check this date given the change in date of issue)
<b>"Management Agreement"</b>	the agreement concluded between the Manager and Silverleaf in terms of which the Manager will conduct the administration and management of Silverleaf; the details are set out in Annexure 4;
<b>"Manager" or "Promoter" or "Silverleaf Management"</b>	Silverleaf Manco Proprietary Limited (registration number 2021/317331/07), which is a private company incorporated under South African law; full details are set out in the <i>Corporate Information and Advisors</i> section of this Prospectus;
<b>"MOI"</b>	the memorandum of incorporation of the Company, as amended;
<b>"Offer"</b>	an offer to the public to subscribe for up to 7 000 Ordinary Shares at an issue price of R1 000 per share, with a minimum subscription of at least 0.001 Shares per investor;
<b>"Offer Period"</b>	the period between the opening of the Offer and its closing, in other words, 10:30 on Monday, 4 July 2022 to 17:00 on Friday, 5 August 2022;
<b>"Offer Price"</b>	R1 000 per Ordinary Share;
<b>"Officer(s)"</b>	the members of the Investment Committee and Audit Committee of the Company, which - as at the Last Practicable Date – consist of the people identified in paragraph 2.7.4 of section 1 of this Prospectus;
<b>"Ordinary Shares"</b>	the ordinary number of par value shares in the share capital of Silverleaf which have the rights and obligations as set out in the MOI;
<b>"Ordinary Shareholders"</b>	holders of Ordinary Shares in the Company;
<b>"Prospectus"</b>	the entire prospectus and its annexures, which is issued on 4 July 2022;
<b>"Qualifying Company"</b>	a company that satisfied the conditions of a Qualifying Company as defined in Section 12J of the Income Tax Act, as detailed in paragraph 4 of Section 4 of this Prospectus;
<b>"Qualifying Shares"</b>	an equity share issued to Silverleaf by a Qualifying Company;

<b>"RWFC"</b>	RWFC Financial Consultants, which is the Company's reporting accountants; their full details are set out in the <i>Corporate Information and Advisors</i> section of this Prospectus;
<b>"Risk Capital"</b>	100% of the subscription price paid each ordinary shareholders, for share acquisition minus the highest marginal rate of income tax for individuals; this is when the ordinary shares are issued (being 45% as at the Last Practical Date);
<b>"SARS"</b>	South African Revenue Service;
<b>"Shareholder"</b>	a holder of Shares from time to time;
<b>"Shares"</b>	Ordinary Shares in the share capital of the Company, as the context may require;
<b>"Subsidiary/(ies)"</b>	as defined in the Companies Act 71 of 2008 and includes any person who would qualify as a "subsidiary" as defined in the Companies Act 71 of 2008 if it was not a company;
<b>"Silverleaf Investment Committee"</b>	the investment committee of the Board which is contemplated in clause 2.8.4 of this Prospectus;
<b>"VAT"</b>	Value Added Tax as contemplated in the Value Added Tax Act 89 of 1991, as amended;

**Silverleaf Investments Limited**  
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(VCC number: VCC-0155)  
("Silverleaf" or "the Company")  
Cliff Giesenow (Non-Executive Director)  
Darryl Weisz (Non-Executive Director)  
Paul Bacher (Non-Executive Director)  
Pierre van der Hoven (Non-Executive Director)  
Jeffrey Miller (Non-Executive Director)  
Makaula Ayanda Bam (Non-Executive Director)

# PROSPECTUS

## SECTION 1 – INFORMATION ABOUT SILVERLEAF INVESTMENTS LIMITED (“SILVERLEAF”)

### 1. NAME, ADDRESS AND INCORPORATION (reg 57)

- 1.1. Silverleaf Investments Limited (Registration Number: 2018/374812/06) was initially incorporated as a private company, named Morangie Investments (Pty) Ltd (“Morangie Investments”) on 3 July 2018. (reg 57 (1) (a) and (c))
- 1.2. The Company changed its name from Morangie Investments to Pure Capital Assets (Pty) Ltd on 21 January 2019, then subsequently changed its name to Silverleaf Investments Limited on 22 January 2021. (reg 57 (1) (a) and (c)) (reg 59(3)(a))
- 1.3. The Company's registered office and primary place of business are set out in the Corporate Information and Advisors section of this Prospectus. (reg 57 (1) (b))
- 1.4. As at the Last Practicable Date, the Company has subscribed for 30% of issued share capital in Cannagrow Proprietary Limited (registration number 2021/607438/07), situated at R511, Casa Nieto's Hennops, Hennops River, Gauteng, 0023. (reg 57 (3))
- 1.5. The Offer intends to raise capital to expand the Company's investment activities and take advantage of its strong pipeline of opportunities. This Prospectus provides information to Investors about the Offer.

### 2. DIRECTORS, OTHER OFFICE HOLDERS AND MATERIAL THIRD PARTIES (reg 58)

- 2.1 The Board embraces the principles of good corporate governance as espoused in the King IV Report's guidelines on Corporate Governance of South Africa, 2016 ("King IV").
- 2.2 The Board is committed to doing business ethically while also building a sustainable company. However, it recognises the short- and long-term impact of its activities on the economy, society and the environment. The Board believes in ethical leadership as the foundation upon which they create value for their stakeholders.
- 2.3 The Directors have established mechanisms and policies which are appropriate to the Company's business. These mechanisms and policies are in keeping with its commitment to the best practices in Corporate Governance to ensure compliance with King IV. The Directors review these from time to time. Further details relating to the Company's approach to Corporate Governance are set out in Annexure 8.
- 2.4 The Board currently consists of six Non-Executive Directors. The Chairperson is a Non-Executive Director. Details relating to the management of the Company are set out in paragraph 2.9 below.
- 2.5 The full names, business addresses, qualifications, positions and experience of the Directors and prescribed officers, all of whom are South African citizens, are set out below: (reg 58 (2)(a))

<b>Name</b>	Makaula Ayanda Bam (reg 58 (2)(a))
<b>Business Address</b>	Frost Street Lofts, 43 Frost Street Braamfontein Werf, Johannesburg 2107 (reg 58 (2)(a))
<b>Position</b>	Non-Executive Director (reg 58 (2)(a))
<b>Occupation</b>	Businessman (reg 58 (2)(a))
<b>Qualification</b>	BA Hons in Economics and Black Studies (African History) Magna Cum Laude
<b>Experience</b>	<p>M. Ayanda Bam is a seasoned management professional with over 12 years' experience across various industries. He is the Co-Founder of Zageta Solutions – one of the country's first indigenous consulting companies providing sustainability-based solutions leveraging cannabis to government, private sector, and civil society. He brings 10 years of management consulting and fund management experience in the areas of agriculture / agribusiness, financial services, infrastructure, and life sciences.</p> <p>M. Ayanda also brings more than 8 years of cannabis-specific experience in the areas of medicinal cannabis distribution and technology (e.g., JaneMD), hemp woven and non-woven textiles and composites (e.g. award-winning Ivili Loboya), as well as regulatory reform and policy advocacy in North America, CARICOM, and SADC. He is the co-founder of Friends of Hemp South Africa (FOHSA), the leading South Africa industrial hemp voluntary association (focused on advocacy, litigation, market development, and knowledge dissemination), representing South Africa and the continent as a founding member of the Federation of Industrial Hemp Organization (FIHO) – which is the largest federation of associations of hemp globally, representing more than 242 organizations across 60+ countries.</p> <p>He holds various board and advisory seats for multiple private companies and NGOs, and currently represents (via BUSA), coordinates the national private sector constituency on the South African National Cannabis Masterplan Committee, and leads engagements and compacting with other social partners. He is also the PPGI Cannabis Industry sector coordinator, engaging with the Office of the Presidency on commercialization and industrial development matters. M. Ayanda is a regionally recognized cannabis thought-leader and thus a regular speaker on various local and international cannabis and hemp circuits.</p>

<b>Name</b>	Cliff Giesenow (reg 58 (2)(a))
<b>Business Address</b>	41 Durham Street, Fairmount, Johannesburg, 2192 (reg 58 (2)(a))
<b>Position</b>	Non-Executive Director (reg 58 (2)(a))
<b>Occupation</b>	Joint Chief Executive Officer of the Manager (reg 58 (2)(a))
<b>Qualification</b>	Cliff has an MBA from the University of Cape Town and did a semester on exchange scholarship to UCLA in California where he focused on entrepreneurship.

<b>Experience</b>	<p>Cliff is a serial entrepreneur with a passion for incubating and launching ideas, with experience in the Cannabis, Real Estate and Technology industries. He is the founder and owner of Leafolo™, the world's first African herbal smoking blends, and is also a co-founder of CannaTradeAfrica, which is the holding company of 'The Greenside' cannaporiums and wellness centres. He is a significant shareholder in CannaFoodsAfrica, where he was responsible for product sourcing and development, and the establishment of wholesale and online channels.</p> <p>CannaFoodsAfrica sources, produces and delivers a wide range of high-quality Cannabis products to market under the brand 'Taste of Cannabis'. With a chain of retail stores in key shopping malls across South Africa, as well as an online presence, they offer a unique channel to market for both local and international offerings.</p> <p>Cliff has extensive networks and connections in the Cannabis industry and has given talks and sat on panels at Cannabis Expo's around the world, providing an African perspective. He is a member of the industry non-profit, 'Fields of Green for All' and is also a co-founder of the Cannabis Trade Association Africa (CTAA), which is a voluntary association for industry companies and professionals. The CTAA is involved in industry and government liaison, education, networking as well as business and skills development.</p>
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<b>Name</b>	Pierre van der Hoven (reg 58 (2)(a))
<b>Business Address</b>	1 Bute Avenue, Melrose, 2196 (reg 58 (2)(a))
<b>Position</b>	Non-Executive Director (reg 58 (2)(a))
<b>Occupation</b>	Joint Chief Executive Officer of the Manager (reg 58 (2)(a))
<b>Qualification</b>	B.Com. B.Acc (Hons) , MBA, CM(SA)
<b>Experience</b>	<p>Pierre has over 30 years of business and entrepreneurship experience, which is largely focused in the media industry. His career started at the SABC, where he held various financial and strategic positions. Pierre is a founder and key player in setting up a number of media companies including eTV (first commercial free-to-air television station in RSA), YFM (regional radio station), Yaron FM (a regional radio station in Botswana), TBM Communications (digital signage company), SA Direct (TV channel on Sky in the UK covering travel, tourism and business in Southern Africa) and Tuluntulu (a mobile video and audio streaming app focusing on African content).</p> <p>Since 2016 Pierre has been increasingly focused on the Cannabis and Hemp industries closely monitoring international and local developments in legalisation as well as recognition of the medicinal benefits of Cannabis. In early 2018, Pierre was commissioned to write a research report on Cannabis and Hemp's economic potential for South Africa. In 2017, Pierre founded a vertically integrated Cannabis company called AfriCannaBiz, as well as a Cannabis-focused consulting company called Baobab International.</p> <p>In 2018, Pierre led a Cannabis licence application in Zimbabwe and was involved in numerous licence and permit applications in South Africa. Pierre worked with the Cannabis Development Council (CDC) and the Traditional Healers Organisation (THO). He founded a Cannabis industry advocacy organisation called African Cannabis Industry Association (ACIA).</p> <p>Pierre has consulted with various local and international companies and has delivered papers at various conferences, including VEXPO, Cannabis Expo as well as hosting numerous local and international webinars. Pierre has been recognised by the South African government as an Innovation Ambassador and has sat on the Council of the Da Vinci Institute for many years. Pierre holds numerous directorships in private companies.</p> <p>Pierre is a qualified Chartered Accountant (CA) SA and Chartered Marketer CM (SA). He holds an MBA from Henley Business School in the UK where his MBA thesis focused on Africa as a destination for international TV co-productions. Pierre holds a Master's Degree from the Cannabis Training University in the USA and is a member of the African Natural Healing Association (ANHA) focused on African traditional medicine. Pierre is passionate about Cannabis, Hemp, natural health, entrepreneurship, media, technology and making a positive contribution to a prosperous Africa.</p>

Name	Darryl Raymond Weisz (reg 58 (2)(a))
Business Address	21 Arboath Avenue, Glenadrienne, Johannesburg, 2070 (reg 58 (2)(a))
Position	Non-Executive Director and Chairman (reg 58 (2)(a))
Occupation	Darryl holds directorships on the boards of various companies (reg 58 (2)(a))
Qualification	BA (Industrial Psychology), PDM (HR) Wits, PDM Henley
Experience	<p>Following his university studies, Darryl started his career at Nampak Ltd, initially in HR management as well as various sales and marketing roles across various industries. Through his career, he managed major brand portfolios in the Kellogg company of SA and Nampak Tissue (now Twinsaver Tissue). He was appointed as Managing Director of Nampak Tissue in 2003.</p> <p>Thereafter he held Executive positions in the Liberty Group (2009) as Managing Director of the Strategic Ventures division and Managing Director/ Sales &amp; Marketing Executive in the Hulamini group (2012). In a 30-year corporate career spanning numerous industries, Darryl has built a broad range of business experience in local and international markets by managing businesses and major FMCG and industrial brands across the world.</p> <p>Darryl currently occupies numerous non-executive positions in small-to-medium companies. He consults in the areas of Strategic Planning and Business Growth on both a professional and pro-bono basis. His ongoing community work includes serving as the Chair of the ORTSA and its Bursary Trust. ORT SA is an international educational and skills enhancement non-profit organisation, where he remains a Trustee on the Board.</p>

Name	Jeffrey Wayne Miller (reg 58 (2)(a))
Business Address	164 Katherine Avenue, Pinmill Office Park, Strathavon, Johannesburg, 2090 (reg 58 (2)(a))
Position	Non-Executive Director (reg 58 (2)(a))
Occupation	Jeffrey holds directorships on the boards of various companies in which he holds private equity investments. Jeffrey is also an Executive Director and the CEO of Grovest Corporate Advisory, and Non-Executive Director of the Manager (reg 58 (2)(a))
Qualification	B.Com, B.Acc, CA (SA)
Experience	<p>Jeffrey is a Chartered Accountant and completed his articles at Grant Thornton. He has over 30 years of experience investing in unquoted companies across numerous industries. Jeffrey co-founded Brandcorp, which was listed on the Johannesburg Stock Exchange in 1997.</p> <p>He brings many years of operational and investment skills to the Company. He was a co-founder of KNR Flatrock, Balboa Finance, Born Free Properties, Eurosuit, Bride &amp; Co., Seed Engine, Seed Academy and Grovest Corporate Advisory. Jeffrey is a pioneer of Section 12J Venture Capital Companies in South Africa and has held positions on various sub-committees of SAVCA and Simodisa, both of which focus their efforts on the South African Venture Capital industry. Jeff is a Director of the 12J Association of South Africa.</p>



<b>Name</b>	Paul Bacher (reg 58 (2)(a))
<b>Business Address</b>	41 Durham Street, Fairmount, Johannesburg, 2192 (reg 58 (2)(a))
<b>Position</b>	Non-Executive Director (reg 58 (2)(a))
<b>Occupation</b>	Paul holds directorships on the boards of various companies (reg 58 (2)(a))
<b>Qualification</b>	B.Com, MBA (Wits)
<b>Experience</b>	<p>Paul co-founded a number of start-ups that became leaders in their industries. Examples include NetActive, Call Centre Nucleus (CCN) and NetFlorist. While at CCN, Paul put together the first South African National Call Centre Industry Body and was elected as its first CEO.</p> <p>His passion for social entrepreneurship led to Paul founding the following: OrtJet in 2005 (a charity utilising 700 volunteer execs to rehabilitate struggling businesses via mentorship and training), co-founding the Rosebank Craft Market at the Rosebank Mall in November 2013, founding the National Mentorship Movement in 2016 (which is a national initiative to pair 100 000 mentors with 1 million entrepreneurs), and Community Connect in 2018. In March 2017, Paul was appointed CEO of Foundation 2000 (a Foundation providing grant capital to appropriate causes).</p> <p>In 2013 Paul received the highly acclaimed ABSA Jewish Achievers Service Award for OrtJet, and in Dec 2016, he was a finalist in the Global Community Philanthropy Summit's Olga Alexeeva Memorial Prize for philanthropy.</p> <p>In 2015 Paul co-founded Blue Haven Investments, which is a boutique venture capital business that is focused on disruptive technology and property development.</p>

## 2.6 Company Advisors and Company Secretary (reg 58(2) (b))

- 2.6.1 The Advisors' names and business addresses are set out in the Corporate Information and Advisors section of this Prospectus. (reg 58(2) (b) (i) and (ii))
- 2.6.2 The Company Secretary is E.R. Goodman, whose name and address is set out in the Corporate Information and Advisors section of this Prospectus. Marilis Janse Van Rensburg represents E.R Goodman. (reg 58(2) (b) (iii))

## 2.7 Additional information relating to Directors

- 2.7.1 An ordinary resolution of the Shareholders will elect directors at a general or annual general meeting. (reg 58 (3) (a))
- 2.7.2 Annexure 2 contains the following additional information about the Directors: (reg 58 (3) (b))
- borrowing powers of the Company exercisable by Directors, which have not been exceeded or been changed since the Company's incorporation, and how such borrowing powers can be varied; (reg 58 (3)(c))
  - Directors and prescribed officers' remuneration policy; and
  - retirement and appointment of Directors. (reg 58 (3) (a))
- 2.7.3 All Directors have a minimum term of office of five years. Further details of the service contracts are set out in Annexure 3 of this Prospectus. (reg 58 (3)(a))
- 2.7.4 The Shareholders will determine the Directors' remuneration at general or annual general meetings. The Directors' and Officers' fees are set out below: (reg 58 (3) (b))

Name of Director	Position	Fees
Cliff Giesenow	Non-Executive Director and Joint Chief Executive Officer of the Manager	Nil
Pierre van der Hoven	Non-Executive Director and Joint Chief Executive Officer of the Manager. Member of the Investment Committee and Member of the Audit and Risk Committee	Nil
Darryl Weisz	Non-Executive Chairman of the Investment Committee	Nil
Jeffrey Miller	Non-Executive Director, Chairman of the Audit and Risk Committee and member of the Investment Committee	Nil
Paul Bacher	Non-Executive Director and member of the Audit and Risk Committee	Nil
Makaula Ayanda Bam	Non-Executive Director and member of the Investment Committee	Nil

## 2.8 Borrowing powers of the Company exercisable by the Directors (reg 58(3)(c))

2.8.1 The MOI provisions about the borrowing that the Directors may exercise are set out in Annexure 2 of this Prospectus.

2.8.2 The Company has not exceeded its borrowing powers since its incorporation.

## 2.9 Management of the Company (reg 58 (3) (d))

2.9.1 Silverleaf is managed by the Manager, whose business address is listed in the Corporate Information and Advisors section of this Prospectus. (reg 58 (3) (d) (i))

2.9.2 Silverleaf Management has an experienced management team with private equity, commercial and significant industry experience, including:

- originating, evaluating and selecting suitable investment opportunities;
- providing post-investment management services; and
- identifying and implementing exit opportunities.

2.9.3 The Company has entered into a 10-year Management Agreement with the Manager in terms of which the Manager is incentivised to deliver investment returns for Silverleaf. The terms of the Management Agreement are summarised in Annexure 4 of this Prospectus.

2.9.4 In terms of the Management Agreement, the Manager will perform the functions set out in Annexure 4 of this Prospectus. (reg 58 (3) (d) (ii))

2.9.5 The Manager has agreed with Grovest to carry out certain of the Company's administrative functions. Paragraph 3.1.4 provides more details.

2.9.6 The Manager will be paid a once-off, capital-raising fee of 3.0% (excluding VAT) calculated on the total capital raised from the Ordinary Shares in the Company – payable at the end of the month during which the funds in question were raised. (reg 58 (3) (d) (iii))

2.9.7 For the period of 2 years ending 28 February 2023, the manager is entitled to an annual management fee of 2.5% excluding VAT, payable quarterly in advance, on all subscription proceeds for the Ordinary Shares.

2.9.8 For the period commencing on 1 March 2023, the Manager will be entitled to an annual management fee of 2.5% (two and a half percent) excluding VAT, payable quarterly in advance, on the net asset value of Silverleaf as determined in each prior years' audited annual financial statements.

2.9.9 The Manager will carry the costs incurred in evaluating investment opportunities which are not implemented. (reg 58 (3) (d) (iii))

## **2.10 Directors' Declarations**

- 2.10.1 None of the Company's Directors have been declared bankrupt, insolvent, have entered into any individual voluntary compromise arrangements or have been publicly criticised by any statutory or regulatory authorities, including recognised professional bodies. The court has neither disqualified them from acting as a director of a company or in the management or conduct of the Company's affairs. They have not been convicted of any offence involving dishonesty.
- 2.10.2 No payment has been made to any Director as at the Last Practicable Date to induce him to become a director or in connection with the promotion or formation of the Company.
- 2.10.3 Formal letters of appointment have been entered into with all Directors of the Company. They are available for inspection at the Company's registered offices from the date of issue of this Prospectus up to and including 10 Business Days after the Closing Date.

## **3. HISTORY, STATE OF AFFAIRS AND PROSPECTS OF SILVERLEAF (reg 59)**

### **3.1 History of the Company (reg 59)**

#### **3.1.1 Overview (reg 59(2) (b))**

- Silverleaf (Registration Number: 2018/374812/06) was initially incorporated as a private company, named Morangie Investments on 3 July 2018. (reg 59(3) (a) (i) and (ii))
- The Company changed its name from Morangie Investments to Pure Capital Assets on 21 January 2019, then subsequently changed its name to Silverleaf Investments Limited on 22 January 2021.
- The company's primary investment objective is to manage investments in Qualifying Companies.
- At the Last Practicable Date, Silverleaf has subscribed for a 30% equity interest in Cannagrow for R 1 501 010. Cannagrow's primary objective is the cultivation of medicinal Cannabis for the international market.

#### **3.1.2 Nature of business**

- Silverleaf is licensed as a Financial Services Provider in Section 8 of FAIS under licence number 49754. A copy of the FSCA licence is attached as Annexure 5 of this Prospectus.
- Silverleaf does not fall within the ambit of the Collective Investment Schemes Control Act 45 of 2002.

#### **3.1.3 The Manager**

- Silverleaf Manco (Pty) Ltd is the management company of Silverleaf. The Directors of Silverleaf Manco (Pty) Ltd are Paul Bacher and Makaula Ayanda Bam.
- Silverleaf has entered into a 10-year Management Agreement with Silverleaf Manco (Pty) Ltd. The salient terms of the Management Agreement are contained in Annexure 4 of this Prospectus.
- The Directors of the Manager collectively own 30% of the shares in the Manager.

#### **3.1.4 Grovest**

- Grovest is the Administrative Manager of Silverleaf.
- Grovest is responsible for, among others:
  - compliance monitoring;
  - key individual functions;
  - monthly accounting and audit -preparation; and
  - FSCA and SARS reporting.

#### **3.1.5 Material changes (reg 59(3) (b))**

As at the Last Practicable Date, other than the subscription mentioned in paragraph 1.4 above, there are no other material changes in the assets and liabilities of the Company.

## 3.2 Prospects (reg 59 (3) (c) (i))

### 3.2.1 Investment Objectives of Ordinary Shares

Silverleaf will subscribe for qualifying shares in Qualifying Companies. The objective is to generate targeted returns through the wealth of knowledge and industry-specific experience possessed by the Directors and the operators.

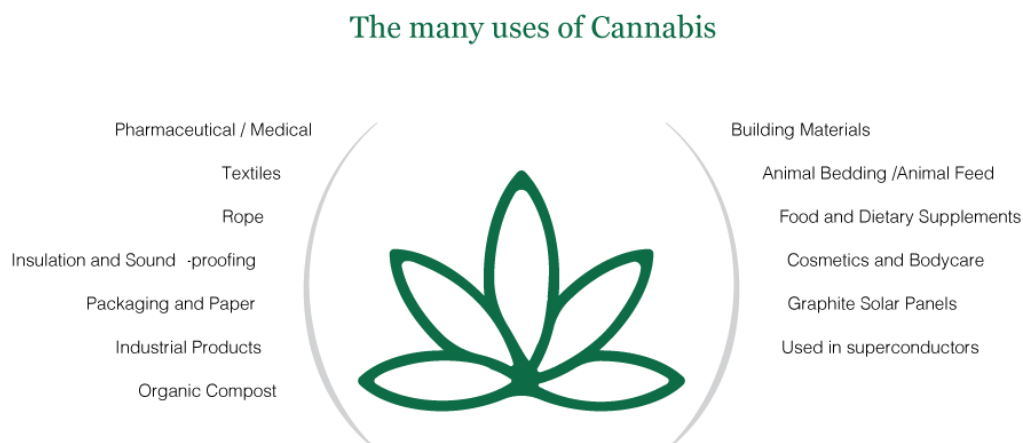
### 3.2.2 Industry Background

- **Global:** Over the past decade, many first-world countries - notably in North America, Europe and Australia - have relaxed the legislation surrounding the use of Cannabis. In the USA, the Cannabis industry is expanding at a rapid pace, where 15 states have legalised all uses of Cannabis. In addition, 33 states - including Washington D.C. - have done so for medical purposes. Canada boasts the world's largest Cannabis market outside of the USA after having legalised the Cannabis flower in 2018 and Cannabis derivatives in 2019. Other countries where Cannabis is legal or decriminalised include Uruguay, Peru, Spain, Swaziland, Lesotho, and South Africa.
- **South Africa:** Four separate events have influenced the legality of Cannabis in South Africa, which include:
  - A licensing framework, which was introduced for domestic cultivation and the manufacture of medicinal Cannabis by the Department of Health in 2017.
  - The Constitutional Court of South Africa de-criminalising the private use and cultivation of Cannabis at the end of 2018 based on the right to privacy.
  - The Minister of Health re-scheduling cannabidiol (CBD), and Tetrahydrocannabinol (THC) as medicine in 2019/20.
  - During his 2022 State of the Nation Address, President Ramaphosa vowed to expedite changes in Cannabis legislation so that South Africa can embrace Cannabis as a cash crop. In order to explore the validity and business case for Cannabis in South Africa, President Ramaphosa:
    - Formed the Cannabis task desk which is made up of industry professionals and advisors to help in the expedition of Cannabis regulation. The purpose of the 'Cannabis desk' is to get the NCMP (National Cannabis Master Plan) onto "a clear path towards an inclusive industrial capacity base for the beneficiation of Cannabis and Hemp." The 'Cannabis desk' will be responsible for drawing up an action plan as well as a timeline for its implementation and will submit a progress report to the President every quarter.
    - Formed a new committee consisting of 6 key government entities to fast-track regulatory change as well as liase with the 'Cannabis task desk.'

The introduction of the licensing framework for the cultivation and manufacture of medicinal Cannabis has opened new opportunities to South African entrepreneurs.

### 3.2.3 Uses for Cannabis

The various examples of the uses of Cannabis are depicted below:



### 3.2.4 Investment Opportunity in South Africa

The local Cannabis and Hemp industry is a burgeoning industry which desperately needs access to funding. As a potential investor in this high-growth industry you need a credible, professional, and well-managed vehicle to enter the Cannabis arena. The industry features many newly launched businesses that are lacking in business know-how as well as in raising capital. Silverleaf provides an ideal platform for the Silverleaf team to select businesses with growth potential and provide structured capital, corporate governance, access to local and international networks as well as management support.

The plant grows well naturally in the Sub-Saharan region and is renowned for unique 'landrace' strains. The Sub-Saharan climate is well suited for the cultivation of Cannabis - its warm summers and mild winters make the region a favourable cultivation destination. Numerous research reports have estimated that up to 30% of the world's Cannabis is grown and harvested in Sub-Saharan Africa.

In the Americas and Europe – the Cannabis category is growing exponentially. These regions are the largest markets for Cannabis and provide an opportunity for low-cost production and processing of Cannabis which is offered in South Africa. For exports, costs are rand based while the revenues are dollar-based, which is attractive for South African farmers and local and international investors. The Cannabis industry offers exciting prospects for the South Africa government to achieve a number of its key political objectives:

- Stimulating capital for new ventures, and local investment
- Job creation for both skilled and unskilled workers - It is estimated that the Cannabis industry in South Africa can create as many as 130 000 jobs by 2025 (as quoted by President Ramaphosa in his 2022 SONA speech).
- Agriculture, agri-processing and beneficiation: These are the SA Government's focus areas for job creation, rural economic development and economic growth
- Community involvement, economic transformation, skills development, and SMME opportunities
- Export opportunities bringing foreign exchange earnings to South Africa.

The South African Cannabis market currently has an undeveloped funding infrastructure to support growth owing to:

- Cannabis being a new asset class with a social stigma
- Unclear entry points and lack of access to opportunities
- High barriers of entry
- Traditional funding sources being unavailable to this sector
- A lack of experts in the industry;
- No credible, professional entry point for investors into the industry (limited venture capital or start-up funders); and
- The lack of positive industry reputation, good corporate governance and professionally managed entities in the industry currently.

There are currently very few credible, professional, properly funded local players. The South African industry needs some credible and robust players who can compete on a global basis

The impact of the Covid-19 pandemic has been positive for the Cannabis industry globally. The consumption of Cannabis has increased dramatically, with many users trying Cannabis for the first time, for medicinal as well as recreation purposes.

The South African Cannabis industry is considered a 'sunrise' industry with predictions by economists and agronomists that it will show exponential growth as global demand for adult-use and medicinal Cannabis, as well as Cannabis derivatives, continue to grow in double digits across the globe.

### 3.2.5 Silverleaf's Deal Flow

Silverleaf is actively pursuing growth opportunities to acquire an investment portfolio in the medicinal, Hemp, wellness and related supply chain. Silverleaf is currently in negotiations with a few targeted companies and has an attractive pipeline of deals across the value chain alongside industry experts. These are currently at various stages of completion.

We intend to identify those businesses that have demonstrated the best potential for commercial growth and scale. As a Company, we want to gain a strategic foothold and play a consolidated role in creating market opportunities.

### **Cultivation:**

- Medical Cannabis cultivation requires a licence issued by the South African Health Products Regulatory Authority (SAHPRA). This licence includes strict criteria to ensure professional standards are complied with at all times. There currently exists stringent criteria which must be complied with in order to produce export grade product. The Department of Agriculture, Land Reform and Rural Development is nearing the final stages before issuing permits for the commercial cultivation of Hemp for industrial purposes.
- Cultivation for medical purposes is strictly controlled with high standards e.g., certifications for good practice such as GACP and GMP. The cultivation facilities (indoor or greenhouse) and processing facilities need to be built to achieve these standards – the higher the standards the higher the CAPEX required. As the standards get higher, so does the price (revenue) per gram. The market is predominantly for export and/or local extraction (limited) and off-take agreements to purchase cultivated product are critical to success. There are numerous investment opportunities in the medical cultivation space including:
  - Breeding and genetics cultivation
  - Nursery or clone cultivation
  - Medical Cannabis cultivation – (flower)
- The margins tend to be much higher for medicinal Cannabis, but the capital investment required is also high. The target investments will include farms, where capital has already been invested and preferably where SAHPRA licenses are in progress or have already been received.

Cultivation offers numerous investment opportunities and the Silverleaf management team are well-positioned to select attractive investment opportunities in this area.

### **Hemp Cultivation:**

- SAHPRA has issued a number of permits for the cultivation of Hemp for research purposes. The Department of Agriculture, Land reform and Rural development (DALRRD) will shortly issue permits or licenses for the commercial cultivation of Hemp for industrial purposes. The cultivation of Hemp for medical or wellness products e.g., Delta 8, CBD, CBG, CBN and smokable Hemp remains unclear at this stage. There are numerous investment opportunities in the Hemp cultivation space including:
  - Wellness Cannabis cultivation (CBD)
  - Smokable Hemp cultivation
  - Industrial Hemp cultivation for processing into a myriad of products

The margins are good because of the scale that can be achieved with outdoor cultivation. The preferred target investments will include farms where some capital has already been invested and where DALRRD permits / licenses have been applied for or are already possessed.

- Cultivation offers numerous investment opportunities and the Silverleaf management team are well-positioned to select attractive investment opportunities in this area, having access to a number of investment opportunities across the country with a primary focus on the Eastern Cape in particular, given the climate.

### **Equipment Supply and Farming Support**

Cultivation operations require equipment and products (farming equipment, lights, HVAC, growing containers, nutrients, irrigation systems, water purification equipment, pest & disease control etc.) and services (compliance, design, engineering, architectural, electrical, harvesting, trimming, packaging etc.). Numerous investment opportunities exist in this area ranging from start-ups to new emerging Cannabis and Hemp focused companies. There will also be significant opportunities in the supply or even manufacturing of Hemp cultivation equipment.

There currently exists opportunities in the following sub-sectors:

- B2B product distribution network and services
- B2C retail
- Specialist equipment sales & servicing companies.

### **Processing and Manufacturing:**

- Owing to the shortage of extraction facilities and the compliance barriers that exist to selling the Cannabis flower internationally (e.g., Global GAP, Good Agricultural Practice and EU Good Manufacturing Practice Standards). Silverleaf seeks to invest in Cannabis and Hemp-processing

facilities that will produce products such as extracts and derivatives of Cannabis as well as textiles, edibles, beverages, oils and tinctures, creams, animal feeds, bricks, car parts, plastic, FMCG products, paper and pulp in order to add value to the raw Cannabis flower.

- Silverleaf will adopt a phased investment approach as the industry matures to roll out these facilities, seeking collaboration opportunities with other investments made, to gain a competitive edge in the market.

#### **Supply chain – Education, Services and Support:**

- The Cannabis supply chain includes many products ranging from cultivation equipment and sundries, the set-up of regional distribution as well as processing, testing points and equipment and packaging supply.
- Given the early development stage that the South African Cannabis/Hemp market is in, many Training and Supply Chain consultants are required. A small number of entrepreneurs have established this capability. They have chosen to partner with international players to offer rapid improvements in farming and processing techniques, as well as process training and updating our medical practitioners and the general public on the uses of medical Cannabis.

There exist numerous opportunities in:

- Education and Training
- Consulting, analytics and market data (economic & otherwise)
- Quality management systems (software)
- Physical services: trimming, harvesting
- Rental of equipment for same: trimming, packaging, testing

The Cannabis supply chain also requires specialised services and training such as cultivation, pest control, quality management, compliance services, security, and transport.

Silverleaf Investments Limited is engaging with a number of early-stage companies making good headway in these areas, particularly in education and training, a critical key enabler of the industry.

#### **Product Development, Branding, Sales and Distribution:**

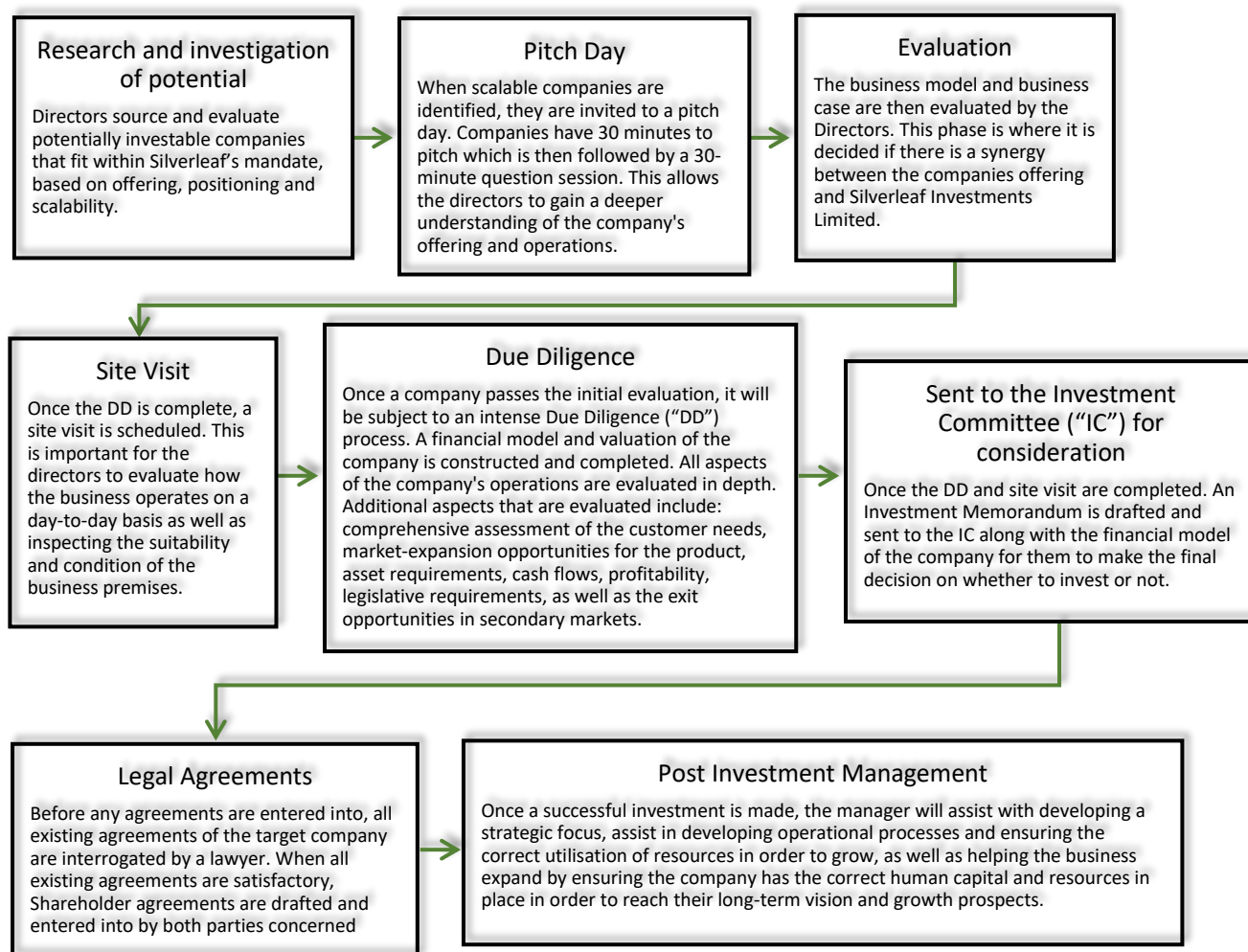
- Many companies have developed products and formulations that are in the early stages of brand development. There are investment opportunities to scale these companies and build successful consumer products and brands for retail distribution through professional marketing and sales channels.
- The Silverleaf management team has a broad range of local and international market knowledge and expertise to assist in the growth of fledgeling Cannabis brands and retailers. These retailers and brands are looking to exploit the opportunities for CBD-based health and wellness, beverage, edible and oil-based products that have mushroomed over the past two years following the government's relaxation of legislation. It is envisaged that, in the near- to medium-term, THC products will be sold via dispensaries and Cannabis clubs in South Africa as soon as legislation allows. Possibilities for export of such products should open in years to come also.
- The Silverleaf executive team has significant experience and reach in this regard and are currently evaluating a number of exciting opportunities of both brands and channels to market.

#### **3.2.6 Directors' opinions regarding prospects (reg 59 (3) (c))**

The Directors believe that Silverleaf is well placed to achieve its investment mandate based on the following:

1. initial market entrants;
2. an experienced, well-balanced, innovative and motivated management team;
3. a well-developed pipeline of investment opportunities; many post revenue and gaining traction
4. an extremely experienced and diversely skilled board;
5. a rigid DD and selection process; and
6. active post-investment management.

### 3.3 Investment Process



### 3.4 Existing Qualifying Investments made by Silverleaf

#### ○ Cannagrow

- Cannagrow cultivates medicinal Cannabis intended for the international market.
- Silverleaf subscribed for **R1 501 010** worth of Ordinary Shares for **30% equity**
- The proceeds from the share subscription in Cannagrow were used to purchase, build and equip a 300 square metre Cannabis production tunnel.
- Cannagrow budgeted that the tunnel would yield 80kgs (dry weight) of medicinal Cannabis every 3 months. Cannagrow's first harvest yielded 255kgs of Cannabis (wet weight). This harvest yielded approximately 90kgs (dry weight) and exceeded the budgeted dry weight yield by 10kgs. Of the total 90kgs harvested, 10 kgs is sellable "trimmings" and the remaining 80kgs is flower.
- Cannagrow's first harvest was sold for R1.3m which resulted in Cannagrow realising a gross profit of R1.04m from their first harvest. (Revenue has not yet been realised, figures are from Cannagrow's budget)
- Cannagrow has an existing offtake agreement with BBS (an Australian medicinal Cannabis Company) for a base load of 100kgs of flower over a 24-month period. The flower will be used by BBS to manufacture a range of prescription medicines in the form of capsules, tinctures, creams, suppositories etc.
- Cannagrow is currently awaiting lab results for their first harvest. Once the flower is confirmed to contain more than 20% THC, the flower will be exported to BBS Australia.
- The clones for the next harvest are currently in "vegetative" state and will be ready for harvest at the end of May 2022.
- In order to fulfil the BBS offtake agreement, Cannagrow purchases any weight shortfalls in flower from other local cultivators at favorable prices.



### 3.5 Potential Pipeline

- **Cannabis Analytics and Testing Laboratory**
  - As at the Last Practicable Date, Silverleaf is in the process of finalizing a deal to invest into a Cannabis analytics and testing laboratory. The lab is currently in the process of acquiring SAHPRA licensing as well as ISO/IEC 17025 SANAS accreditation, which will make it one of the first Cannabis labs in South Africa to acquire both of these sought-after accreditation and license. This opportunity makes for an attractive business model as the lab will be a preferred testing and analytics lab for growers in South Africa, given that international offtakers require results from a licensed and accredited lab before they take delivery of the product.
- **Cannabis Oil, Tincture & Health& Beauty Product manufacturer**
  - As at the Last Practicable Date, Silverleaf is in a due diligence process to invest in a Cannabis Product manufacturer who has a Gauteng-based facility that manufactures a broad range of oils, tinctures and creams containing CBD.
  - The company manufactures products for a number of established local and international Cannabis brands who distribute their products through major retail & pharmacy chain as well as online.
- **Medicinal Cannabis product developer, retailer (potential for franchising) and distributor**
  - Silverleaf are currently conducting due diligence on a Medicinal Cannabis brand that established a retail franchise format operating in KZN and Gauteng. The company is seeking financial and strategic support to grow their business.
  - The advent of the legalisation of Cannabis has opened many people's eyes to the medicinal and therapeutic effects of Cannabis. This has created a demand for retail Cannabis shops where people can walk in, have a consultation with a doctor or healthcare specialist, and walk out with their Cannabis product that will treat their ailments and improve their quality of life.
  - The company develops and produces products that focus on sport recovery, performance, and general health.
  - The company sells all developed products through their own stores, to other retail shops (wholesale) and plans to sell through franchisees.
- **Silverleaf Investments' Business Accelerator**

Silverleaf Investments is exploring the opportunity of setting up and allocating capital to a cannabis business accelerator. This accelerator will offer cohort-based programs to assist start ups in unlocking the full potential of each company in an attempt to make them investment ready.

Silverleaf has identified a need for a cannabis business accelerator due to the following reasons:

- Many founders have a lack of skills and knowledge to build investable and commercially scalable businesses
- Cannabis is a sunrise Industry, so there are limited role models of successful SME'S to emulate
- Legislative limitations and uncertainty make entrepreneurs wanting to get into the industry sceptical
- Limited access to development and commercial capital
- Limited access to distribution networks in order to scale
- Limited investment-ready SMEs, but a significant pipeline of emerging SME's that would benefit greatly from a structured business accelerator

A cannabis focused accelerator could be a game-changer within the industry, enabling and creating a commercially viable and investable pipeline for Silverleaf.

#### **Accelerator qualification criteria**

- SME business must be formally registered
- Business must have all the required licenses or be close to obtaining if required (SAHPRA, SANAS etc.)
- Revenue generating would be ideal, or must be able to demonstrate that it is 3 months away from revenue generation
- Founders must be actively involved in the business with no other outside interests
- Founders must have a minimum of 2 years' experience in the Cannabis or related industries
- Founders must commit to mentorship and training by the Silverleaf team
- Founders and Shareholders must commit to all the Terms and Conditions of the accelerator in order to be selected and admitted for incubation

**The functions and value-add services of the accelerator are:**

- To provide access to skilled professionals in brand building, digital marketing, web design, financial and legal services;
- To ensure that all the required compliance and governance is in place;
- To ensure that all systems of control in accounting, reporting, operations are functional and operational;
- To ensure that budgets are prepared and implemented;
- To assist with marketing and sales strategies to position for growth;
- To assist with networking and making industry connections;
- To attend management meetings and to set up targeted feedback sessions with each of the operational team executives
- To provide strategic input and guidance which will help to focus on those areas where there is a competitive advantage. This includes the customer and segments targeted, the products or services offered, and their place in the Cannabis value chain

The purpose behind making use of an incubator is to de-risk the investments in Qualifying Companies before being presented to the Silverleaf Investment Committee by evaluating and working closely with each Qualifying Company before investment. This process will ensure that the Qualifying Companies that are incubated will be ready to be presented for funding to the Investment Committee.

In return for providing access to the Incubator, the Accelerator Co will subscribe for 20% of Ordinary Shares in the Qualifying Company for a subscription amount of R200 000. Silverleaf Investments Limited will have right of first refusal for the next round of funding at an appropriate discount.

### **3.6 Post-Investment Management**

The Board's post-investment plan will mitigate risk by playing an active role in each of the Qualifying Companies that are invested in. A minimum of one Board member will serve on the board of each Qualifying Company.

The Manager will assist in the following tasks and activities:

- Assist Qualifying Companies to develop a strategic focus;  
The Manager will capitalise on their industry experience and knowledge to focus on those areas where they have a competitive advantage. This includes the targeted consumer segments, the products offered, and their place in the Cannabis value chain.
- Assist invested companies to develop the right resources and operations;  
With a strategic focus being identified, the Manager will assist the Qualifying Companies in resourcing the business and guiding the company to move past their early entrepreneurial days and recruit experienced, professional talent across all organisation functions.
- Prepare to expand;  
Having a clear strategic focus and an agile, professional workforce in place helps companies to pursue intelligent, deliberate local and international expansion that aligns with their long-term vision and also reflects and capitalises on emerging industry trends.

### 3.7 Investment Mandate

The capital raised will be invested according to the various investment mandates that were adopted by the Board. The company's primary investment objective is to manage investments in qualifying companies that will generate long-term capital growth and dividend income.

Investment Type	Percentage of Fund (%)	Targeted IRR (%)	Average Time Frame of Investment (Years)
Cash on Hand, Call and Fixed deposits	0 – 100	3	2
Cultivation	0 – 60	22	5
Processing and Manufacturing	0 – 50	18	5
Supply Chain	0 – 40	18	5
Product Development and Distribution	0 – 50	18	5
Services	0 - 20	15	5

### 3.8 Exit Strategies

The Board will continuously evaluate various exit mechanisms for its investments. The intended mechanism is to sell the operating businesses to other local or international trade players.

Alternative exit strategies would include, but are not limited to, the following:

1. the listing of Silverleaf on an alternative exchange;
2. industry consolidation;
3. sale of underlying Qualifying Companies; and/or
4. management buy-out.

### 3.9 Silverleaf's Investment Committee

The Silverleaf Investment Committee consists of four members: Darryl Weisz (Chairman), Jeffrey Miller, Pierre van der Hoven and Makaula Ayanda Bam. Decisions are made based on a majority vote by members. The committee has a right to co-opt appropriately skilled individuals as members of the committee as and when required.

### 3.10 State of affairs of the Company (reg 59(3) (d))

The Statement of Comprehensive Income for the year ending 28 February 2022 is set out below.

The Directors' forecasts are based on a targeted Capital of R7 000 000 being raised by 7 000 Ordinary Shares as at 30 June 2022.

#### **Silverleaf Investments Limited**

#### **Statement of Comprehensive Income**

	R	R	R
	Audited 28-Feb-22	Public Placement	Post Public Placement 28 Feb 23
<b>Revenue</b>			
Dividends received	-	-	-
Cost of sales	-	-	-
<b>Gross Profit</b>	-	-	-
<b>Expenses</b>	<b>289 374</b>	<b>196 750</b>	<b>486 124</b>
Auditors remuneration	18 688	15 000	33 688
Bank Charges	1 565	2 000	3 565
Management Fees	202 167	169 750	371 917
Directors fees	-	-	-
FSCA levies	9 651	-	9 651
Insurance	45 500	-	45 500
Secretarial Fees	11 803	10 000	21 803
Interest Income - Bank	103 944		103 944
Interest Income Note 1		203 700	203 700
<b>Total Interest</b>	<b>103 944</b>	<b>203 700</b>	<b>307 644</b>
<b>Profit Before Tax</b>	<b>- 185 430</b>	<b>6 950 -</b>	<b>178 480</b>
Taxation	-	-	-
<b>Profit/(Loss) for the financial period</b>	<b>- 185 430</b>	<b>6 950 -</b>	<b>178 480</b>

#### **Notes**

**Note 1:** Included in the Public Placement column is financial income of 3.0% p.a. for 12 months and a pro forma adjustment for the operating expenditure of the Company on the assumption that the company has been in operation for 12 months. A management fee of 2.5% has been taken into account on the Statement of Comprehensive Income as agreed upon by the Manager and the Company.

### 3.11 Pro forma statement of financial position before and after the Offer

Silverleaf's audited financial position statement as at 28 February 2022, assuming the Offer is fully subscribed, is set out below.

#### Silverleaf Investments Limited Statement of Financial Position

	R	R	R
	Audited 28-Feb-22	Public Placement	Post Public Placement
<b>Assets</b>			
<b>Non-Current Assets</b>	1 557 188	-	1 557 188
Deferred Tax	56 178		56 178
Investment in Cannagrow	1 501 010		1 501 010
<b>Current Assets</b>	8 315 950	6 790 000	15 105 950
Trade and Other Receivables	1 533 574	-	1 533 574
Prepaid Expense	32 500		
Loan to companies	510 212		
Cash and Cash Equivalents	6 239 664	6 790 000	13 029 664
<b>Total Assets</b>	<b>9 873 138</b>	<b>6 790 000</b>	<b>16 663 138</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>	9 851 237	6 790 000	16 641 237
Ordinary Shares	9 995 695	6 790 000	16 785 695
Retained Income	- 144 458	-	144 458
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>	-		-
<b>Current Liabilities</b>	21 901	-	21 901
Trade Payables	6 901	-	6 901
Accruals	15 000	-	15 000
<b>Total Equity and Liabilities</b>	<b>9 873 138</b>	<b>6 790 000</b>	<b>16 663 138</b>

#### **Notes:**

Assuming 7 000 Ordinary Shares have been issued at R1 000 per share and share issue costs of 3% have been set off against capital raised as a Capital Raising fee

### 3.12 Principal immovable property owned (reg 59(3) (e))

There are no immovable properties owned by the Company.

The Company has entered into a lease agreement for the rental of its premises situated at 164 Katherine Street, Building 2, Pinmill Office Park, Strathavon, 2196.

The lease is for two years at a rental price of R3 000 per month and expired on 28 February 2022. The Company has renewed the lease for an additional two years, with an expiry date of 29 February 2024.

### 3.13 Capital commitments, lease payments and contingent liabilities (reg 59(3) (f))

- Capital commitments

At the Last Practicable Date, the Company had made no commitments for capital expenditure to acquire, construct, or install any buildings, plant or machinery.

- Contingent liabilities

At the date of this Prospectus, the Company had no contingent liabilities.

### 3.14 Turnover, profit and loss and dividend policy (reg 59(3) (g))

- Refer to paragraph 3.11 for the company's revenue, profits, and losses since its date of incorporation. (Reg 59(3) (g) (i) and (ii))
- The Auditor's report, in terms of Regulation 79 of the Companies Act 71 of 2008, is set out in **Annexure 6** of this Prospectus.
- As at the Last Practicable Date, Silverleaf had not paid any dividends to Ordinary Shareholders. (reg 59(3) (g) (iii))
- Surpluses on the realisation of investments will ordinarily be distributed to shareholders in the form of dividends as determined by the Board from time to time. Dividends paid will be subject to Dividends Tax.

## 4. SHARE CAPITAL OF THE COMPANY (reg 60)

- 4.1 The authorised and issued share capital of the Company before and after the Offer is set out below (reg 60(a) (i) and reg 60):

Share Capital of the Company				
	28-Feb-20	29-Feb-21	28-Feb-22	Last Practicable Date
<b>Number of authorised shares</b>				
Ordinary Shares of no par value	1 000 000	1 000 000	1 000 000	1 000 000
Unclassified Ordinary Shares of no par value	1 000 000	1 000 000	1 000 000	1 000 000
"A" Ordinary Shares of no par value	250 000	0	0	0

	28-Feb-22	Notes	30-Jun-22
<b>Number of issued shares</b>			
Ordinary Shares of no par value	10 795	7 000	17 795
Unclassified Ordinary Shares	-	-	-
<b>Stated Capital (Rand)</b>	<b>10 795 000</b>	<b>6 790 000</b>	<b>17 635 000</b>

#### Notes

##### **Stated Capital – Shares**

The above information is subject to the assumption that 7 000 Ordinary Shares have been issued at R1 000 per share with a 3% capital raising fee.

- 4.2 The authorised and unissued shares are under the Directors' control, subject to the provisions of Section 38 of the Companies Act 71 of 2008.
- 4.3 None of the Shares have any conversion or redemption rights.
- 4.4 The Ordinary Shares participate equally in dividends declared by the Board.
- 4.5 The Shares held by the Directors are set out in paragraph 8.2. (reg 60(a) (iii))
- 4.6 As at the Last Practicable Date, a total of 10 795 Ordinary Shares of no par value have been issued at R1 000 per share have been issued to the public. (reg 60(c) (i) (ii))

## 5. OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES (reg 61)

The Company is not party to any contract or arrangement (or proposed contract or arrangement) whereby an option or preferential right of any kind is (or is proposed to be) given to any person to subscribe for any Shares in the Company.

## 6. COMMISSIONS PAID AND PAYABLE IN RESPECT OF UNDERWRITING OF SHARES ISSUES (reg 62)

- 6.1 There have been no commissions paid or due, which were underwritten by the Company, from its incorporation date up to the Last Practicable Date.
- 6.2 No other commissions, discounts or brokerages have been paid, nor have any other special terms been granted, in connection with the Company's share issue.

## 7. MATERIAL CONTRACTS (reg 63(1) (a) (b), 63(2))

- 7.1 The Company has entered into the following Material contracts as at the Last Practicable Date:
  - Management Agreement with Silverleaf Manco (Pty) Ltd as disclosed in **Annexure 4**; and
  - Directors Service Contracts as set out in **Annexure 3**.
- 7.2 All the material contracts concluded by the Company are open for inspection at its registered address during normal office hours from the date of issue of this Prospectus up to and including 10 Business Days after the Closing Date.

## 8. INTEREST OF DIRECTORS AND PROMOTERS (reg 64)

- 8.1 In the three years preceding this Prospectus, no consideration had been paid or agreed to be paid to:
  - 8.1.1 any Director or related party;
  - 8.1.2 another company in which a Director has a beneficial interest or of which such Director is also a director; or
  - 8.1.3 any partnership, syndicate or other association of which the Director is a member, to induce the Director to become a Director, qualify as a director; or for services rendered by the Director or by a company, partnership, syndicate or other association in connection with the company's promotion or formation. (reg 64(2) (a))
- 8.2 At the Last Practicable Date, Paul Bacher, Jeffrey Miller and Darryl Weisz are either direct or indirect shareholders in the Company.
- 8.3 At the Last Practicable Date, Pierre Van der Hoven, Clifford Giesenow, Jeffrey Miller, Darryl Weisz, Paul Bacher and Makaula Ayanda Bam are either direct or indirect shareholders in the Manager.
- 8.4 The salient points of the Management Agreement are disclosed in **Annexure 4** of this Prospectus.
- 8.5 No property has been acquired or disposed of by the Company since its incorporation. Therefore, the Directors had no interests in property, that was acquired or disposed of, by the Company since its incorporation. (reg 64 (b) (iii))

8.6 The Directors have no interests in contracts or transactions other than that disclosed in clause 8.8 and 8.9 below.

8.7 Investment Structure in Qualifying Companies:

8.7.1 The Manager may subscribe for up to 34% of the "B" ordinary shares (representing a maximum of 34% of the total shares in issue), in each Qualifying Company for a nominal value.

8.7.2 The "A" ordinary shareholders (Silverleaf) will be entitled to the first waterfall of Distributions from the Qualifying Company until the Risk Capital has been repaid.

8.7.3 After that, the Manager will receive 20% of all distributions made to Silverleaf in excess of the Risk Capital and up to 120% of Silverleaf's gross subscription into the Qualifying Company.

8.7.4 After that, the VCC and the Manager will share in all distributions by the Qualifying Companies at a pro-rata rate to their shareholding.

8.7.5 The Manager will have the right to co-invest and subscribe for "A" Ordinary Shares into the Qualifying Company, on the same terms and conditions as the VCC.

8.8 Darryl Weisz, Jeffrey Miller, and Paul Bacher are Non-Executive Directors of the Company and are either direct or indirect shareholders in the Manager.

8.9 Paul Bacher and Makaula Ayanda Bam are Directors and are either direct or indirect shareholders of the Manager.

## 9. LOANS (reg 65)

Since the incorporation of the Company and up to this Prospectus's date, Silverleaf had no material loans payable as well as no material loans advanced to any party.

## 10. SHARES ISSUED OTHER THAN FOR CASH (reg 66)

There have been no Shares or other securities issued, other than for cash, since the Company's and/or its Subsidiaries' incorporation.

## 11. PROPERTY ACQUIRED OR TO BE ACQUIRED (reg 67)

11.1 Since the company's incorporation, and up to this Prospectus date, the Company has not acquired any immovable property or fixed assets.

11.2 While the Company does not plan to acquire any immovable property, it intends to acquire assets that are material to the business. The Company will be utilised to procure these fixed assets out of the proceeds of this Offer.



## 12. AMOUNTS PAID OR PAYABLE TO PROMOTERS (reg 68)

- 12.1 A once-off capital-raising fee of 3.0% on the total capital raised is payable to the Manager, whose name and address are set out in the *Corporate Information and Advisors* section of this Prospectus. This happens on all Shares subscribed for in terms of this Offer.
- 12.2 For two years ending 28 February 2023, an annual management fee of 2.5% excluding VAT is payable to the Manager, quarterly and in advance, on all subscription proceeds for the Ordinary Shares.
- 12.3 For the period commencing on 1 March 2023, the Manager will be entitled to an annual management fee of 2.5% excluding VAT, payable quarterly and in advance, on the net asset value of Silverleaf as determined in each prior years' audited annual financial statements.
- 12.4 In the last three years, a total amount of R320 100 has been paid to the Manager as a capital-raising fee and R269 635.42 has been paid to the Manager as management fees in terms of the Management Agreement.

## 13. PRELIMINARY EXPENSES AND ISSUE EXPENSES (reg 69)

- 13.1 An amount of R92 000 has been budgeted for this Offer's expenses on full subscription, excluding capital-raising fees.
- 13.2 These expenses (VAT exclusive) are estimated and consist of the following:

Service	Service Provider	R
Preparation of Prospectus	Grovest	R50 000
Registration of Prospectus	CIPC	R7 000
Reporting Accountants Report	RWFC	R5 000
Auditors Report	RWFC	R5 000
Secretarial Services	E.R Goodman	R10 000
Prospectus Review	Brett Incorporated Attorneys	R10 000
<b>Total</b>		<b>R87 000</b>

## SECTION 2 – DETAILS OF THE OFFER

### 1. PURPOSE OF THE OFFER (reg 70(a))

1.1 The purpose of the Offer is:

- 1.1.1 to expand the Company's capital base;
- 1.1.2 to increase the issued capital of Silverleaf to enable it to invest in Qualifying Companies
- 1.1.3 to invite members of the public, financial institutions and business associates of Silverleaf to invest directly in the Company;
- 1.1.4 to broaden the shareholder base of Silverleaf; and
- 1.1.5 to fund the growth aspirations of the Company.

1.2 Any amounts raised in excess of the projected issuing expenses will be used to achieve the Company's goal of increasing its capital base. (reg70 (b))

### 2. SALIENT DATES (reg 71)

The dates and times for the opening and closing of the Offer are set out below:

#### Details

Opening date of the Offer on (10:30)	4 July 2022
Expected Closing Date of the Offer (17:00)	5 August 2022

### 3. PARTICULARS OF THE OFFER (reg 72)

- 3.1 This consists of an offer to the public to subscribe for 7 000 Ordinary Shares at R1 000 per share, with each share having one vote as contemplated in the MOI.
- 3.2 Before the date of this Prospectus, and as at the Last Practicable Date, the Company has issued 10 795 Ordinary Shares to the public since its incorporation. (reg 72(2))
- 3.3 The Directors have passed the required resolutions, authorisations and approvals to issue 7 000 Ordinary Shares of no par value at R1 000 per share in terms of the Offer. The Directors consider this issue price for the issue of the Shares, in terms of the Offer, to be justified by the Company's prospects. Therefore, it is adequate consideration in terms of section 40 of the Companies Act 71 of 2008.
- 3.4 The Company has not issued any Shares at a premium in the preceding three years. (reg 72 (3))
- 3.5 Applications must be for a minimum of 0.001 of a Share.
- 3.6 All application forms, which are completed as per the provisions of this Prospectus and the instructions set out on the Mandate and Application form, should be delivered to:
  - Email address: [Investors@grovest.co.za](mailto:Investors@grovest.co.za)
  - Physical Address: 164 Katherine Street, Building 2, Pinmill Office Park, Strathavon, 2196
  - Registered mail: 164 Katherine Street, Building 2, Pinmill Office Park, Strathavon, 2196

- 3.7 Proof of payment must be received by Silverleaf by no later than 17h00 on 5 August 2022 (crossed "not transferable"), banker's draft or electronic transfer into the following bank account:

**Account Name:** Silverleaf Investments Limited  
**Bank Name:** FirstRand Bank Limited  
**Branch Name:** Woodmead Retail Park  
**Branch Code:** 250 955  
**Account Number:** 62884555122

- 3.8 Applications will be irrevocable once received by Silverleaf. No receipts will be issued for applications and/or payments received.

#### 4. MINIMUM AND MAXIMUM SUBSCRIPTIONS IN TERMS OF THIS OFFER (reg 73)

- 4.1 The Company does not intend to purchase any immovable property with the proceeds of the Offer.
- 4.2 The minimum amount to be raised in terms of this offer is R500 000. This includes the projected issuing expenses excluding VAT.
- 4.3 The maximum amount to be raised in terms of this offer is R7 000 000. This includes the projected issuing expenses excluding VAT.
- 4.4 The maximum investment amount available to an individual investor is 20% of issued share capital of the Company post investment
- 4.5 If the minimum amount of R500 000 is not raised in terms of the Offer, the Offer will become null and void in terms of this Prospectus. All monies received will be returned to Investors and no Shares will be issued in terms of this Offer.
- 4.6 Any amounts raised in excess of the projected issuing expenses will be used to achieve the Company's goal to increase its capital base.
- 4.7 If the Offer fails, an announcement to this effect will be available on the Company's website within seven Business Days of the Closing Date, with monies returned to Investors within 10 Business Days after that.

#### 5. RESERVATION OF RIGHTS

- 5.1 Shares are issued subject to the provisions of the application processes, the Company's founding documents, and the terms of this Prospectus. As such, the Company's Directors reserve the right to accept or refuse any application(s), either in whole or in part, or to stop any or all application(s) in such manner as only they may determine.
- 5.2 The Company's Directors reserve the right to not accept applications for less than 0.001 Shares per application at their sole and absolute discretion.
- 5.3 If the Directors refuse an application, the money that has been received by the Company will be refunded to the applicant within 10 Business Days of the relevant Closing Date.

#### 6. RESULTS OF ALLOCATIONS

Investors will be notified of the allocation of Shares within seven Business Days of the Closing Date by way of email.

- 6.1 Over Subscriptions
  - The Board reserves the right to accept subscriptions above the prescribed Offer at its sole discretion.
  - If any Offer application is rejected or accepted for a lesser number of Shares than applied for, any surplus application monies received will be refunded by Silverleaf within 10 Business Days of the Closing Date.
- 6.2 Issue of Shares
  - All Shares to be issued in terms of the Offer will be issued at Silverleaf's expense.

## **SECTION 3 - STATEMENTS AND REPORTS RELATING TO THE OFFER**

### **1. STATEMENT OF ADEQUACY OF CAPITAL (reg 74)**

The Directors believe that the Company's issued share capital and working capital will be adequate, for the business of the Company, for at least 12 months after the date of this Prospectus.

### **2. REPORT BY DIRECTORS ABOUT MATERIAL CHANGES (reg 75)**

There have been no material changes in the company's financial and trading position since the previous financial reporting period and the date of this Prospectus.

### **3. STATEMENT ABOUT LISTING ON THE STOCK EXCHANGE (reg 76)**

No application has been made to any stock exchange for the listing of the Shares. The Company is currently investigating the possibility of listing its securities on an approved over-the-counter exchange (OTC Platform) and will update shareholders in the future regarding this.

### **4. REPORT BY THE AUDITOR WHERE BUSINESS UNDERTAKINGS ARE TO BE ACQUIRED (reg 77)**

Potential transactions mentioned in the prospects section of this Prospectus do not fulfil the requirements of Regulation 77 of the Companies Regulations as these have not been finalised.

### **5. REPORT BY THE AUDITOR WHERE COMPANY WILL ACQUIRE A SUBSIDIARY (reg 78)**

In terms of Regulation 78 of the Companies Regulations, an auditor's report is not required for this Prospectus.

### **6. REPORT BY THE AUDITOR OF THE COMPANY (reg 79)**

In terms of Regulation 79 of the Companies Act 71 of 2008, the auditor is required to prepare a report on the profits and losses, dividends as well as assets and liabilities of the Company. In this regard paragraph 3.11 and 3.12, and Annexure 6 of this Prospectus set out the financial information and the auditor's report on the financial information required.

## SECTION 4 - ADDITIONAL MATERIAL INFORMATION

### 1. TAX TREATMENT OF INVESTMENTS IN SILVERLEAF

- 1.1 Dividends received by Corporates should not be subject to Dividends Tax to the extent the local company-to-company dividend exemption requirements – as set out in section 64F of the Income Tax Act 58/ of 1962 - are met.
- 1.2 Silverleaf intends to return realised investment surpluses to Shareholders by dividends. Dividends paid will be subject to Dividend Withholding Tax as applicable.
- 1.3 A return of capital that is limited to the amount of the initial investment in Silverleaf is subject to income tax in the hands of the investor.
- 1.4 Capital Gains, as well as original capital returned to investors, will be subject to Capital Gains Tax.

### 2. LITIGATION STATEMENT

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

### 3. CORPORATE GOVERNANCE

- 3.1 Silverleaf subscribes to Corporate Governance guidelines set out in King IV as set out in Annexure 7 of this Prospectus. (reg 54 (1) (b) (i))
- 3.2 The Board reviews the Manager's performance on an ongoing basis.

### 4. QUALIFYING COMPANY CRITERIA

#### Who qualifies to be a Qualifying Company?

- The Qualifying Company must be a company; the company must be a resident;
- The company must not be a controlled group company concerning a group of companies;
- The company's tax affairs must be in order and a tax clearance certificate must be requested from SARS to support this requirement;
- The company must be an unlisted company (section 41 of the Act) or a junior mining company; a junior mining company may be listed on the Alternative Exchange Division (AltX) of the JSE Limited;
- During any year of assessment, the sum of the "Investment Income" derived by the company must not exceed 20% of its gross income for that year of assessment;
- The company must not carry on any of the following non-permitted trades:
  - Any trade carried on concerning immovable property, except trade as a hotel keeper (includes bed and breakfast establishments);
  - Financial service activities such as banking, insurance, money-lending and hire purchase financing; provision of financial or advisory services, including legal, tax advisory, stockbroking, management consulting, auditing, or accounting;
  - Operating casinos or other gambling-related activities including any other games of chance;
  - Manufacturing, buying or selling liquor, tobacco products or arms or ammunition; or
  - Any trade carried on mainly outside the Republic.

There are no special tax rules for Qualifying Company companies. The standard tax rules will apply.

## 5. EXPERT CONSENTS

- 4.1 Each of the parties listed under *the Corporate Information and Advisors section has consented, in writing, to act in the capacities stated and for their names to appear in this Prospectus*. They did not withdraw their consent before the publication of this Prospectus.
- 4.2 The independent reporting accountants have consented, in writing, to have their reports appear in the Prospectus in the form and context as these appear. They did not withdraw their approval before the publication of this Prospectus.

## 6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company, whose names are given in paragraph 2.5 of Section 1 of this Prospectus, collectively and individually accept full responsibility for the accuracy of the information provided in this Prospectus. They certify that, to the best of their knowledge, there are no facts relating to the Company which have been omitted that would render any statement relating to the Company false or misleading. In addition, the directors certify 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

- 6.1 This Prospectus contains objective information about Silverleaf. Nothing contained in it should be construed as any form of investment advice or recommendation, guidance or proposal of a financial nature about any investment. Nothing in this Prospectus should be construed as canvassing for, or marketing or advertising of, financial services by Silverleaf.
- 6.2 Investors should be aware that the value of, and potential income generated from, acquiring shares in Silverleaf may appreciate as well as depreciate. Investors may not realise the initial share acquisition price. If in any doubt, Investors should seek advice from their financial advisor, attorney, accountant, banker or another professional advisor.

## 8. RISK FACTORS OF VENTURE CAPITAL INVESTMENTS

- 7.1 Potential investors should consider all the information in this Prospectus before deciding to invest in Silverleaf. Venture capital investments are considered to be speculative. They are considered to be more suitable for investors in a high-income bracket who are prepared to accept the risks inherent in investments of this nature.
- 7.2 Prospective investors should carefully consider their financial position and make every effort to familiarise themselves with the consequences of Silverleaf not reaching the objectives outlined in this Prospectus. It may be wise to seek independent financial advice about this investment.
- 7.3 Prospective investors should be aware that the value of the ordinary shares in Silverleaf will fluctuate and that this investment may not realise a profit.
- 7.4 Changes in legislation relating to Venture Capital Companies may restrict or adversely affect the ability of Silverleaf to meet its objectives.
- 7.5 There can be no assurances that Silverleaf will meet its objectives.

- 7.6 To comply with Venture Capital Company legislation, Silverleaf must spend at least 80% of its expenditure on equity shares in Qualifying Companies, which must be unlisted and have a book value of assets of not more than R50 000 000 after Silverleaf invests in them. Such companies may have a higher risk profile than larger, listed companies.
- 7.7 Silverleaf's qualifying Investments will be in companies whose shares are not listed and will therefore not be readily marketable. While Silverleaf may, in exceptional circumstances, buy back Shares from Shareholders, it is not obliged to do so.
- 7.8 Venture Capital Shares are illiquid.

## 9. COMPLAINTS PROCESS & TCF OUTCOMES

- 8.1 Silverleaf is committed to service excellence and values the relationship with its investors. The Treat Your Customers Fairly (TCF) Culture is embedded in our business.
- 8.2 In terms of FAIS, Investors may lodge a complaint with Jeffrey Miller, who is the Key Individual of Silverleaf, at **ki@grovest.co.za**. We are committed to an effective and fair resolution of any complaints. Silverleaf's complaints resolution procedure is available on request.

## 10. CONFIDENTIALITY

Silverleaf will not use or disclose any confidential information obtained, except as permitted, by our investors or required by applicable law. Policies and procedures in terms of the Protection of Personal Information Act 4 of 2013 are in the process of being implemented.

## 11. INVESTORS NOT RESIDENT IN SOUTH AFRICA

- 10.1 Investors who do not live in South Africa should seek professional advice about the consequences of investing in a Venture Capital Company. This is because they may be subject to tax in other jurisdictions as well as in South Africa.
- 10.2 The following summary is intended as a guide and is, therefore, not comprehensive. If you are in any doubt about this summary please consult your professional advisor.
- 10.3 *Emigrants from the Common Monetary Area*
- 10.3.1 A former resident of the Common Monetary Area, who has emigrated from South Africa, may use Blocked Rands to buy Shares in terms of the Offer.
- 10.3.2 For share subscriptions by emigrants using Blocked Rands, all payments must be made through an authorised dealer in foreign exchange.
- 10.3.3 Share certificates will be restrictively endorsed as "NON-RESIDENT".
- 10.3.4 If applicable, refunds of unsuccessful applications, from Blocked Rand accounts, will be returned to the authorised dealer administering such Blocked Rand accounts so that the applicant's Blocked Rand account may be refunded.
- 10.4 *Applicants resident outside the Common Monetary Area*
- 10.4.1 A person who is not resident in the Common Monetary Area should obtain advice if any government and/or legal consent is required. Alternatively, consent must be obtained if any other formality must be observed for an



- application can be made in terms of the Offer.
- 10.4.2 This Prospectus is accordingly not an Offer - in any area or jurisdiction - in which it is illegal to make this type of offer. In such circumstances, this Prospectus is provided for information purposes only. Share certificates will be restrictively endorsed as "NON-RESIDENT".

## 12. DOCUMENTS AVAILABLE FOR INSPECTION (reg 53(a) (b) (d) (e))

- 12.1 Copies of the following documents will be available for inspection at Silverleaf's registered offices at any time during business hours on weekdays until and including 10 Business Days after the Closing Date:
- the MOI of Silverleaf;
  - material agreements disclosed in this Prospectus;
  - the written consent of the Advisors named in this Prospectus;
  - the Independent Reporting Accountant's Report; and
  - Silverleaf's FSCA license.

## 13. PROFESSIONAL INDEMNITY AND FIDELITY INSURANCE COVER

As required in terms of FAIS, professional indemnity and fidelity insurance cover of R1 000 000 has been procured by Silverleaf.

## 14. SHARE BUY-BACKS

- 14.1 An investment in Silverleaf should be considered as a medium- to long-term investment. If a shareholder needs to terminate his investment early, the Board will endeavour to place the shares with an alternate investor on his behalf.
- 14.2 In exceptional circumstances, and at the discretion of the Board, Silverleaf may repurchase such shares at an appropriately discounted value.

## SECTION 5 – INAPPLICABLE SECTIONS

1. The following paragraphs of the Companies Act Regulations, which deal with the requirements for a prospectus, do not apply to this document:

- 1.1. Regulation 54(2)
- 1.2. Regulation 55
- 1.3. Regulation 57(2)
- 1.4. Regulation 57(3)(a)(b)
- 1.5. Regulation 61
- 1.6. Regulation 62
- 1.7. Regulation 64 (2) (b)(i), (ii) and (c)
- 1.8. Regulation 65
- 1.9. Regulation 66
- 1.10. Regulation 67(b)(i)
- 1.11. Regulation 77
- 1.12. Regulation 78 and
- 1.13. Regulation 80

Signed in Sandton by Clifford Giesenow on behalf of all of the Directors of Silverleaf Investments Limited on or about 14 June 2022.



By: Clifford Malcolm Giesenow, Non-Executive Director

## ANNEXURE 1 – RISK FACTORS

This annexure describes the risk factors which are considered by the Directors to be material concerning Silverleaf:

<i>Risk</i>	<i>Explanation of the impact of risk on performance/reputation of Silverleaf</i>	<i>Level</i>	<i>Mitigating factor</i>
Economic conditions	<p>The state of the economy will change over time in line with the economic and business cycles</p> <p>South Africa has been downgraded to below investment grade</p> <p>Impact of the Covid-19 pandemic</p>	High	<p>South Africa is one of the most developed countries in Africa with an extremely sound banking system.</p> <p>The legislative and judicial systems are sound.</p> <p>Cannabis is currently experiencing high growth despite tough economic conditions.</p> <p>With the roll-out of Covid-19 vaccines, the impact of the pandemic should be reduced.</p>
Investor returns below expectations	<p>Qualifying Companies will not perform as expected</p> <p>The Cannabis industry in South Africa is a 'Sunrise' industry currently and has many legislative barriers.</p>	Medium	<p>The Silverleaf Investment Committee will endeavour to invest in Qualifying Companies with a trading history, experienced management and industry know-how.</p> <p>Legal guidance will be sought before investments are made.</p>
Uncertainty	Having limited knowledge of current conditions or future outcomes	Medium	The Silverleaf Investment Committee will only consider investments that it understands well and to which it can add value to and influence the underlying investments.
Illiquid shares	The issued ordinary shares to investors are illiquid	High	<p>Full disclosure is made to investors that shares subscribed for are illiquid.</p> <p>At the discretion of the Board, the Company may re-purchase investor shares at an appropriately discounted value.</p>
Fraud risk / internal control risk	The company does not have an internal audit function	Medium	<p>Management accounts are produced monthly and reviewed by the Board.</p> <p>It is not seen as necessary by the audit and risk committee to implement an internal audit function owing to the</p>

			<p>company's size.</p> <p>External auditors provide a management report annually, about internal controls, to the audit and risk committee.</p>
Credit risk	Credit risk consists mainly of cash deposits, cash equivalents and trade debtors.	Low	The company only deposits cash with major banks with high-quality credit standing. It limits exposure to any one counterparty.
Interest rate risk	Financial assets and liabilities that are sensitive to interest rates and consist of cash balances as well as gearing	Low	<p>Funds not yet invested are deposited in short-, medium- and long-term interest-bearing accounts.</p> <p>A 1% increase or decrease represents management's assessment of reasonably possible changes in interest rates.</p>
Operational risks	<p>The operational risk is that investment decisions are not properly evaluated and considered.</p> <p>Post-investment management is not conducted with adequate diligence and care.</p> <p>Qualifying Companies will not perform as expected.</p>	Medium	<p>The Silverleaf Investment Committee mandate ensures that investment decisions are properly considered and evaluated before investments are made.</p> <p>The manager will procure at one non-executive directors' appointment to the investee companies' board as a condition of investment.</p>
Liquidity risk	The risk that funds will not be available to meet future investment requirements.	Medium	The company manages liquidity risk through the ongoing review of future funding obligations.
Capital risk	To safeguard the company's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital	Medium	To maintain or adjust the capital structure, the company may issue new shares or sell assets to increase cash and cash equivalents.

## **ANNEXURE 2 - APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS OF DIRECTORS (MOI EXTRACT)**

The material provisions of the MOI of the Company are as follows:

### **COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS**

- 32.1 The board will consist of no less than three directors. The shareholders will be entitled, by ordinary resolution, to determine the maximum number of directors as they consider appropriate from time to time.
- 32.2 A director will not be required to hold any qualifying shares.
- 32.3 No director will be elected for life or an indefinite period.
- 32.4 Notwithstanding anything contrary to this MOI, the Manager will only be entitled to nominate directors for election.
- 32.5 All directors will be elected by an ordinary resolution of the shareholders, at a general or annual general meeting, from the manager's nominees in terms of clause 32.4.
- 32.6 In any election of directors:
- The election is conducted as a series of votes, each of which is dependent on the suitability of a single individual to fill a single vacancy. A series of votes will continue until all vacancies on the board, at that time, have been filled.
  - In each vote to fill a vacancy:
  - Each voting right that may be employed may be exercised once. The vacancy is filled only if the majority of the voting rights are exercised to support the candidate.
- 32.7 The board may appoint a person, who satisfies the requirements for election as a director, to fill any vacancy and serve as a director temporarily until the vacancy has been filled by election at the next annual general meeting in terms of clause 32.6. During that period, any person appointed as a director has all directorial powers, functions, and duties and is subject to all of the liabilities as any other director.
- 32.8 The company will only have elected directors and there will be no appointed or *ex officio* directors as contemplated in section 66(4).
- 32.9 Apart from satisfying the qualification and eligibility requirements set out in section 69, a person does not need to satisfy any of these to become or remain a director or a prescribed officer of the Company.
- 32.10 All acts performed by the directors, a committee of directors, any person acting as a director or a committee member will be as valid as if every such person had been duly elected, qualified, and had continued to be a director or member of such committee. This is notwithstanding if afterwards it was discovered that there was some defect in the election of the directors or people acting in the capacity mentioned at the beginning of this point or if any of them were disqualified from or had vacated office,
- 32.11 Other than expressly provided by the MOI, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments and documents to be executed by the Company must be signed, drawn, accepted, endorsed or executed - as the case may be - in such a manner as the directors will determine from time to time.
- 32.12 The directors have the authority to make, amend or repeal any rules relating to the company's governance as contemplated in section 15(3).

- 32.13 Without prejudice to any contrary provisions in this MOI, a director will vacate his office in the circumstances envisaged in section 70(1) of the Act or if:
- His estate is sequestrated, or he surrenders his estate or enters into a general compromise with his creditors; or
  - He is found to be, or becomes, of unsound mind; or
  - The majority of his co-directors sign and deposit a written notice at the office in which he is requested to vacate his position and this notice is deposited at the office but without prejudice to any claim for damages; or
  - He is removed by a resolution of the Company of which proper notice has been given in terms of the Act but damages may be instituted; or
  - He is, according to the provisions of the Act or any order made according to this, prohibited from acting as a director; or
  - He gives one month's (or with the consent of the board, a lesser period) notice in writing of his intention to resign; or
  - He dies or resigns his office by written notice to the company; or
  - He is absent from directors meetings for six consecutive months, without the permission of the directors, while not engaged in the business of the company and He is not represented at any Directors meeting during such six consecutive months by an alternate director; and
  - The directors resolve that his office be vacated because of such absence if the directors have the power to grant a leave of absence to any director for a definite or indefinite period.
- 32.14 A director may hold any other office or place of profit in the Company (except that of auditor) or any subsidiary of the Company in conjunction with his office of director. This is for a period and on terms regarding remuneration (in addition to the remuneration to which he may be entitled as a director) that a disinterested quorum of the directors or a remuneration committee appointed by the board may determine.
- 32.15 A director of the company may be or become a director or other officer of (or interested in) any company promoted by the Company or in which the Company may be interested in as shareholder or otherwise.
- 32.16 Any director may act personally or through his firm for the Company in a professional capacity (other than as auditor). He or his firm will be entitled to remuneration for professional services rendered as if he were not a director.
- 32.17 A director who is indirectly or indirectly interested in a contract, arrangement, proposed contract or proposed arrangement with the Company - or any person in which the Company has an interest – will declare the nature of his interest as per the Act.
- 32.18 No director will be disqualified by his office from contracting with the Company about:
- His tenure of any other office or place of profit under the Company or in any company promoted by the Company or in which the Company is interested;
  - Professional services rendered or to be rendered by such director;
  - Any sale or other transaction.
- No such contract or arrangement entered into by or on behalf of the Company - in which any director is in any way interested - is voidable solely because of such interest.
- 32.19 No director entering into this type of contract will be liable to account to the Company for any profit realised by any such appointment, contract or arrangement because of his office as director or of the fiduciary relationship created by it.
- 32.20 A director may not vote nor be counted in the quorum (and if he does this his vote will not be counted) on any resolution for his own appointment to any other office or place of profit under the Company or regarding any contract or arrangement in which he is interested, provided that this prohibition does not apply to:
- Any arrangement giving any director any security or indemnity for money lent by him to or obligations undertaken by him for the benefit of the Company; or

- Any arrangement for the company to give any security to a third party about a debt or obligation of the Company which the director has himself guaranteed or secured; or
- Any contract by a director to subscribe for or underwrite shares or debentures of the Company; or
- Any contract or arrangement with a public company in which he is interested only because he is a director, officer, creditor or shareholder of such legal person. These provisos may be suspended or relaxed either generally, or regarding any particular contract or arrangement, by the company in a general meeting.

32.21 The Company can ratify a contract which violates the terms of clause 32.20 in a general meeting.

32.22 The terms of clause 32.20 will not prevent a director from voting as a shareholder at a general meeting where a resolution - in which he has a personal interest - is tabled.

32.23 The directors may exercise the voting powers conferred by the shares held or owned by the company in any other Company in such manner as they see fit. This includes the exercising of these in favour of any resolution appointing themselves - or any of them – as directors or officers of another company or determining any payment of or remuneration to the directors or officers of another company.

32.24 A director may vote in favour of a resolution referred to in clause 32.23 for exercising the voting rights in the manner described in clause 32.23. This is notwithstanding that he may be, or is about to become, a director or other officer of such other company and if he may be interested in exercising such voting rights in the manner mentioned above.

## RETIREMENT OF DIRECTORS

32.25 All the directors will retire at the first annual general meeting. After that one-third of the non-executive directors at every annual general meeting, or if the number of directors not a multiple of three, then the number nearest to this but not less than one third will retire from office.

32.26 The non-executive directors who will retire in every year are those who have been in office the longest. When looking at the people elected as non-executive directors on the same day, those who have to retire will - unless they otherwise agreed to among themselves - be determined by lot.

32.27 The length of time a director has been in office will be calculated from his last election or the date he was deemed re-elected.

32.28 A director retiring at a meeting will retain office until the directors' election - at that meeting - has been completed.

32.29 Retiring directors may be re-elected.

32.30 No person, other than a director retiring at the meeting will - unless recommended by the directors - be eligible for election as director at any general meeting unless:

- Not more than 21, but at least seven, days before the day appointed for the meeting, a written notice by a shareholder (who may also be the proposed director) who is duly qualified to be present and to vote at the meeting will be delivered to the office of the company;
- Such notice sets out the shareholder's intention to propose a specific person for election as director; and
- Notice in writing by the proposed person of his/her willingness to be elected is attached (except where the proposer is the same person as the proposed).

32.31 The Company may fill the vacated office at the meeting, where a director retires, by electing a person to this position. The retiring director, if willing to continue to act, will be deemed to have been re-elected, unless:

- It is expressly resolved, at the meeting, not to fill such vacated office; or



- A resolution for the re-election of the director was put to the meeting and rejected.

32.32 At a general meeting, the company or the directors may appoint any person as a director either to fill a casual vacancy or as an additional director. However, the total number of directors will not - at any time - exceed the maximum number fixed by this MOI or in accordance with it.

32.33 If the company - in a general meeting - increases or reduces the number of directors, it may also determine in what rotation this increased or reduced number is to retire.

## PROCEEDINGS OF DIRECTORS AND COMMITTEES

32.34 Other than if it is provided for in this MOI, the directors may meet for the dispatch of business, the adjournment, and otherwise regulate their meetings as they see fit.

32.35 Until otherwise determined by the directors, two directors will constitute a quorum.

32.36 A director who is authorised by the board of directors of the Company:

- May call a meeting of the directors at any time; and
- Must call such a meeting if required to do so by at least 25% of the directors, in the case of a board with at least 12 members, or two directors, in any other case.

32.37 The directors will determine the number of days' notice to be given for directors' meetings as well as the form of that notice.

32.38 A meeting of the directors may be conducted by electronic communication and/or one or more directors may participate in a meeting by electronic communication. This is so long as the electronic communication facility ordinarily employed enables all persons participating in that meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting.

32.39 As soon as possible, but no later than three months from the date that the number of directors became less than the allowable minimum, the remaining directors must fill the vacancies or call a general meeting to fill the vacancies. Failure by the Company to have the minimum number of directors during the aforesaid three-month period does not limit or negate the board's authority or the Company. The directors in office may act notwithstanding any vacancy in their body, but after the expiry of the aforementioned three-month period, if - and for so long as their number is below the minimum number fixed according to the MOI - they may act only to fill up vacancies in their body or of summoning general meetings of the Company. However, not for any other purpose.

32.40 The directors may:

- Elect a chairperson and a deputy chairperson (to act in the absence of the chairperson) of their meetings;
- Determine the period for which they are to hold office, which will not exceed five years.

32.41 The chairperson, or in his absence the deputy chairperson, will be entitled to preside over all meetings of directors. If no chairperson or deputy chairperson is elected, or if at any meeting the chairperson or deputy chairperson is not present within five minutes after the time appointed for beginning the meeting, the directors present will choose one of their numbers to be chairperson at the meeting.

32.42 The majority of votes will decide on all issues arising at any meeting and each director will have one vote on any issue to be decided at any meeting.

32.43 The chairperson will not have a second or casting vote.

32.44 A meeting of the directors, at which a quorum is present, will be entitled to exercise all or any of the powers, authorities and discretions conferred by - or in terms of the MOI - or which are vested in (or are exercisable by) the directors generally.



32.45 A signed written resolution that is given in person, or by electronic communication, by the majority of directors and is then inserted into the minute book will be as valid and effectual as a resolution passed at a meeting of the directors which is duly called and constituted. This provided that each director has received notice of the matter to be decided,

32.46 Any resolutions contemplated in clause 32.45:

- May consist of one or more signed documents;
- Will have regard to the provisions of section 75 of the Act;
- Will be delivered to the secretary without delay and recorded by him in the Company's minute book.

Such resolution shall be deemed to have been passed on the day it was signed by the last director or alternate director who is entitled to sign it. This is unless a statement to the contrary is made in that resolution.

32.47 The meetings and proceedings of any committee that consists of two or more directors will be governed by these provisions regarding meetings and proceedings of the directors so far as the same are applicable.

32.48 Resolutions adopted by the board:

- Must be dated and sequentially numbered; and
- Are effective as of the date of the resolution, unless any resolution states otherwise.

32.49 Any minutes of a meeting, a resolution signed by the chairperson of the meeting or the chairperson of the next meeting of the board is evidence of that meeting's proceedings. Alternatively, these signify the adoption of that resolution, as the case may be.

32.50 Minutes of all board meetings, resolutions and directors' declarations will be kept following the provisions of section 24.

## DIRECTORS' REMUNERATION

32.51 The Company may pay remuneration to the directors for their services rendered as directors. This follows a special resolution approved by the shareholders within the previous two years as set out in sections 66(8) and 66(9). The power of the company in this regard is not limited or restricted by this MOI.

32.52 Any director who:

- Serves on any executive or other committee; or
- Devotes special attention to the business of the company; or
- Goes or resides outside the RSA for the company; or
- Otherwise performs, or binds himself to perform, services which - in the opinion of the directors - are outside the scope of the ordinary duties of a director, May be paid such extra remuneration or allowance in addition to - or in substitution of - the remuneration to which he may be entitled as a director. This is as a disinterested quorum of the directors or a remuneration committee – which are appointed by the board - may determine from time to time.

32.53 A director may be employed in any other capacity in the Company or as a director or employee of a company controlled by, or itself a major subsidiary of, the Company. In such an event, his appointment and remuneration in respect of such other office must be determined by a disinterested quorum of directors.

32.54 The directors will also be paid for all their travelling and other expenses that are properly and necessarily incurred by them in connection with:

- The business of the Company; and
- Attending meetings of the directors or of committees of the directors or of the company.

## BORROWING POWERS

- 37.1 Subject to all other provisions of this MOI, the directors may from time to time:
- 37.1.1 Borrow such sums as they think fit for the Company;
  - 37.1.2 Secure the payment or repayment of any such sums or any other sum, as they think fit, by the creation and issuing of debentures, mortgage or charge upon all or any of the property or assets of the Company;
  - 37.1.3 Make such regulations, as the directors see fit, regarding the transfer of debentures, issuing certificates for this and all such other matters that are incidental to debentures.
- 37.2 The borrowing powers of the Company, as contemplated in clause 37.1, are not limited.

## ANNEXURE 3 – DIRECTORS’ SERVICE CONTRACTS

Name of Director	Commencement Date	Termination Date	Period	Notice Period	Remuneration
Clifford Giesenow	15/01/21	14/01/2026	Five consecutive one-year terms of office	One calendar month	Nil
Darryl Raymond Weisz	15/01/21	14/01/2026	Five consecutive one-year terms of office	One calendar month	Nil
Jeffrey Wayne Miller	15/01/21	14/01/2026	Five consecutive one-year terms of office	One calendar month	Nil
Paul Bacher	15/01/2021	14/01/2026	Five consecutive one-year terms of office	One calendar month	Nil
Pierre van der Hoven	15/01/2021	14/01/2026	Five consecutive one-year terms of office	One calendar month	Nil
Makaula Ayanda Bam	07/02/2022	07/02/2027	Five consecutive one-year terms of office	One calendar month	Nil

## **ANNEXURE 4 – SALIENT POINTS OF THE MANAGEMENT AGREEMENT (EXTRACT)**

**Term:** Ten years and to continue in perpetuity

**Notice Period:** Three months' notice from either Party

**Services:**

- Effectively managing and supervising the day-to-day operations of the business, including, but without limitation;
- Raising of funds for the operations of the Company and if necessary engaging intermediaries for that purpose;
- Promoting and marketing the Company;
- Initiating and sourcing potential investments for the Company;
- Managing due diligence investigations concerning potential investments and making recommendations arising from this to the Board;
- Monitoring and managing the Company's investments and - to the extent necessary - representing the Company at shareholders' and directors' meetings of companies in which the Company has invested;
- Investigating and managing the disposal and realisation of the Company's investments and making recommendations in that regard to the Board;
- Conducting on behalf of the Company all negotiations concerning the acquisition or disposal of any investment;
- Preparing, at regular intervals, reports and communications to the Board and Shareholders of the Company concerning the management, administration, conduct and control of the Company;
- Preparing, on request by the Board, material required for inclusion in the annual and other reports of the Company or the Board;
- Preparing and maintaining agendas, minutes, adequate accounting records and other reports in respect of the Business;
- Opening and operating banking accounts for the Company;
- Reporting to the Board at such times as may be reasonably necessary about all aspects of the Company;
- Instituting or defending any legal proceedings arising out of the Company's ordinary and regular course of conduct. These Costs will be for the account of the Company.

### **Remuneration:**

#### **Ordinary Shares**

- The Manager is entitled to payment of a capital-raising fee of 3% (excluding VAT) on capital raised.
- An annual management fee of 2.5% (excluding VAT) is payable to the Manager, in advance quarterly, on all subscription proceeds for the Ordinary Shares.

## ANNEXURE 5 – FSP LICENSE

2006/03832/FSP  
05/06/2021



**FINANCIAL SECTOR CONDUCT AUTHORITY**

**LICENCE No. 49754**

It is hereby certified that with effect from 11 December 2018

**Silverleaf Investments 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

CERTIFIED A TRUE COPY OF THE ORIGINAL

LEAT DORA SACHAROWITZ  
Commissioner of Oaths – Ex Officio  
Non-Practising Attorney  
Building 2, Pinetree Office Park,  
154 Katherine Street, Sandton, 2196,  
Johannesburg

4/5/2022



25 MAY 2021



## ANNEXURE 6 – REGULATION 79



### ANNEXURE 7 – REPORT BY THE AUDITOR

#### AUDITORS REPORT ON THE FINANCIAL INFORMATION OF SILVERLEAF INVESTMENTS LTD ("SILVERLEAF") IN TERMS OF REGULATION 79 OF THE COMPANIES ACT

17 June 2022

The Directors  
Silverleaf Investments Ltd  
164 Katherine Street  
Building 2, Pinnmill Office Park  
Strathavon  
2196

Dear Sirs

#### AUDITORS REPORT ON THE FINANCIAL INFORMATION OF SILVERLEAF INVESTMENTS LTD ("SILVERLEAF") IN TERMS OF REGULATION 79 OF THE COMPANIES ACT

We have agreed to provide a report on Silverleaf's financial information included in on pages 28 and 29 as well as Annexure 8 of the prospectus to be issued on or about 04 July 2022 ("the Prospectus") for purposes of complying with Regulation 79 of the Companies Act 71 of 2008 ("the Act"). In terms of Regulation 79 of the Act, a company issuing a prospectus is required to provide financial information comprising of the following:

- The profits and losses for the three financial years preceding the date of the Prospectus;
- The rates of the dividends, if any, paid by the company in respect of each class of securities of the company in respect of each of the three financial years immediately preceding the issue of the Prospectus; and
- The assets and liabilities as at the last date to which the annual financial statements were made out collectively "the regulation 79 financial information").

RWFC Financial Consultants Inc. is the appointed auditor of Silverleaf.

We have audited the annual financial statements of Silverleaf for the year ended 28 February 2022. We have expressed an unqualified audit opinion in respect of Silverleaf's annual financial statements for the aforementioned period. Our audit was conducted in accordance with International Standards on Auditing and the financial statements prepared in accordance with International Financial Reporting Standards. We have not performed any audit procedures subsequent to our audit opinion in respect of the financial year ended 28 February 2022. Based on the above, we are satisfied that Silverleaf's financial statements for the 2022 financial year are correct and have been prepared on a basis consistent with the Act. It has been noted that Silverleaf only began trading in the 2021 financial year.

#### *Extraction of financial information*

The regulation 79 financial information required is detailed on pages 28 and 29 as well as in Annexure 8 of the prospectus are an extraction from Silverleaf's annual financial statements for the year ended 28 February 2022.

P.O Box 1364, Houghton, 2041. Tel: (011) 483-3333/4/5/6. Fax: (011) 483-1815  
33 Central Street, Houghton Estate, 2198. email: info@rwfc.co.za Website: www.rwfc.co.za

Directors: M Tobias CA (SA)

Company Reg Number 2001/000693/21  
Established 1965

*Material changes in the assets and liabilities*

In accordance with Regulation 79 (4)(b)(v), RWFC Financial Consultants Inc. is required to include a statement in its report, as to whether there have been any material changes in the assets and liabilities of Silverleaf since the date of the latest available financial statements.

Our engagement was undertaken in accordance with the International Standards on Related Services applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in complying with regulation 79 (4)(b)(v) of the Companies Act. The following procedures were performed:

- Review the latest available management accounts of Silverleaf.
- Review minutes of the board of directors of Silverleaf since the financial year end.
- Obtain a letter of representation from Silverleaf's management confirming that there have been no significant changes to the financial position of the company since the financial year end.

Based on the aforementioned procedures, the following material changes since its financial year end in the assets and liabilities of Silverleaf were noted:

- Silverleaf invested R1 501 010 of the capital raised into Cannagrow Africa (Pty) Ltd.
- Additional capital of R9 125 000 was raised.

Other than the above, nothing has come to our attention that would indicate that there has been a material change in the assets and liabilities of Silverleaf since its last financial year end.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the procedures.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose of complying with Regulation 79 (4)(b)(v) and for your information. This report relates only to the items specified above, and does not extend to any financial statements of Silverleaf.

We hereby consent to the inclusion of this letter in its entirety in the Prospectus to be issued on or about 04 July 2022.

Yours faithfully

*RWFC Financial Consultants Inc.*

**RWFC Financial Consultants Inc.**

Chartered Accountants (SA)

Registered Auditors

Per: Moshe Tobias

Registered Auditor

33 Central Street

Houghton Estate

2198

## **ANNEXURE 7 – KING CODE ON CORPORATE GOVERNANCE**

The Directors have established mechanisms and policies appropriate for the Company's business in keeping with its commitment to the best practices in Corporate Governance. This is to ensure guidance from the King Code IV. The directors review these from time to time.

The formal steps taken by the directors are summarised as follows:

### **BOARD OF DIRECTORS AND BOARD SUB-COMMITTEES**

#### **Board of directors**

The Board consists of a minimum of three non-executive directors. The non-executive Directors bring a wide range of skills and experience to the Company that will enable them to contribute independent views and exercise objective judgements in matters requiring the Directors' decisions. The Chairman is a non-executive director.

All Directors are subject to retirement by rotation and re-election by shareholders at least once every three years. This is as per the MOI.

Board meetings will be held at least quarterly with additional meetings convened when circumstances necessitate it. The Board sets the strategic objectives of the Company. It determines investment, as well as performance criteria as well as being responsible for the proper management, control compliance and ethical behaviour of the businesses under its direction. The Board has established a number of committees to give detailed attention to certain areas of its responsibilities and which operate within defined, written terms of reference.

#### **Audit and Risk Committee**

The Board has established an audit and risk committee whose primary objectives are to provide the Board with additional assurance regarding the efficacy and reliability of the directors' financial information to assist them in discharging their duties. The committee is required to provide comfort to the Board that adequate and appropriate financial and operating controls are in place, that significant business, financial and other risks have been identified and are being suitably managed, as well as those satisfactory standards of governance, reporting and compliance are in operation.

Within this context, the Board is responsible for the Company's internal financial and operational control systems. The Directors are charged with the responsibility for determining the adequacy, extent and operation of these systems. Comprehensive reviews and testing of the effectiveness of the internal control systems in operation are performed by external practitioners, who report to the Audit and Risk Committee.

The Audit and Risk Committee meets at least twice a year, the majority of which are non-executive Directors and one of whom acts as Chairman. Executives and managers responsible for finance, the heads of internal audit (if applicable) and the external auditors are in attendance.

#### **Remuneration Committee**

The Board performs the functions of a remuneration committee in that it monitors Silverleaf's remuneration policies. It also reviews and approves the remuneration set for directors.

The Company's remuneration policies are reviewed annually.

#### **Investment Committee**

The Board has appointed the Silverleaf Investment Committee which consists of a minimum of three non-executive Directors.



## **1. DIRECTORS' DEALINGS AND PROFESSIONAL ADVICE**

The Company has a policy which prohibits dealings by directors and certain other managers in certain circumstances as determined by the Board.

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

## **2. RISK MANAGEMENT**

Risk management's objective is to identify, assess, manage, and monitor the risks to which the business is exposed. It is the Board's responsibility to:

- Review legal matters that could have a significant impact on the Company's business;
- Review the Company directors' reports that detail the adequacy and overall effectiveness of the Company's risk management function and its implementation by management, reports on internal control and any recommendations. This function must confirm that appropriate action has been taken;
- Review the risk philosophy, strategy and policies recommended by the Board. The committee will ensure compliance with such policies;
- Review the adequacy of insurance coverage; and
- Review risk identification and measurement methodologies.

Each risk is viewed from three distinct perspectives:

- Opportunity (as there is an inherent relationship between risk and reward);
- Uncertainty (to ensure proactive action); and
- Hazard (potential negative events including financial loss such as theft, injury, death or a lawsuit).

## **3. COMMUNICATION**

The Company is committed to communicating regularly and effectively with all stakeholders accurately and transparently.

## **4. STAKEHOLDER RELATIONSHIPS**

Mutual respect between the Company and its stakeholders is encouraged, and stakeholders' interests are taken into account in all decisions made by the company. All shareholders are treated equally.

## **5. ETHICS**

The Company is committed to being a responsible corporate citizen promoting the highest standards of ethical behaviour.

6. **INSTANCES OF NON-COMPLIANCE WITH KING IV ARE LISTED BELOW**

LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP		Compliant	Remarks
<b>Organisational ethics</b>			
<b>Principle 2: The governing body should govern the organisation's ethics to support the establishment of an ethical culture.</b>			
7.	The governing body should ensure that the codes of conduct and ethics policies provide for arrangements that familiarise employees and other stakeholders with the organisation's ethical standards. These arrangements should include -	Non-compliant	Available for inspection at the company's premises.
	publishing the organisation's codes of conduct and policies on the organisation's website, or on other platforms or through other media as is appropriate;		
	, including the codes of conduct and ethics policies in employee induction and training programmes.	N/A	The Company is managed by the Manager and has no employees
9.	The governing body should exercise ongoing oversight of the management of ethics and oversee that it results in the following:		
	The use of protected disclosure or whistle-blowing mechanisms to appropriately detect breaches of ethical standards and deal with such disclosures.	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
	The monitoring of adherence to the organisation's ethical standards by employees and other stakeholders through, among others, periodic independent assessments.	Non-compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
10.	The following should be disclosed concerning organisational ethics:	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
	An overview of the arrangements for governing and managing ethics.		
	Key areas of focus during the reporting period.	Non-compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
	Measures taken to monitor organisational ethics and how the outcomes were addressed.	Non-compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
	Planned areas of future focus.	Non-compliant	Governance processes in place are appropriate to the size and scope of the Company's operations

Responsible corporate citizenship		Compliant	Remarks
<b>Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen</b>			
14.	The governing body should oversee and monitor, on an ongoing basis, how the consequences of the organisation's activities and outputs affect its status as a responsible corporate citizen. This oversight and monitoring should be performed against measures and targets agreed with management in all of the following areas:  Workplace (including employment equity; fair remuneration; and the safety, health, dignity and development of employees).	N/A	The Company is managed by the Manager and has no employees
	Economy (including economic transformation prevention, detection and response to fraud and corruption, and responsible and transparent tax policy).	N/A	The Company is managed by the Manager and has no employees
15.	The following should be disclosed concerning corporate citizenship: An overview of the arrangements for governing and managing responsible corporate citizenship.	Non-compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
	Key areas of focus during the reporting period.	Non-compliant	
	Measures taken to monitor corporate citizenship and how the outcomes were addressed.	Non-compliant	
	Planned areas of future focus.	Non-compliant	
<b>Reporting</b>		Compliant	Remarks
<b>Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informal assessments of the organisation's performance, and its short, medium and long-term prospects.</b>			
11.	The governing body should oversee that reports such as the annual financial statements, sustainability reports, social and ethics committee reports, or other online or printed information or reports are issued, as is necessary, to comply with legal requirements, and/or to meet the legitimate and reasonable information needs of material stakeholders.	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
12.	The governing body should oversee that the organisation issues an integrated report at least annually, which is either:  a standalone report which connects the more detailed information in other reports and addresses, at a high level and in a complete, concise way, the matters that could significantly affect the organisation's ability to create value; or	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
	A distinguishable, prominent and accessible part of another report which also includes the annual financial statements and other reports that must be issued in compliance with legal provisions.	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
15.	The governing body should oversee that the following information is published on the organisation's website, or other platforms or through other media as is appropriate for access by stakeholders:	Non-compliant	Governance processes in

	Corporate governance disclosures required in this Code (refer to Part 3: <i>King IV Application and Disclosure</i> for more detail).	Non-compliant	place are appropriate to the size and scope of the Company's operations
	Integrated reports.		
	Annual financial statements and other external reports.	Partially Compliant	Audited Annual Financial Statements are sent to shareholders annually.
Primary role and responsibilities of the governing body		Compliant	Remarks
<b>Principle 6: The Governing Body should serve as the focal point and custodian of corporate governance in the organisation.</b>			
5.	The following should be disclosed concerning the primary role and responsibilities of the governing body:	Partially Compliant	Attendance Registers maintained for all relevant meetings
	The number of meetings held during the reporting period, and attendance at those meetings		
	Whether the governing body is satisfied that it has fulfilled its responsibilities under its charter for the reporting period.	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
Composition of the governing body		Compliant	Remarks
<b>Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</b>			
<b>Composition</b>			
7.	When determining the requisite number of members of the governing body, the following factors should be considered:		
	b. The appropriate mix of executive, non-executive and independent non-executive members	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
	f. Diversity targets relating to the composition of the governing body.	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations

8.	The governing body should comprise a majority of non-executive members, most of who should be independent.	Non-Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
9.	As a minimum, the Chief Executive Officer (CEO) and at least one other executive should be appointed to the governing body to ensure that it has more than one point of direct interaction with management. The executive other than the CEO appointed to the governing body may be the Chief Finance Officer (CFO) or another designated executive as is appropriate for the organisation.	N/A	The Manager manages the Company and therefore there is no CEO or CFO
11.	The governing body should set targets for race and gender representation in its membership.	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
12.	The governing body should establish arrangements for periodic, staggered rotation of its members to invigorate its capabilities by introducing members with new expertise and perspectives while retaining valuable knowledge, skills and experience and maintaining continuity.	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
<b>Nomination, election and appointment of members to the governing body</b>			
20.	A brief professional profile of each candidate standing for election at the annual general meeting (AGM), including details of existing professional commitments, should accompany the notice of the AGM, together with a statement from the governing body confirming whether it supports the candidate's election or re-election.	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
<b>Independence and conflicts</b>			
28.	The governing body should consider the following and other indicators holistically, and on a substance-over-form basis, when assessing the independence of a member of the governing body for purposes of categorisation. The member of the governing body:		
	has been in the employ of the organisation as an executive manager during the preceding three financial years, or is a related party to such executive manager;	N/A	The Manager manages the Company
30.	The following should be disclosed with regards to the composition of the governing body:		
	The targets set for gender and race representation in the membership of the governing body, and	Non-	Governance

	progress made against these targets.	compliant	processes in place are appropriate to the size and scope of the Company's operations
	The reasons why any members of the governing body have been removed, resigned or retired.	Non-compliant	
<b>Chair of the governing body</b>			
31.	The governing body should elect an independent non-executive member as chair to lead the governing body in the objective and effective discharge of its governance role and responsibilities.	Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
32.	The governing body should appoint an independent non-executive member as the lead independently to fulfil the following functions:	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
	a. To lead in the absence of the chair.		
	b. To serve as a sounding board for the chair.		
	To act as an intermediary between the chair and other members of the governing body, if necessary.		
	To deal with shareholders' concerns where contact through the normal channels has failed to resolve concerns, or where such contact is inappropriate.		
	To strengthen independence on the governing body if the chair is not an independent non-executive member of the governing body.		
	To chair discussions and decision-making by the governing body on matters where the chair has a conflict of interest.		
	g. To lead the performance appraisal of the chair.		
34.	The CEO of the organisation should not also chair the governing body and the retired CEO should not become the chair of the governing body until three complete years have passed after the end of the CEO's tenure.	N/A	
36.	When determining which of its committees the chair of the governing body should serve on, either as member or chair, the governing body should consider how this affects the overall concentration and balance of power on the governing body. Generally, the following should apply:		
	The chair may be a member of the committee responsible for remuneration but should not be its chair.	N/A	
	The chair may be a committee member responsible for risk governance and may also be its chair.	N/A	
	The chair may be a member of the social and ethics committee but should not be its chair.	N/A	
38.	The following should be disclosed concerning the chair:		
	b. Whether or not an independent non-executive member of the governing body has been appointed as the lead independent, and the role and responsibilities assigned to the position.	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations

Committees of the governing body		Compliant	Remarks
Principle 8: The governing body should ensure that its arrangements for delegation within its structures promote independent judgment and help balance power and the effective discharge of its duties.			
General			
43.	The terms of reference should, at a minimum, deal with the following:		
	h. The arrangements for evaluating the committee's performance.	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
47.	Members of the executive and senior management should be invited to attend committee meetings either by standing invitation or on an ad hoc-basis to provide pertinent information and insights in their responsibility areas.	N/A	The Company is managed by the Manager and has no employees
50.	The following should be disclosed concerning each committee of the governing body:		
	a. Its overall role and associated responsibilities and functions.	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
	b. Its composition, including each member's qualifications and experience.		
	c. Any external advisers or invitees who regularly attend committee meetings.		
	d. Key areas of focus during the reporting period.		
	The number of meetings held during the reporting period and attendance at those meetings.		
	Whether the committee is satisfied that it has fulfilled its responsibilities under its terms of reference for the reporting period.		
Audit committee			
56.	All members of the audit committee should be independent, non-executive members of the governing body.	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
59.	In addition to the required statutory disclosure and the disclosures recommended in paragraph 50, the following should also be disclosed concerning the audit committee:	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
	A statement as to whether the audit committee is satisfied that the external auditor is independent of the organisation. The statement should specifically address:		
	a) the policy and controls that address the provision of non-audit services by the external auditor, and the nature and extent of such services rendered during the financial year,		
	b) the tenure of the external audit firm and, in the event of the firm having been involved in a merger or acquisition, including the tenure of the predecessor firm;	Partially Compliant	
	c) the rotation of the designated external audit partner.	Non-compliant	
	d) The audit committee's views on the chief audit executive's effectiveness and internal audit arrangements.	N/A	
	e) The audit committee's views on the effectiveness of the design and implementation of internal financial controls and the nature and extent of any significant weaknesses in the design, implementation or execution of internal financial controls that resulted in material	Partially Compliant	

	financial loss, fraud, corruption or error.		
	f) The audit committee's views on the effectiveness of the CEO and the finance function.	N/A	
<b>Committee responsible for nominations of members of the governing body</b>			
61.	All committee members for nominations should be non-executive members of the governing body, and the majority should be independent.	Non-Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
Refer to paragraph 50 for the recommended disclosures concerning the committee responsible for nominations.			
<b>Committee responsible for risk governance</b>			
63.	If the committees for audit and risk are separate, the governing body should consider for one or more members to have joint membership of both committees for more effective functioning.	N/A	
<b>Committee responsible for remuneration</b>			
65.	The governing body should consider allocating oversight of remuneration to a dedicated committee or adding it to another committee's responsibilities as is appropriate for the organisation.	N/A	The Company is managed by the Manager and has no employees
66.	All committee members for remuneration should be non-executive members of the governing body, with the majority being independent non-executive members of the governing body.	N/A	
67.	An independent non-executive member should chair the committee for remuneration.	N/A	
<b>Social and ethics committee</b>			
68.	For some companies, the establishment of a social and ethics committee is a statutory requirement. Any organisation's governing body not so obliged should consider allocating oversight of, reporting on, organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships to a dedicated committee, or adding it to another committee's responsibilities as is appropriate for the organisation.	Non-compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
69.	The social and ethics committee's responsibilities should include its statutory duties (if applicable) and any other responsibilities delegated to it by the governing body.	Non-compliant	
70.	The social and ethics committee should, subject to legal provisions, have executive and non-executive members, with a majority being non-executive members of the governing body.	Non-compliant	
<b>Evaluations of the performance of the governing body</b>		Compliant	Remarks
<b>Principle 9: The governing body should ensure that evaluating its performances and its committees, its chair and its members, support continued improvement in its performance and effectiveness.</b>			
71.	The governing body should assume responsibility for evaluating its performance and its committees, chair, and members by determining how it should be approached and conducted.	Partially Compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
72.	The governing body should appoint an independent non-executive member to lead the evaluation of the chair's performance if a lead independent is not in place.		
73.	A formal process, either externally facilitated or not per methodology approved by the governing body, should be followed for evaluating the performance of the governing body, its committees, its chair and its members at least every two years.		
74.	Every alternate year, the governing body should schedule in its yearly work plan an opportunity for consideration, reflection and discussion of its performance and that of its committees, its chair and its members as a whole.		
75.	The following should be disclosed concerning the evaluation of the performance of the governing body:		
	A description of the performance evaluations undertaken during the reporting period, including their scope, whether they were formal or informal, and whether they were externally facilitated or not.		
	An overview of the evaluation results and remedial actions taken.		
	Whether the governing body is satisfied that the evaluation process is improving its performance and		



	effectiveness.		
Appointment and delegation to management		Compliant	Remarks
Principle 10: The governing body should ensure that the appointment of, and delegation to management contribute to role clarity and the effective exercise of authority and responsibilities.			
CEO appointment and role			
76.	The governing body should appoint the CEO.	N/A	The Company is managed by the Manager and has no CEO
77.	The CEO should be responsible for leading the implementation and execution of approved strategy, policy and operational planning, and should serve as the chief link between management and the governing body.		
78.	The CEO should be accountable and report to the governing body.		
79.	The CEO should not be a member of the remuneration, audit or nomination committees, but should attend by invitation any meeting, or part thereof if needed to contribute pertinent insights and information.		
80.	The CEO and the governing body should agree on whether the CEO takes up additional professional positions, including membership of other governing bodies outside the organisation. Time constraints and potential conflicts of interest should be considered and balanced against the opportunity for professional development		
81.	The governing body should satisfy itself with succession planning for the CEO position to provide executive leadership continuity. Succession planning should be reviewed periodically and provide for succession in emergency situations and succession over the longer term.		
82.	The governing body should formally evaluate the CEO's performance against agreed performance measures and targets at least annually.		
83.	The following should be disclosed concerning the CEO: The notice period stipulated in the CEO's employment contract and the contractual conditions related to the termination		
	Other professional commitments of the CEO, including membership of governing bodies outside the organisation;		
	Whether succession planning is in place for the CEO.		
Delegation			
84.	The governing body should set the direction and parameters for the powers that are to be reserved for itself, and those to be delegated to management via the CEO.	Partially compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
85.	The governing body should approve a delegation of authority framework that articulates its set direction on reservation and delegation of power.		
86.	The governing body should ensure that the delegation of authority framework addresses the authority to appoint executives who will serve as <i>ex officio</i> -executive members of the governing body and make other executive appointments.		
87.	The governing body should oversee that key management functions are:		
	Headed by an individual with the necessary competence and authority, and		
	Adequately resourced.		
88.	The governing body should satisfy itself that there is succession planning in place for executive management and other key positions to provide continuity of leadership. Succession planning should be reviewed periodically and provide for succession in emergency situations and succession over the longer term.		The Manager manages the Company
89.	The governing body's statement on whether it is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities should be disclosed.		
Professional and corporate governance services to the governing body			

Risk governance		Compliant	Remarks
Principle 11: The governing body should govern risk to support the organisation in setting and achieving its strategic objectives.			
7.	The governing body should consider the need to receive periodic independent assurance on the effectiveness of risk management.	Non-compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
8.	The nature and extent of the risks and opportunities the organisation is willing to take should be disclosed without compromising sensitive information.	Partially compliant	
9.	Also, the following should be disclosed concerning risk:	Partially compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
	a) An overview of the arrangements for governing and managing risk.		
	b) Key areas of focus during the reporting period, including objectives, the key risks that the organisation faces, and undue, unexpected or unusual risks and risks taken outside of risk tolerance levels.		
	c) Actions taken to monitor the effectiveness of risk management and how the outcomes were addressed.		
	d) Planned areas of future focus.		
Compliance governance		Compliant	Remarks
Principle 13: The governing body should govern compliance with applicable laws and adopt non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.			
23.	The following should be disclosed concerning compliance:	Partially compliant	Governance processes in place are appropriate to the size and scope of the Company's operations
	An overview of the arrangements for governing and managing compliance.		
	Key areas of focus during the reporting period.		
	Actions taken to monitor the effectiveness of compliance management and how the outcomes were addressed.		
	Planned areas of future focus.		
25.	Details of monitoring and compliance inspections by environmental regulators, findings of non-compliance with environmental laws, or criminal sanctions and prosecutions for such non-compliance should be disclosed.	N/A	
Remuneration governance		Compliant	Remarks
Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently to promote strategic objectives and positive outcomes in the short, medium and long term.			
Remuneration policy			
26.	The governing body should assume responsibility for the governance of remuneration by setting the direction for how remuneration should be approached and addressed on an organisation-wide basis.	N/A	The Company is managed by the Manager and has no employees
27.	The governing body should approve a policy that articulates and gives effect to its direction on fair, responsible and transparent remuneration.	N/A	
28.	The remuneration policy should be designed to achieve the following objectives:	N/A	
	To attract, motivate, reward and retain human capital.		
	To promote the achievement of strategic objectives within the organisation's risk appetite.		

	To promote positive outcomes.		
	To promote an ethical culture and responsible corporate citizenship.		
29.	The remuneration policy should address organisation-wide remuneration and include provision for the following specifically:		
	Arrangements towards ensuring that executive management's remuneration is fair and responsible for overall employee remuneration in the organisation.	N/A	The Company is managed by the Manager and has no employees
	The use of performance measures that support positive outcomes across the economic, social and environmental context in which the organisation operates; and/or all the capitals that the organisation uses or affects.		
	If the organisation is a company, the voting by shareholders on the remuneration policy and implementation report and the implementation of related responding measures are outlined under Voting on Remuneration below.		
30.	All elements of remuneration that are offered in the organisation and the mix of these should be set out in the remuneration policy, including:	N/A	The Company is managed by the Manager and has no employees
	base salary, including financial and non-financial benefits,		
	variable remuneration, including short and long-term incentives and deferrals;		
	payments on termination of employment or office; sign-on, retention and restraint payments,		
	the provisions, if any, for pre-vesting forfeiture ( <i>malus</i> ) and post-vesting forfeiture (claw-back) of remuneration;		
	any commissions and allowances; and		
31.	The governing body should oversee that the remuneration policy's implementation and execution achieves the policy's objectives.	N/A	The Company is managed by the Manager and has no employees
<b>Remuneration report</b>			
32.	The governing body should ensure that remuneration is disclosed using a remuneration report in three parts:	N/A	
	A background statement.		
	An overview of the main provisions of the remuneration policy.	N/A	
<b>Background statement</b>			
33.	The background statement should briefly provide context for remuneration considerations and decisions concerning:	N/A	The Company is managed by the Manager and has no employees
	internal and external factors that influenced remuneration,		
	the most recent results of voting on the remuneration policy and the implementation report and the measures taken in response to it,		
	key areas of focus and key decisions taken by the remuneration committee during the reporting period, including any substantial changes to the remuneration policy;		
	whether remuneration consultants have been used, and whether the remuneration committee is satisfied that they were independent and objective;		
	the views of the remuneration committee on whether the remuneration policy achieved its stated objectives; and\		
	future areas of focus.		
<b>Overview of the remuneration policy</b>			
34.	The overview of the remuneration policy's main provisions should address the policy's objectives and how the policy seeks to accomplish these. The overview should include the following:	N/A	The Company is
	a) The remuneration elements and design principles informing the remuneration		

	<p>arrangements for executive management and, at a high level, for other employees.</p> <p>b) Details of any obligations in executive employment contracts which could give rise to payments on termination of employment or office.</p> <p>c) A description of the framework and performance measures used to assess the achievement of strategic objectives and positive outcomes, including the relative weighting of each performance measure and the period of time over which it is measured.</p> <p>d) An illustration of the potential consequences of executive management's total remuneration, on a single, total figure basis, of applying the remuneration policy under the minimum, on-target and maximum performance outcomes.</p> <p>e) An explanation of how the policy addresses fair and responsible remuneration for executive management in the context of overall employee remuneration.</p> <p>f) The use and justification of remuneration benchmarks.</p> <p>g) The basis for the setting of fees for non-executive directors.</p> <p>h) A reference to an electronic link to the full remuneration policy for public access.</p>		managed by the Manager and has no employees
<b>Implementation report</b>			
35.	<p>The implementation report, which includes the remuneration disclosure in terms of the Companies Act, should reflect the following:</p> <p>The remuneration of each member of executive management, which should include in separate tables:</p> <p>a single, total figure of remuneration, received and receivable for the reporting period, and all the remuneration elements that it comprises, each disclosed at fair value,</p> <p>the details of all awards made under variable remuneration incentive schemes in the current and prior years that have not yet vested, including the number of awards, the values at the date of grant, their award, vesting and expiry dates (where applicable); and the fair value at the end of the reporting period; and</p> <p>the cash value of all awards made under variable remuneration incentive schemes that were settled during the reporting period.</p> <p>An account of the performance measures used and the relative weighting of each, as a result of which awards under variable remuneration incentive schemes have been made, including the targets set for the performance measures and the corresponding value of the award opportunity; and for each performance measure, how the organisation and executive managers, individually, performed against the set targets.</p> <p>Separate disclosure of, and reasons for, any payments made on termination of employment or office</p> <p>A statement regarding compliance with, and any deviations from, the remuneration policy.</p>	N/A	The Company is managed by the Manager and has no employees
<b>Assurance</b>		<b>Compliant</b>	<b>Remarks</b>
<b>Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment. These support the integrity of information for internal decision-making and the organisation's external reports.</b>			
<b>Combined assurance</b>			
42.	<p>The governing body should oversee that the combined assurance model is designed and implemented to cover the organisation's significant risks and material matters effectively through a combination of the following assurance service providers and functions as is appropriate for the organisation:</p> <p></p> <p></p> <p>Internal auditors, internal forensic fraud examiners and auditors, safety and process assessors, and statutory actuaries</p>	Non-compliant	Governance processes in place are appropriate to the size

			and scope of the Company's operations
	Other external assurance providers such as sustainability and environmental auditors, external actuaries, and external forensic fraud examiners and auditors.	N/A	
<b>Internal audit</b>			
48.	The governing body should assume responsibility for internal audit by setting the direction for the internal audit arrangements needed to provide objective and relevant assurance that contributes to the effectiveness of governance, risk management and control processes. The governing body should delegate oversight of internal audit to the audit committee, if in place.	Non-compliant	Due to the size and scope of the Company's operations, the Company does not have an internal audit function
49.	The governing body should approve an internal audit charter that defines the role and associated responsibilities and authority of internal audit, including addressing its role within combined assurance and the internal audit standards to be adopted.		
50.	The governing body should ensure that the arrangements for internal audit provide for the necessary skills and resources to address the complexity and volume of risk faced by the organisation. That internal audit is supplemented as required by specialist services such as those provided by forensic fraud examiners and auditors, safety and process assessors, and statutory actuaries.		
51.	Suppose a chief audit executive (CAE) position is provided for in the arrangements for internal audit. In that case, the governing body should ensure that the position is set up to function independently from management who designs and implements the controls in place and that the position carries the necessary authority.		
52.	The governing body should approve the CAE appointment, including the employment contract and remuneration of the CAE, and ensure that the person who fills the position has the necessary competence, gravitas and objectivity.		
53.	For reasons of independence, the CAE should have access to the chair of the audit committee.		
54.	For independence reasons, the CAE should not be a member of executive management but should be invited to attend executive meetings, as necessary, to be informed about strategy and policy decisions and their implementation.		
55.	Where internal audit services are co-sourced or outsourced, the governing body should ensure that there is clarity on who fulfils CAE's role.		
56.	The CAE should report to the audit committee's chair on the performance of duties and functions related to internal audit. The CAE should report to the executive management member designated for this purpose as appropriate for the organisation on other duties and administrative matters.		
58.	The governing body should monitor on an ongoing basis that internal audit: follows an approved risk-based internal audit plan; and		
	reviews the organisational risk profile regularly, and proposes adaptations to the internal audit plan accordingly		
59.	The governing body should ensure that internal audit provides an overall statement annually about the effectiveness of the organisation's governance, risk management and control processes.		
60.	The governing body should ensure that an external, independent quality review of the internal audit function is conducted at least once every five years.		
61.	The governing body should obtain confirmation annually from the CAE that internal audit conforms to a recognised industry code of ethics.		

Stakeholder Relationships	Compliant	Remarks
<b>Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.</b>		
<b>Stakeholder relationships</b>		

4.	The governing body should exercise ongoing oversight of stakeholder relationship management and, in particular, oversee that it results in the following:		
	Measurement of the quality of material stakeholder relationships and appropriate responses to the outcomes.	Non-compliant	
5.	The following should be disclosed concerning stakeholder relationships:		
	An overview of the arrangements for governing and managing stakeholder relationships.	Non-compliant	
	Key areas of focus during the reporting period.		
	Actions taken to monitor the effectiveness of stakeholder management and how the outcomes were addressed.		
	Future areas of focus.		
Shareholder relationships			
10.	The minutes of the AGMs of listed companies should be made publicly available.	N/A	
Relationships within a group of companies			
18.	The holding company should disclose an overview of the group governance framework that is implemented across the group.	Non-compliant	
19.	The subsidiary company should disclose what responsibilities it has delegated to the holding company's board committees and the extent to which it has adopted the policies and procedures of the holding company.	Non-compliant	
Responsibilities of institutional investors		Compliant	Remarks
Principle 17: The governing body of an institutional investor organisation should ensure that the organisation practises responsible investment to promote good governance and the creation of value to the companies in which it invests.			
20.	An institutional investor's governing body should assume responsibility for governing responsible investing by setting the direction for how it should be approached and conducted by the organisation.	N/A	
21.	The governing body should approve a policy that articulates its direction on responsible investment. This policy should provide for the adoption of a recognised responsible investment code, principles and practices.		
22.	The governing body should delegate to management, if in place, or alternatively, to the outsourced service provider if investment decisions and investment activities are outsourced, the responsibility to implement and execute its policy on responsible investment.		
23.	Where the institutional investor outsources investment decisions or investment activities to custodians, nominees, consultants or other service providers, the governing body should oversee that the outsourcing is regulated by formal mandate which reflects and gives effect to its responsible investment policy.		
24.	The governing body should ensure that service providers are held accountable for complying with the formal mandate.		
25	The institutional investor's responsible investment code and the application of its principles and practices should be disclosed.		

# ANNEXURE 8 – AUDITED FINANCIAL STATEMENTS

**SILVERLEAF INVESTMENTS LIMITED  
(REGISTRATION NUMBER 2018/374812/06)  
ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2022**

**SILVERLEAF INVESTMENTS LIMITED  
(REGISTRATION NUMBER: 2018/374812/06)  
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022**

**General Information**

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<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	The company is a Venture Capital Company in terms of section 12J of the Income Tax Act and is engaged in the management of investments in qualifying companies.
<b>Directors</b>	Darryl Raymond Weisz Pierre Van Der Hoven Clifford Malcolm Giesenow Paul Harris Bacher Jeffrey Wayne Miller Makaula Ayanda Bam
<b>Registered office</b>	164 Katherine Street Pinmill Office Park Strathavon Gauteng 2196
<b>Postal address</b>	PO Box 1277 Gallo Manor Woodmead Gauteng 2052
<b>Bankers</b>	First National Bank a division of FirstRand Bank Limited Nedbank Limited
<b>Auditors</b>	RWFC Financial Consultants Inc. Chartered Accountants (SA) Registered Auditors
<b>Company registration number</b>	2018/374812/06
<b>Level of assurance</b>	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
<b>Preparer</b>	The annual financial statements were independently compiled by: Haseena Kader
<b>Issued</b>	10 June 2022

**SILVERLEAF INVESTMENTS LIMITED**  
**(REGISTRATION NUMBER: 2018/374812/06)**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022**

**Index**

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

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Independent Auditor's Report	9 - 11
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Statement of Comprehensive Income	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Accounting Policies	16 - 17
Notes to the Annual Financial Statements	18 - 24
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	25



**SILVERLEAF INVESTMENTS LIMITED**  
**(REGISTRATION NUMBER: 2018/374812/06)**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022**

**Audit and Risk Committee Report**

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This report is provided by the audit committee appointed in respect of the 2022 financial year of Silverleaf Investments Limited.

**1. Members of the Audit and Risk Committee**

The members of the committee are all independent non-executive directors of company and include:

**Name**

Jeffrey Wayne Miller (Chairperson)  
Paul Harris Bacher  
Pierre Van Der Hoven

The committee is satisfied that the members thereof have the required knowledge and experience as set out in the Audit and Risk Terms of Reference issued by the Company.

**2. Meetings held by the Committee**

The committee performs the duties laid upon it by the Audit and Risk Terms of Reference issued by the Company by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

**3. External auditor**

The committee satisfied itself through enquiry that the external auditors is independent as defined by the Companies Act of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the auditors that internal governance processes within the firm support and demonstrate the claim to independence.

The audit and risk committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

**SILVERLEAF INVESTMENTS LIMITED**  
(REGISTRATION NUMBER: 2018/374812/06)  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022**  
**Audit and Risk Committee Report**

---

**4. Roles and Responsibilities**

In the conduct of its duties, the Audit and Risk Committee has the following responsibilities:

Oversee the relationship with the external auditors, ensuring that the external audit is conducted in a thorough, efficient manner and providing a direct channel of communication between the external auditors and the Board.

Monitor the integrity of the financial statements, including its annual and interim results, review significant reporting issues and judgement which they contain.

Review and challenge where necessary:

- The consistency of, and any changes to, accounting policies on a year to year basis;
- The methods used to account for significant or unusual transactions where different approaches are possible;
- Whether the company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditors;
- The clarity and completeness of disclosure in the company's financial reports and the context in which the statements are made; and
- All material information presented with the financial statements such as the operating and financial reviews and the corporate governance statement.

Duties of the Audit and Risk Committee

- Keep under review the effectiveness of the company's internal controls and risk management systems.

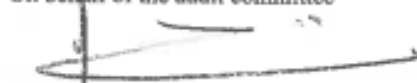
**5. Going concern**

The Audit and Risk Committee has satisfied itself that the company will be a going concern for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis.

**6. Financial Statements**

Following the review of the financial statements, the Audit and Risk Committee recommend board approval thereof

On behalf of the audit committee



Jeffrey Wayne Miller  
Chairman Audit and Risk Committee

Johannesburg

10 June 2022

**SILVERLEAF INVESTMENTS LIMITED**  
(REGISTRATION NUMBER: 2018/374812/06)  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022**  
**Directors' Responsibilities and Approval**

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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 set 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 to ensure that 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, 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 directors have reviewed the company's cash flow forecast for the year to 28 February 2023 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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 9 - 11.

The annual financial statements set out on pages 12 - 24, which have been prepared on the going concern basis, were approved and signed by the directors on 10 June 2022:

  
Darryl Raymond Weisz

  
Jeffrey Wayne Miller

**SILVERLEAF INVESTMENTS LIMITED**  
**(REGISTRATION NUMBER: 2018/374812/06)**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022**

**Directors' Report**

---

The directors have pleasure in submitting their report on the annual financial statements of Silverleaf Investments Limited for the year ended 28 February 2022.

**1. Incorporation**

The company was incorporated on 03 July 2018 and obtained its certificate to commence business on the same day.

**2. Nature of business**

Silverleaf Investments is a Venture Capital Company 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) under license number FSP4975. It is registered with the South African Revenue Service as a registered venture capital company under registration number VCC-0155.

Silverleaf Investments Limited's mandate is to invest in cannabis related businesses.

There have been no material changes to the nature of the company's business from the prior year.

**3. 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.

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

**4. Share capital**

	<b>2022</b>		<b>2021</b>	
<b>Authorised</b>	<b>Number of shares</b>			
Ordinary shares of no par value	1 000 000		1 000 000	
Unclassified shares of no par value	1 000 000		1 000 000	
<b>Issued</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>R</b>	<b>R</b>	<b>Number of shares</b>	
Ordinary shares	9 995 695	1 358 275	10 795	1 670

Refer to note 8 of the annual financial statements for detail of the movement in authorised and issued share capital.

As at 28 February 2022, the Net Asset Value per ordinary share is R912.52 (2021: R806.78).

**SILVERLEAF INVESTMENTS LIMITED**  
**(REGISTRATION NUMBER: 2018/374812/06)**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022**

**Directors' Report**

---

**5. Investment activity**

**Cannagrow Africa Proprietary Limited ("Cannagrow")**

During the year under review, Silverleaf Investments invested R1 501 010 for 30% equity share into Cannagrow which cultivates medicinal cannabis for export to the international market. The proceeds of the investment were used to purchase, build and equip a 300 square meter cannabis production tunnel.

Cannagrow's first harvest has yielded in excess of approximately 90 kg of product and is awaiting lab results to enable it to export. Its second crop is currently in the grow stage, with its harvest being expected to materialize in July 2022.

As this is the first year of investment, in terms of International Private Equity Valuation standards (IPEV), the investment has been valued at cost.

**6. Dividends**

No dividends have been declared during the year under review (2021: R-).

**7. Fund management agreement**

The company has entered into an agreement with Silverleaf Manco Proprietary Limited to act as the sole and exclusive manager of the business.

The manager is entitled to a capital raising fee of 3% on all new funds raised by the manager on behalf of the company and is further entitled to a management fee of 2.5% per annum paid quarterly in advance on all subscriptions proceeds for the Ordinary Shares.

**8. Directors**

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

Darryl Raymond Weisz

Pierre Van Der Hoven

Clifford Malcolm Giesenow

Paul Harris Bacher

Jeffrey Wayne Miller

Nonhlanhla Peggy-Sue Khumalo

Appointed 28 May 2021,

Resigned 15 December 2021

Makaula Ayanda Bam

Appointed 26 April 2022

**9. 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.

**SILVERLEAF INVESTMENTS LIMITED**  
**(REGISTRATION NUMBER: 2018/374812/06)**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022**

**Directors' Report**

---

**10. Going concern**

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual 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.

**11. Auditors**

RWFC Financial Consultants Inc. continued in office as auditors for the company for 2022.

**12. Secretary**

The company secretary is ER Goodman Secretarial Services.





## Independent Auditor's Report

### To the shareholders of Silverleaf Investments Limited

#### Opinion

We have audited the annual financial statements of Silverleaf Investments Limited (the company) set out on pages 12 - 24, which comprise the statement of financial position as at 28 February 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Silverleaf Investments Limited as at 28 February 2022, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual 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 annual 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.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Silverleaf Investments Limited annual financial statements for the year ended 28 February 2022", which includes the Directors' Report and Audit and Risk Committee Report as required by the Companies Act of South Africa and the supplementary information as set out on page 25. The other information does not include the annual financial statements and our auditor's report thereon.

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

P.O. Box 1364, Houghton, 2041. Tel: (011) 483-1333/4/5/6. Fax: (011) 483-1815  
33 Central Street, Houghton Estate, 2198 email: info@rwfc.co.za Website: www.rwfc.co.za

Director: M Tobias CA (SA)

Company Reg Number 2001/000691/21

Established 1965

## Independent Auditor's Report

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual 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 annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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 Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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, 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.

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P.O. Box 1364, Houghton, 2041. Tel: (011) 483-3331/4/5/6. Fax: (011) 483-1815  
33 Central Street, Houghton Estate, 2198 email: info@rwfc.co.za Website: www.rwfc.co.za

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Director: M Tobias CA (SA)

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Company Reg Number 2001/000693/21

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Established 1965





## Independent Auditor's Report

- 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 annual 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 annual financial statements, including the disclosures, and whether the annual 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.

*RWFC Financial Consultants Inc.*

**RWFC Financial Consultants Inc.  
Chartered Accountants (SA)  
Registered Auditors**

**Per: Moshe Tobias  
Registered Auditor**

**10 June 2022  
Johannesburg**

P.O. Box 1364, Houghton, 2041. Tel: (011) 483-3331/4/5/6. Fax: (011) 483-1815  
33 Central Street, Houghton Estate, 2198 email: info@rwfc.co.za Website: www.rwfc.co.za

Director: M Tobias CA (SA)

Company Reg Number 2001/000691/21

Established 1965

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**SILVERLEAF INVESTMENTS LIMITED**  
**(REGISTRATION NUMBER: 2018/374812/06)**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022**

**Statement of Financial Position as at 28 February 2022**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Investments in qualifying companies	2	1 501 010	-
Deferred tax	3	-	4 258
		<b>1 501 010</b>	<b>4 258</b>
<b>Current Assets</b>			
Loans to group companies	4	100 973	-
Trade and other receivables	5	1 591 374	50 000
Other financial assets	6	383 939	-
Cash and cash equivalents	7	6 239 664	1 619 793
		<b>8 315 950</b>	<b>1 669 793</b>
<b>Total Assets</b>		<b>9 816 960</b>	<b>1 674 051</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	8	9 995 695	1 358 275
Accumulated loss		(201 819)	(10 949)
		<b>9 793 876</b>	<b>1 347 326</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred tax	3	432	-
<b>Current Liabilities</b>			
Trade and other payables	9	22 652	326 725
<b>Total Liabilities</b>		<b>23 084</b>	<b>326 725</b>
<b>Total Equity and Liabilities</b>		<b>9 816 960</b>	<b>1 674 051</b>

**SILVERLEAF INVESTMENTS LIMITED**  
**(REGISTRATION NUMBER: 2018/374812/06)**  
**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2022**

**Statement of Comprehensive Income**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
Operating expenses		(290 124)	(15 207)
<b>Operating loss</b>		<b>(290 124)</b>	<b>(15 207)</b>
Investment revenue	10	103 944	-
<b>Loss before taxation</b>		<b>(186 180)</b>	<b>(15 207)</b>
Taxation	11	(4 690)	4 258
<b>Loss for the year</b>		<b>(190 870)</b>	<b>(10 949)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(190 870)</b>	<b>(10 949)</b>

**SILVERLEAF INVESTMENTS LIMITED**  
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**Statement of Changes in Equity**

<b>Figures in Rand</b>	<b>Share capital</b>	<b>Accumulated loss</b>	<b>Total equity</b>
Loss for the year	-	(10 949)	(10 949)
Other comprehensive income	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(10 949)</b>	<b>(10 949)</b>
Issue of shares	1 358 275	-	1 358 275
<b>Total changes</b>	<b>1 358 275</b>	<b>-</b>	<b>1 358 275</b>
<b>Balance at 01 March 2021</b>	<b>1 358 275</b>	<b>(10 949)</b>	<b>1 347 326</b>
Loss for the year	-	(190 870)	(190 870)
Other comprehensive income	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(190 870)</b>	<b>(190 870)</b>
Issue of shares	9 125 000	-	9 125 000
Share issue costs	(487 580)	-	(487 580)
<b>Total changes</b>	<b>8 637 420</b>	<b>-</b>	<b>8 637 420</b>
<b>Balance at 28 February 2022</b>	<b>9 995 695</b>	<b>(201 819)</b>	<b>9 793 876</b>
Note	8		

**SILVERLEAF INVESTMENTS LIMITED**  
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**Statement of Cash Flows**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	12	(2 135 571)	261 518
Interest income		103 944	-
<b>Net cash from operating activities</b>		<b>(2 031 627)</b>	<b>261 518</b>
<b>Cash flows from investing activities</b>			
Investments in group companies		(1 501 010)	-
Loan advanced to group company		(100 973)	-
Net movement in other financial assets		(383 939)	-
<b>Net cash from investing activities</b>		<b>(1 985 922)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Net proceeds on share issue	8	8 637 420	1 358 275
<b>Total cash movement for the year</b>		<b>4 619 871</b>	<b>1 619 793</b>
Cash at the beginning of the year		1 619 793	-
<b>Total cash at end of the year</b>	7	<b>6 239 664</b>	<b>1 619 793</b>

**SILVERLEAF INVESTMENTS LIMITED**  
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**Accounting Policies**

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**1. Basis of preparation and summary of significant accounting policies**

The annual financial statements have been prepared on a going concern basis 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 Investments in qualifying companies**

Investments in qualifying companies are measured at cost less any accumulated impairment losses.

**1.2 Financial instruments**

**Initial measurement**

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**Financial instruments at amortised cost**

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

**Financial instruments at cost**

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.



**SILVERLEAF INVESTMENTS LIMITED**  
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**Accounting Policies**

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**1.3 Tax**

**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 to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets are measured at the tax rates that are expected to apply to the period when the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**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.

**1.4 Share capital and equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at no par value and classified as 'share capital' in equity.

Costs of issuing or reacquiring equity instruments are accounted for as a deduction from equity, net of any related income tax benefit.

**1.5 Revenue**

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

**SILVERLEAF INVESTMENTS LIMITED**  
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**Notes to the Annual Financial Statements**

Figures in Rand			2022	2021
<b>2. Investments in qualifying companies</b>				
Name of qualifying company	% holding 2022	% holding 2021	Carrying amount 2022	Carrying amount 2021
Cannagrow Africa (Pty) Ltd	30 %	- %	1 501 010	-

The above entity is incorporated in South Africa and shares the year end of the company.

Silverleaf Investments Ltd has a put option with Druids Holdings (Pty) Ltd on their respective shares in Cannagrow Africa (Pty) Ltd, requiring Druids Holdings (Pty) Ltd to purchase their shares at an agreed upon amount if exercised.

Druids Holdings (Pty) Ltd has a call option on the "A" Ordinary Shares owned by Silverleaf Investments Ltd, granting Druids Holdings (Pty) Ltd the right to purchase the "A" Ordinary Shares if exercised.

The option may be exercised any time after the expiry of SAHPRA license held by Druids Holdings (Pty) Ltd.

The agreed upon repurchase amount shall be the sum of:

- Capital of ZAR 1 500 000;
- Any catch up required in terms of the agreed hurdle of 20% p.a.



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**Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2022</b>	<b>2021</b>
<b>3. Deferred tax</b>		
Deferred tax liability	(9 100)	-
Deferred tax asset	8 668	4 258
<b>Total net deferred tax (liability) asset</b>	<b>(432)</b>	<b>4 258</b>
The major components of the deferred tax balance are as follows:		
<b>Deferred tax liability</b>		
Arising as a result of temporary differences on:		
Prepayments	(9 100)	-
<b>Deferred tax asset</b>		
Arising as a result of temporary differences on:		
Accruals	4 410	4 200
Deferred tax balance from temporary differences other than unused tax losses	4 410	4 200
Tax losses available for set off against future taxable income	4 258	58
<b>Total deferred tax asset</b>	<b>8 668</b>	<b>4 258</b>
<b>Reconciliation of deferred tax asset/(liability)</b>		
At beginning of year	4 258	-
<b>Recognised in profit or loss:</b>		
Increase in tax loss available for set off against future taxable income	4 200	58
Movement in temporary differences on prepayments	(9 100)	-
Movement in temporary differences on accruals	210	4 200
	<b>(4 690)</b>	<b>4 258</b>
<b>At end of year</b>	<b>(432)</b>	<b>4 258</b>

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**Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2022</b>	<b>2021</b>
<b>4. Loans to/(from) group companies</b>		
Cannagrow Africa (Pty) Ltd	100 973	-
The above loan is unsecured and has no fixed terms of repayment. Interest is charged at the prime rate.		
<b>5. Trade and other receivables</b>		
Prepayments	32 500	-
Accrued income	13 574	-
Share subscriptions receivable	1 520 000	50 000
Other receivables	25 300	-
	<b>1 591 374</b>	<b>50 000</b>
<b>6. Other financial assets</b>		
<b>At amortised cost</b>		
Druids Gardens (Pty) Ltd	383 939	-
The above loan is secured with a pledge and cession agreement over the shares invested, bears interest at 15% per annum, and is repayable in 12 monthly instalments.		
<b>Current assets</b>		
At amortised cost	383 939	-
<b>7. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Bank balances	6 239 664	1 619 793

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**Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2022</b>	<b>2021</b>
<b>8. Share capital</b>		
<b>Authorised shares</b>		
1,000,000 Ordinary shares of no par value	-	-
1,000,000 Unclassified shares of no par value	-	-
	<u>-</u>	<u>-</u>
<b>Reconciliation of number of shares issued:</b>		
Opening balance	1 670	-
Issue of shares – ordinary shares	9 125	1 670
	<u>10 795</u>	<u>1 670</u>
989,205 unissued ordinary shares and 1,000,000 unissued unclassified shares are under the control of the directors.		
<b>Issued shares</b>		
Opening balance	1 358 275	-
Ordinary shares issued	9 125 000	1 358 275
Share issue costs	(487 580)	-
	<u>9 995 695</u>	<u>1 358 275</u>
<b>9. Trade and other payables</b>		
Trade payables	6 902	301 375
Accrued expenses	-	10 350
Accrued audit fees	15 750	15 000
	<u>22 652</u>	<u>326 725</u>
<b>10. Investment revenue</b>		
<b>Interest revenue</b>		
Loans	21 022	-
Bank	82 922	-
	<u>103 944</u>	<u>-</u>

**SILVERLEAF INVESTMENTS LIMITED**  
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**Notes to the Annual Financial Statements**

<b>Figures in Rand</b>	<b>2022</b>	<b>2021</b>
<b>11. Taxation</b>		
<b>Major components of the tax expense (income)</b>		
<b>Deferred taxation</b>		
South African deferred tax - current year	4 690	(4 258)
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense.		
Accounting loss	(186 180)	(15 207)
Tax at the applicable tax rate of 28% (2021: 28%)	(52 130)	(4 258)
<b>Other</b>		
Expenses not in the production of income	56 820	-
	<b>4 690</b>	<b>(4 258)</b>
No provision has been made for 2022 tax as the company has no taxable income.		
<b>12. Cash (used in)/generated from operations</b>		
Loss before taxation	(186 180)	(15 207)
<b>Adjustments for:</b>		
Interest received	(103 944)	-
<b>Changes in working capital:</b>		
(Increase) in Trade and other receivables	(1 541 374)	(50 000)
(Increase)/Decrease in Trade and other payables	(304 073)	326 725
	<b>(2 135 571)</b>	<b>261 518</b>

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**Notes to the Annual Financial Statements**

Figures in Rand	2022	2021
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**13. Related parties**

**Relationships**

Qualifying company	Cannagrow Africa (Pty) Ltd
Entities under common directorship	Grovest (Pty) Ltd
Management company	Silverleaf Manco (Pty) Ltd
Directors	Darryl Raymond Weisz Pierre Van Der Hoven Clifford Malcolm Giesenow Paul Harris Bacher Jeffrey Wayne Miller Makaula Ayanda Bam

**Related party balances and transactions with other related parties**

**Related party balances**

**Loan accounts - Owing (to)/by related parties**

Cannagrow Africa (Pty) Ltd	100 973	-
Silverleaf Manco (Pty) Ltd	25 300	-

**Related party balances and transactions with other related parties**

**Related party transactions**

**Management fees paid to related parties**

Silverleaf Manco (Pty) Ltd	202 167	-
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**Share issue costs paid to related parties - Capitalised**

Grovest (Pty) Ltd	42 780	-
Silverleaf Manco (Pty) Ltd	270 000	-

**Corporate finance fees paid to related parties - Capitalised**

Grovest (Pty) Ltd	115 000	207 000
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**Legal fees paid to related parties - Capitalised**

Grovest (Pty) Ltd	34 500	-
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**Take on fees paid to related parties - Capitalised**

Grovest (Pty) Ltd	25 300	-
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**SILVERLEAF INVESTMENTS LIMITED**  
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**Notes to the Annual Financial Statements**

Figures in Rand	2022	2021
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**14. Directors' remuneration**

No emoluments were paid to the directors during the year (2021: Nil).

**15. Going concern**

We draw attention to the fact that at 28 February 2022, the company had accumulated losses of R 201 819 and that the company's total assets exceed its liabilities by R 9 850 696.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors does not have significant concerns about the company's ability to continue as a going concern, and does not expect a significant impact of COVID-19 on the company's financial performance and financial position.

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**Detailed Income Statement**

<b>Figures in Rand</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>Operating expenses</b>			
Auditors remuneration		(19 438)	(15 000)
Bank charges		(1 565)	(207)
Insurance		(45 500)	-
Levies		(9 651)	-
Management fees		(202 167)	-
Secretarial fees		(11 803)	-
		<b>(290 124)</b>	<b>(15 207)</b>
<b>Operating loss</b>		<b>(290 124)</b>	<b>(15 207)</b>
Investment income	10	103 944	-
<b>Loss before taxation</b>		<b>(186 180)</b>	<b>(15 207)</b>
Taxation	11	(4 690)	4 258
<b>Loss for the year</b>		<b>(190 870)</b>	<b>(10 949)</b>