

INTEGRATED

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2015



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HIGH GROWTH LOW RISK PORTFOLIO OF ASSETS

110,41 cents
per share dividend –
up 11%

29,5%
growth in assets under
management – to
R9,9 billion

8%
growth in net property income

62%
shareholding in UK's New
Frontier Properties Limited

59%
effective control of
Ascension Properties Limited
at year-end

LEVEL 2
BBBEE compliance

REBOSIS IS A BLACK-EMPOWERED REAL ESTATE INVESTMENT TRUST (REIT) LISTED ON THE MAIN BOARD OF THE JSE IN THE 'PROPERTY: REAL ESTATE' SECTOR. THE COMPANY HAS A DIVERSIFIED PROPERTY PORTFOLIO COMPRISING RETAIL, OFFICE AND INDUSTRIAL PROPERTIES IN GAUTENG, THE EASTERN CAPE, KWAZULU-NATAL AND NORTH WEST. THE COMPANY FURTHER OWNS 100% OF THE ASCENSION MANAGEMENT COMPANY AND HAS CONTROLLING HOLDINGS IN ASCENSION PROPERTIES LIMITED (ASCENSION PROPERTIES) AND NEW FRONTIER PROPERTIES LIMITED (NEW FRONTIER PROPERTIES), THE LATTER A COMPANY WITH RETAIL ASSETS IN THE UNITED KINGDOM.

SCOPE AND BOUNDARY OF THIS REPORT

This, our fifth integrated annual report, presents the integrated performance of the group for the year 1 September 2014 to 31 August 2015, and follows our prior integrated annual report published in February 2015. It is primarily targeted at current shareholders, existing and potential institutional investors, fund and asset managers, funders and potential property vendors.

This year we report in greater detail on Ascension Properties Limited, in which, as of August 2015, Rebosis has an effective 59% controlling interest, and New Frontier Properties Limited in which the company held a 62% interest since March 2015 (67% post the reporting year-end). Rebosis owns 100% of the Ascension Manco.

Rebosis outsources asset and property management to Billion Asset Managers and Billion Property Services respectively. Rebosis therefore has no direct employees and reporting on human capital in this report is accordingly limited. The asset and property management companies are individually responsible for reporting on their respective operations, including human and social capital, as they are neither constituted for, nor dedicated to, the service of Rebosis.

In future, as we progress our integrated reporting we intend expanding our reporting on the creation, or diminution, of social and human capital by New Frontier and Ascension.

Rebosis strives to communicate content that is useful and relevant in an open and balanced manner. The directors have identified the issues that materially impact the group's ability to create and sustain value, now and in the future, and on which the company impacts in the course of business. The report therefore comprises an honest and measured account of the group's approach to sustainability, an account that should enable stakeholders to accurately evaluate Rebosis' ability to create and sustain value over the short-, medium- and long-term.

CORPORATE INFORMATION

The group's executive directors are Sisa Ngebulana (Chief Executive Officer) and Kameel Keshav (Chief Financial Officer). They can be contacted at the registered office of the company. For additional contact details please see the inside back cover.


We welcome your feedback and any suggestions for our future reports. Please forward any comments to the CFO.

KEY DATA

(Registration number: 2010/003468/06)
ISIN: ZAE000156147

JSE Main Board sector: Real Estate – Real Estate holdings and development
JSE share code: REB Listing date: 17 May 2011

Shares in issue: 493 363 078
(31 August 2015)

A hard copy of this integrated annual report is available on request from the CFO. The report is also posted online at www.rebosis.co.za. 

APPLICABLE REPORTING REQUIREMENTS

This integrated annual report is prepared in accordance with IFRS, the Listings Requirements of the JSE and the Companies Act. Rebosis complies in all material respects with the principles contained in the King III Report, as encapsulated in the applicable regulations. Any King III principles which have not been complied with are explained.

Rebosis has considered and applied many of the recommendations contained in the International Integrated Reporting Framework issued in December 2013. The board acknowledges that integrated reporting is a journey and is continuing to improve reporting with the ultimate aim of producing a fully integrated report. As such, we report this year in greater depth on our creation of, especially, social capital.

The annual financial statements have been prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the requirements of the Companies Act. There were no changes to accounting policies adopted in terms of IFRS.

ASSURANCE

The company's external auditors, Grant Thornton Johannesburg Partnership, have independently audited the annual financial statements for the year ended 31 August 2015. Their unqualified audit report is set out on page 60. The scope of their audit is limited to the information set out in the annual financial statements on pages 64 to 99.

The company's internal auditors, Kwinana Equifin, have provided assurance to the audit and risk committee on the effectiveness of the company's internal financial controls.

FORWARD-LOOKING STATEMENTS


This integrated annual report contains forward-looking statements that, unless otherwise indicated, reflect the company's expectations as at 31 August 2015.


Actual results may differ materially from the company's expectations if known and unknown risks or uncertainties affect its business, or if estimates or assumptions prove inaccurate. The company cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these forward-looking statements.

The company disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available as a result of future events or for any other reason, save as required to do so by legislation and/or regulation.

RESPONSIBILITY STATEMENT AND REVIEW

The audit and risk committee and the board acknowledge their responsibility to ensure the integrity of this integrated annual report. The annual financial statements included in this integrated report have been audited by the external auditors.


Sisa Ngebulana
Chief Executive officer


Kameel Keshav
Chief Financial Officer

FIRST BLACK-MANAGED AND SUBSTANTIALLY BLACK-HELD PROPERTY LOAN STOCK ON THE JSE

- Consistent distribution growth since listing in May 2011
- Diversified portfolio
- Balanced exposure to retail, office and industrial
- High-growth, low-risk portfolio of assets
- Dominant regional malls in the retail portfolio
- High-growth, rand-hedge UK investment
- Office portfolio offers long-term sustainable income (tenanted by national government with long leases and fixed escalation rates)

FIVE YEAR REVIEW

	2015 R000	2014 R000	2013 R000	2012 R000	2011 R000
Revenue					
Property portfolio	1 009 880	855 946	565 209	500 029	105 944
Contractual rental income	896 124	747 837	522 757	414 163	103 468
Listed property securities income	60 262	48 107	–	–	–
Straight-line rental income accrual	53 494	60 002	42 452	85 866	2 476
Net facilities management income	21 051	17 891	16 833	15 822	3 994
Management fees received	18 891	9 812	–	–	–
Sundry income	1 707	729	630	6 081	147
Total revenue	1 051 529	884 378	582 672	521 932	110 085
Operating costs	(226 735)	(207 290)	(132 658)	(98 494)	(22 735)
Administration costs	(111 831)	(34 138)	(20 481)	(15 961)	(3 901)
Net operating profit	712 963	642 950	429 533	407 477	83 449
Gain on bargain purchase	53 756	–	–	–	–
Changes in fair values	136 935	227 687	(3 065)	157 461	62 833
Investment properties	133 508	364 402	5 852	253 489	110 000
Listed property securities	59 942	(50 712)	–	–	–
Straight-line rental income accrual	(53 494)	(60 002)	(42 452)	(85 866)	(2 476)
Derivative instruments	(3 021)	(26 001)	33 535	(10 162)	(44 691)
Profit from operations	903 654	870 637	426 468	564 938	146 282
Net finance charges	(282 078)	(185 104)	(130 030)	(125 223)	(32 672)
Finance charges – secured loans	(289 587)	(186 170)	(147 883)	(126 434)	(32 916)
Interest received	7 509	1 066	17 853	1 211	244
Profit before debenture interest and taxation	621 576	685 533	296 438	439 715	113 610
Debenture interest	(377 675)	(378 984)	(262 807)	(192 966)	(48 898)
Profit before taxation	243 901	306 549	33 631	246 749	64 712
Taxation	(13 499)	–	242 305	(102 564)	(3 233)
Profit from discontinued operations	1 009	–	–	–	–
Total (loss)/profit for the year	231 411	306 549	275 936	144 185	61 479
Investment property at fair value (note 3)	14 555 401	6 856 000	5 283 500	4 540 200	3 400 400
Distribution per combined share (cents)	110,41	99,45	92,00	85,50	22,25



REBOSIS AT A GLANCE

Who we are	06
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Portfolio	09

06 Who we are

- Established in 2010
- Listed on JSE in 2011
- Investment portfolio of 19 quality retail, office and industrial properties with a GLA of 414 390m²
- Company assets under management worth R9,9 billion
- Footprint spanning Gauteng, Eastern Cape, KwaZulu-Natal and North West
- Group consolidated portfolio of 51 properties worth R17 billion (post-year-end)
- Level 2 BBBEE

Rebosis is a black-empowered, high-growth property fund with assets under management comprising a diverse R9,9 billion portfolio of retail, industrial and commercial buildings, and its controlling interest in two property funds in South Africa and the United Kingdom. The group was the first black-managed and substantially black-owned property fund to join the JSE and remains differentiated by its exceptionally strong BBBEE credentials.

Rebosis' retail portfolio consists of shopping centres which are dominant in their respective catchment areas. The three properties owned by New Frontier Properties (UK) are similarly regionally dominant.

The office portfolio and that of Ascension Properties are predominantly government-tenanted for long-term sustainability, capitalising on the group's strategic BBBEE advantage. Rebosis has grown its property portfolio significantly since inception and has diligently adhered to its strategy of making only distribution-enhancing acquisitions.

REBOSIS' CORE STRATEGIC OBJECTIVE IS TO BE A RETAIL-BIASED FUND FOCUSED ON WELL-LOCATED PROPERTIES YIELDING STRONG, SECURE INCOME AND HIGH CAPITAL RETURNS.

The long-term intention is to position Rebosis as one of the fastest growing investment funds in South Africa, measured in terms of both value and return on investment by:

- Investing in dominant regional shopping centres at early stages of maturity;
- Securing long-term office leases with national government tenants;
- Growing the portfolio through further distributions-enhancing acquisitions;
- Leveraging the company's right of first refusal to acquire properties from the significant development pipeline of the Billion Group.

The asset management and property management of Rebosis' portfolio are outsourced to Billion Asset Managers and Billion Property Services respectively. The Billion Group was established in 1999 by Sisa Ngebulana who is Chief Executive of Rebosis.

Ascension Properties and New Frontier Properties have their own board of directors and management teams.

BBBEE

SCORECARD

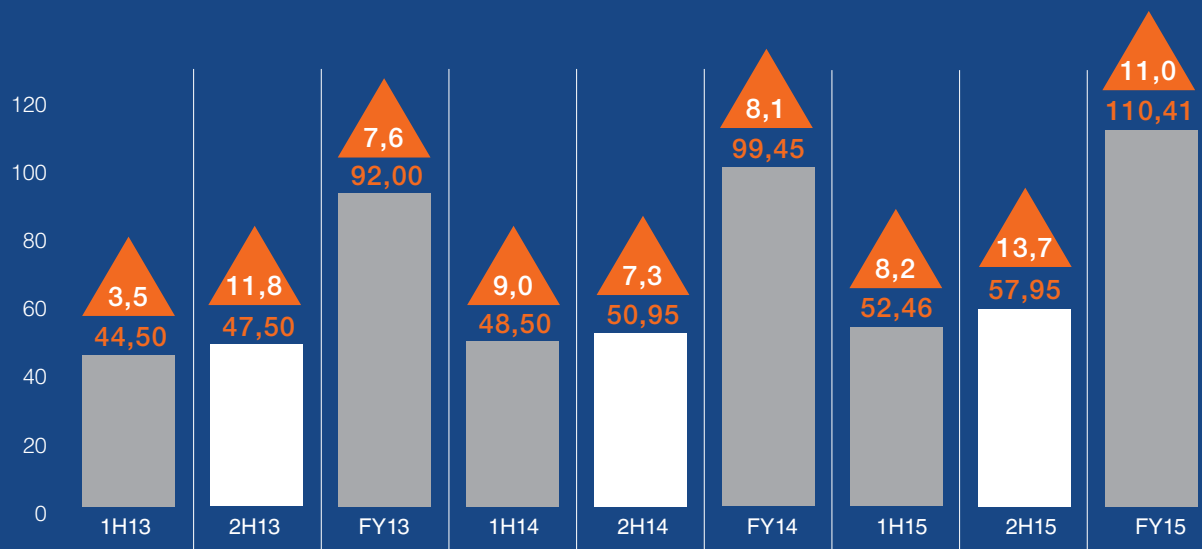
AUGUST 2015



REBOSIS IS PROUD TO HAVE MAINTAINED ITS STATUS AS A LEVEL 2 BBBEE CONTRIBUTOR

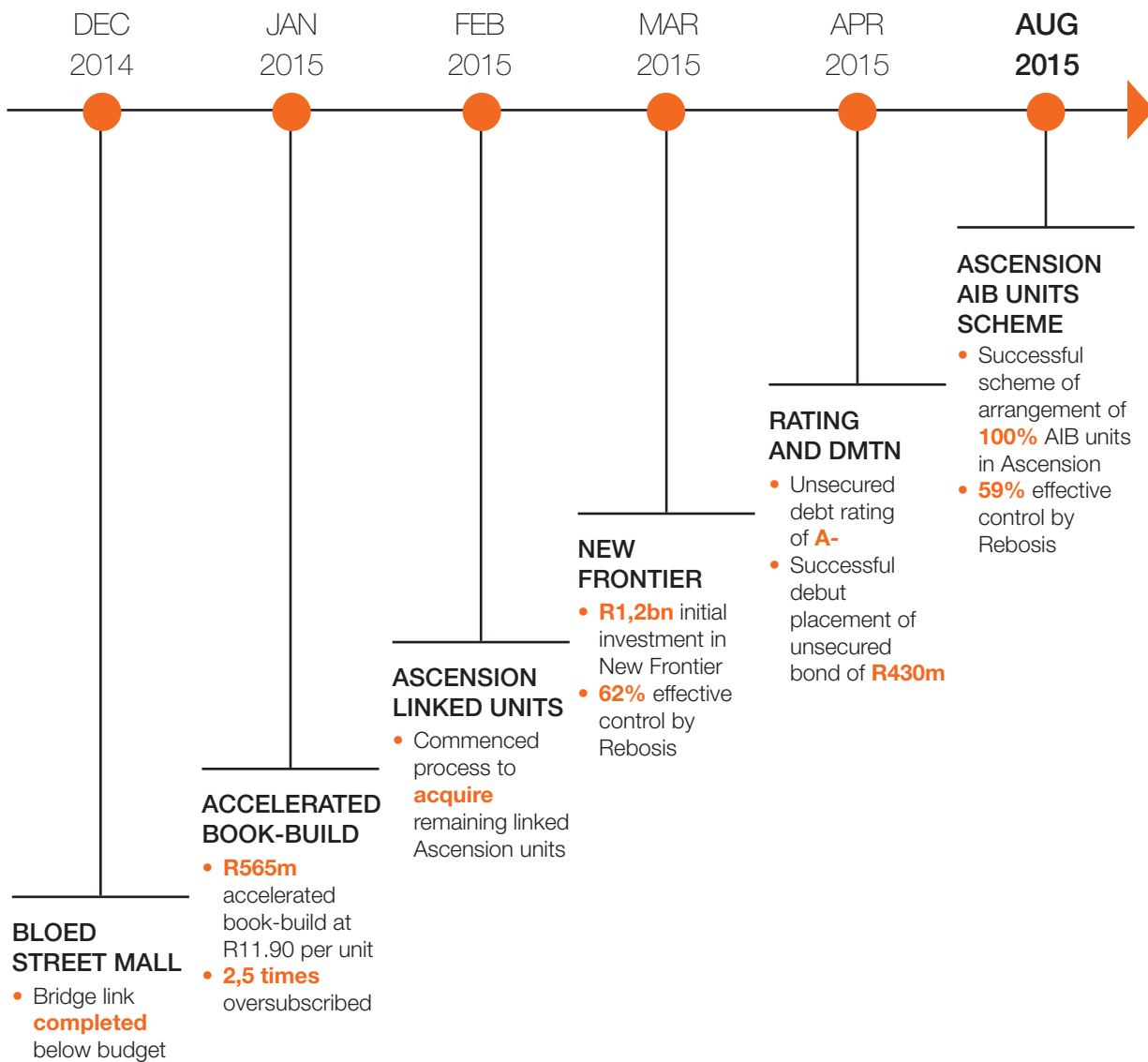
Despite the onerous requirements of the new Codes of Good Practice, management continues to focus on each element of these in order to maintain the current level over the long-term.

DISTRIBUTION HISTORY



MILESTONES

DURING THE PAST 12 MONTHS



RETAIL

- 4 high growth mainly dominant regional malls
- Includes Hemingways Mall, East London's largest retail centre
- Strong national tenant profile
- Secure, escalating income streams
- Average escalation of 7,4%

PORTFOLIO BY
GLA
163 303m²

PORTFOLIO BY
VALUE
43%

OFFICE

- 14 large properties well-located in nodes attractive to government tenants
- Let primarily to National Department of Public Works under long leases
- Average escalation of 8,6%
- Shielded from private sector eg. tenant cash flow and insolvency related default

PORTFOLIO BY
GLA
232 133 m²

PORTFOLIO BY
VALUE
55%

INDUSTRIAL

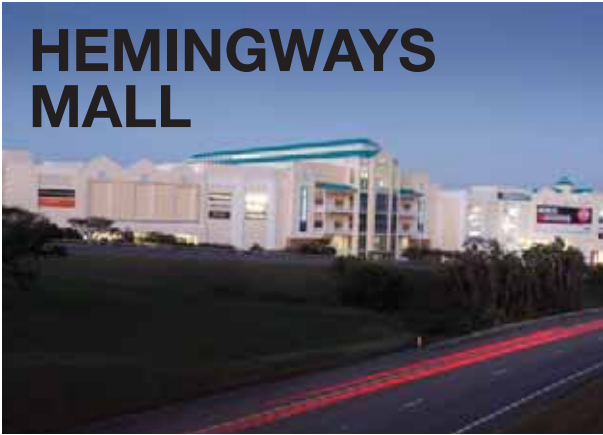
- 1 property in Johannesburg
- Antalis warehouse acquired in March 2013
- Specialised single tenant industrial warehouse
- Triple net lease expiring on 31 December 2019
- Average escalation of 7,0%

PORTFOLIO BY
GLA
18 954m²

PORTFOLIO BY
VALUE
2%

KEY INDICATORS At 31 August 2015

	Retail	Office	Industrial	Total
Number of properties (R000)	4	14	1	19
Gross lettable area (m ²)	163 303	232 133	18 954	414 390
Value per m ² (R)	18 683	16 556	7 676	16 988
Vacancy (%)	3,1	3,2	0,0	3,2
Average monthly gross rental per m ²	R128,1	R94,5	R62,0	R106,1
Average escalation (%) by rentable area	7,4	8,6	7,0	8,0
Weighted average lease period (years)	4,3	3,6	3,4	4,2
Net cost to income ratio (%)	16,4	11,4	2,9	13,3
Annualised property yield (%)	8,0	8,9	10,0	8,5



HEMINGWAYS MALL

ANCHOR TENANTS:
Edcon, Checkers,
Pick n Pay, Mr Price,
Woolworths, Ackermans,
Foschini, Cotton-on,
Truworths, Dischem,
@Home and Coricraft

GENERAL MANAGER:
Janice Cooposamy

RETAIL GLA:
74 254m²

STORES:
183

OFFICE GLA:
414m²

PARKING BAYS:
2 816

FOOTCOUNT – 6 MONTHS
TO 31 AUGUST 2015:
4 125 093



MDANTSANE CITY

ANCHOR TENANTS:
Cash Build, Lewis,
Shoprite, Pick n Pay,
Clicks, Edcon, Foschini,
Mr Price, Truworths,
Woolworths and Pepcor

GENERAL MANAGER:
Dean Deary

RETAIL GLA:
36 021m²

STORES:
97

OFFICE GLA:
N/A

PARKING BAYS:
1 400

FOOTCOUNT – 6 MONTHS
TO 31 AUGUST 2015:
4 325 318



BLOED STREET MALL

ANCHOR TENANTS:
Spar, Mr Price, Absa,
Game, Pepcor, Truworths,
Pick n Pay Clothing
and Edcon

OPERATIONS MANAGER:
Mcdonald Mphuthi

RETAIL GLA:
26 385m²

STORES:
84

OFFICE GLA:
N/A

PARKING BAYS:
N/A

FOOTCOUNT – 6 MONTHS
TO 31 AUGUST 2015:
3 166 276



SUNNYPARK MALL

ANCHOR TENANTS:
Pepkor, Woolworths,
FNB, Virgin Active,
Mr Price, Foschini
and Clicks

CENTRE MANAGER:
Bothale Galane

RETAIL GLA:
27 659m²

STORES:
82

OFFICE GLA:
N/A

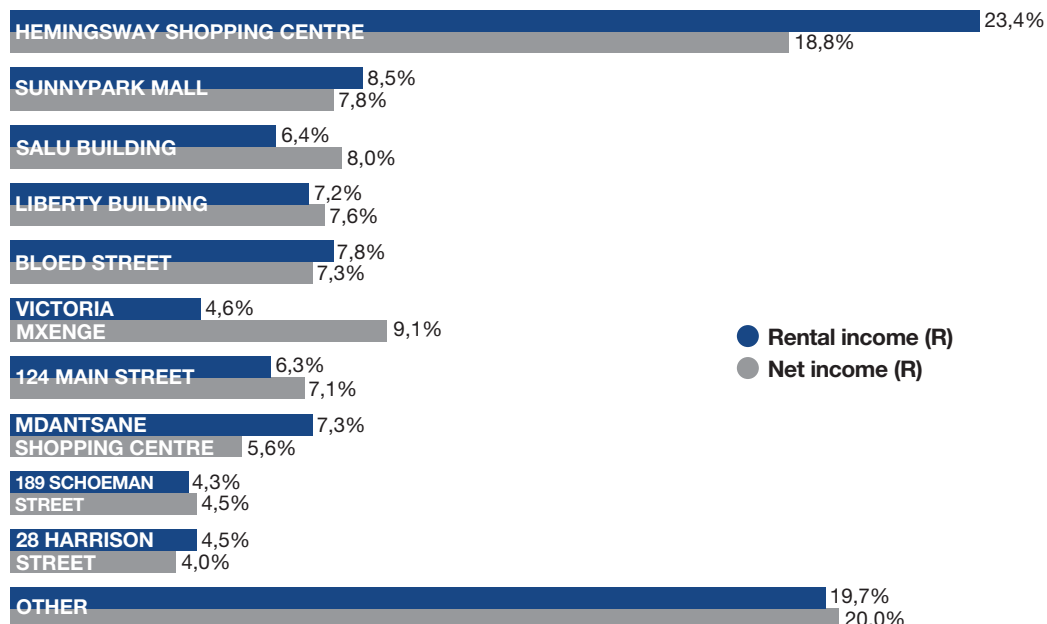
PARKING BAYS:
1 053

FOOTCOUNT – 6 MONTHS
TO 31 AUGUST 2015:
4 645 343

INVESTMENT PROPERTY PROFILE at 31 August 2015

Existing portfolio	Location	GLA m ²	Valuation Rand	Value per m ² Rand	Weighted average rent per m ² Rand
Retail		163 303	3 051 000 000	18 683	128,1
Hemingways Shopping Centre	Eastern Cape	74 668	1 553 000 000	21 495	134,9
Mdantsane Shopping Centre	Eastern Cape	35 902	412 000 000	11 476	88,1
Sunnypark Mall	Gauteng	27 650	643 000 000	23 255	131,7
Bloed Street Mall	Gauteng	25 083	443 000 000	17 661	134,8
Office		232 134	3 842 200 000	16 556	94,5
Arbour Square	Gauteng	9 206	115 000 000	12 491	51,2
Bank of Lisbon	Gauteng	14 599	175 000 000	11 987	59,7
Liberty Building	Gauteng	33 885	582 000 000	17 176	90,9
SALU Building	Gauteng	30 354	631 000 000	20 788	91,1
Victoria Mxenge	Gauteng	24 720	436 000 000	17 638	80,2
124 Main Street	Gauteng	20 818	435 000 000	20 895	130,7
189 Schoeman Street	Gauteng	19 333	340 000 000	17 587	95,0
28 Harrison Street	Gauteng	20 984	259 000 000	12 343	91,5
18 Rissik Street	Gauteng	11 204	215 000 000	19 190	116,1
99 Market Street	Gauteng	11 659	183 000 000	15 696	97,0
64 Eloff Street	Gauteng	4 938	82 000 000	16 606	91,4
Jabu Ndlovu	KwaZulu-Natal	11 455	139 000 000	12 135	93,3
Revenue Building	KwaZulu-Natal	7 314	80 200 000	10 965	95,0
Sassa House	North West	11 665	171 000 000	14 659	114,4
Industrial					
Antalis	Gauteng	18 954	145 500 000	7 676	62,0
Total		414 390	7 038 700 000	16 988	106,1

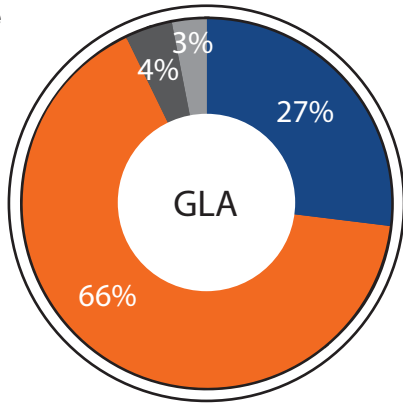
INVESTMENT PROPERTY at 31 August 2015



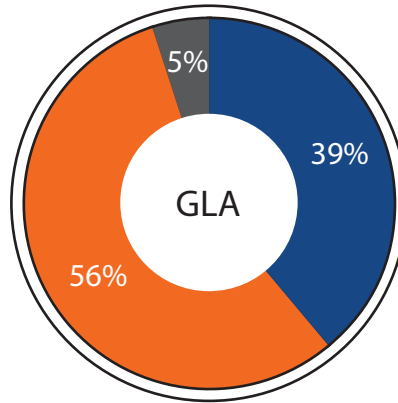
GEOGRAPHICAL SPREAD

SECTORAL SPREAD

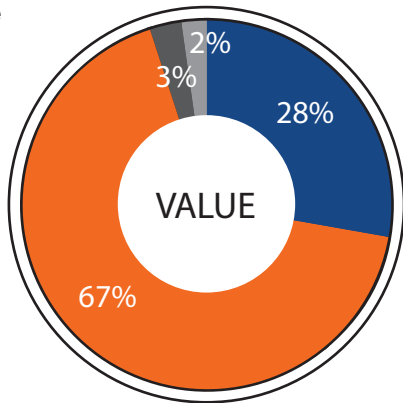
- Eastern Cape
- Gauteng
- KwaZulu-Natal
- North West



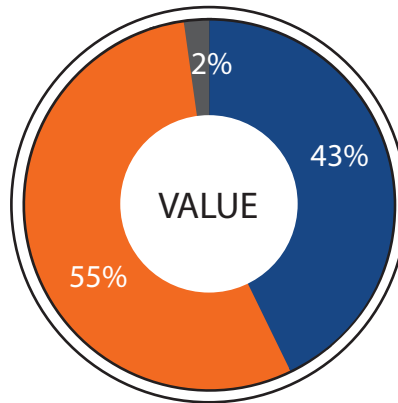
- Retail
- Office
- Industrial



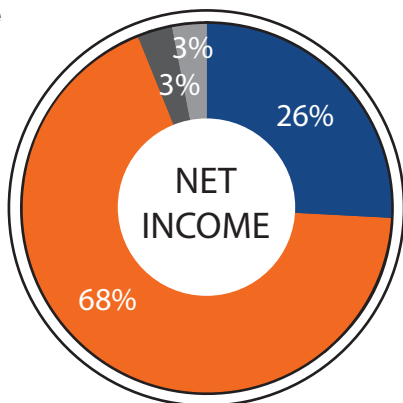
- Eastern Cape
- Gauteng
- KwaZulu-Natal
- North West



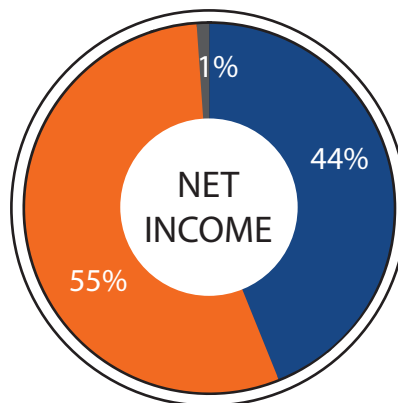
- Retail
- Office
- Industrial



- Eastern Cape
- Gauteng
- KwaZulu-Natal
- North West

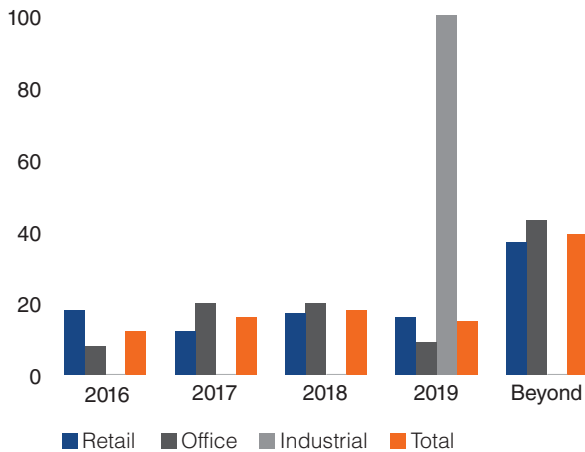


- Retail
- Office
- Industrial

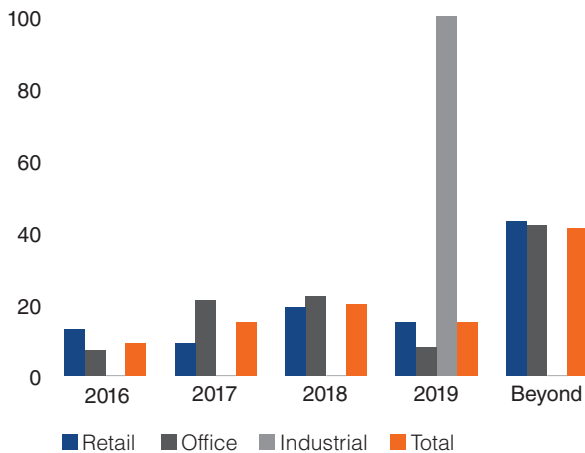


LEASE EXPIRY PROFILE

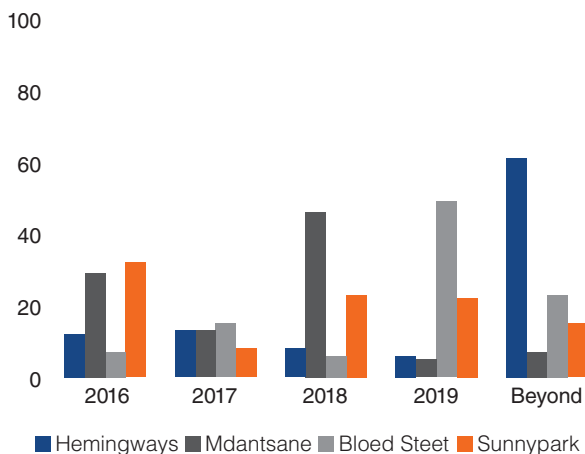
LEASE EXPIRY PROFILE (%)
BY REVENUE – AS AT 31 AUGUST 2015



LEASE EXPIRY PROFILE (%)
BY GLA – AS AT 31 AUGUST 2015



RETAIL LEASE EXPIRY PROFILE (%)
BY REVENUE – AS AT 31 AUGUST 2015



LEASE EXPOSURE

TOP TENANTS BY GLA –
AS AT 31 AUGUST 2015

Category	Tenant	Percentage
RETAIL	Edcon	3,2%
	Shoprite	3,1%
	Woolworths	2,5%
	Pick 'n Pay	2,2%
	Foschini	2,2%
	Mr Price	1,8%
OFFICE	National DPW*	33,0%
	Provincial DPW*	12,3%
	Government Agent	6,9%
INDUSTRIAL	Antalis	4,6%
TOTAL		71,8%

* Department of Public Works

TENANT GRADING

Rebosis' policy is to grade tenants on the following basis:

A = National and provincial government, large metro municipalities, national retailers and large blue chip companies

B = Medium companies and franchisees

C = Other small tenants

Tenant grading at 31 August 2014 was as follows:

Grade	Category	Gross monthly rental %	GLA%
A	Retail	32	29
	Office	54	52
	Industrial	2	5
Total A grade		88	86
B	Retail	6	5
	Office	–	–
	Industrial	–	–
Total B grade		6	5
C	Retail	4	5
	Office	2	2
	Industrial	–	–
Total C grade		6	7
Total portfolio excluding vacancies		100	97
Vacancy	Retail		3
	Office		3
	Industrial		–
Total vacancy			3
Total portfolio		100	100

14 Material issues and risk

In formulating our growth strategy we consider the full range of issues, and the related risks, that influence the sustainability of our business. Our most material issues and related risks are determined with reference to stakeholder feedback, independent market analysis, forums with our asset and property managers and intense, ongoing board deliberations. Five material issues have been so identified and are cross-referenced below to the relevant risks and strategic objectives.

MATERIAL ISSUE	RELATED RISKS	CHALLENGES	OUR RESPONSE	PROGRESS 2015
Pipeline of viable properties	<ul style="list-style-type: none"> Lack of suitable properties available for acquisition, impacting achievement of growth targets Inability to execute business growth strategy, threatening sustainability 	<ul style="list-style-type: none"> Limited pipeline of acquisitions (Rebosis does not develop) Limited opportunities in retail property sector and consequent low yields Rebosis' size relative to the listed property sector in South Africa 	<ul style="list-style-type: none"> Right of first refusal to acquire properties developed by Billion Group (strong pipeline) provides Rebosis with the opportunity for early investment in young shopping centres at higher yields 	<ul style="list-style-type: none"> Repositioning of Rebosis to be a retail focused fund with good equity investment in other property companies
Appropriate diversification (geographical/sectoral)	<ul style="list-style-type: none"> Inappropriate diversification exposes Rebosis to market/regional cyclicity and financial impact in the event of a downturn 	<ul style="list-style-type: none"> Limited pipeline of appropriate retail properties Highly focused investment strategy for offices and industrial properties limiting pool of available properties 	<ul style="list-style-type: none"> Right of first refusal to acquire properties developed by Billion Group (strong pipeline) provides Rebosis with the opportunity for early investment in young shopping centres at higher yields 	<ul style="list-style-type: none"> New Frontier will focus on UK retail and this provides effective geographical diversification
Possible over-exposure to public sector in office portfolio	<ul style="list-style-type: none"> High concentration of government leases in single-tenanted properties Possible increased vacancies or shorter leases if government leasing policies change 	<ul style="list-style-type: none"> Internal strategy restrictive in terms of target tenants 	<ul style="list-style-type: none"> Diversification of the office portfolio to include blue chip corporates Early renewal negotiations Maintain/improve BEE scorecarding Engage government through SAPOA to promote transformation strategies 	<ul style="list-style-type: none"> Rebosis achieved a level 2 BEE rating during the review period Successful five year renewals of government leases during the review period Rebosis to position itself to be a retail focussed fund in the future
Liquidity	<ul style="list-style-type: none"> Insufficient cash resources to meet obligations impacting on execution of our business growth strategy Inability to renew debt on expiry, compromising our access to capital for growth and acquisitions 	<ul style="list-style-type: none"> Higher cost of funding Unfavourable funding structure Extended acquisition timelines due to funding delays 	<ul style="list-style-type: none"> Efficient cash flow management Diversified sources of funding (bond markets) Ongoing liaison with funders to assess availability of credit Regular interaction with market to ensure availability of equity and/ or debt funding Maintaining gearing below 45% 	<ul style="list-style-type: none"> Low gearing ratios, strong interest cover and large percentage of that at fixed rate improves the liquidity profile
BEE	<ul style="list-style-type: none"> Inability to maintain appropriate level of scorecarding: <ul style="list-style-type: none"> Impacts reputation and credibility Jeopardises the office portfolio given the high concentration of single tenant government properties 	<ul style="list-style-type: none"> Securing long-term government leases 	<ul style="list-style-type: none"> Active monitoring of rating and regular assessment of suppliers to support Rebosis' scorecarding 	<ul style="list-style-type: none"> Rebosis continues to be rated as a level 2 BBBEE property fund

Enduring partnerships with our stakeholders form a critical element of managing the risks and capitalising on the opportunities arising from our business activities. Key stakeholders are considered to be groups who have an impact on Reboasis' business strategy and are materially impacted by our business activities. We recognise that as stakeholder interests are dynamic, they require ongoing analysis and management.

Our approach to stakeholder engagement is to communicate openly and to incorporate actionable, meaningful feedback into our business decisions. We see stakeholder engagement as a mutually beneficial process that informs our growth strategy and at the same time directs a positive reputation with our stakeholders.

Reboasis is a member of the following industry bodies:

- South African Property Owners Association (SAPOA)
- South African Council of Shopping Centres (SACSC)
- International Council of Shopping Centres (ICSC)
- South African REIT Association (REITs South Africa)

KEY STAKEHOLDERS	WHAT MATTERS TO THEM	HOW WE ENGAGE	OUR RESPONSE
Investors/Unitholder	<ul style="list-style-type: none"> • Distributions (consistency and growth) • Stable investment performance • Accessibility of executives • Timeous information • Risk management • Ability to execute on strategy • Value extraction 	<ul style="list-style-type: none"> • SENS • Pre-polling prior to results announcements • Pre-close analyst lunches • Investment Analysts Society (IAS) results presentations • 1:1 meetings • AGM • Media • Investor relations specialist • Regular telephone contact • Conferences 	Chief Executive, CFO and CIO: <ul style="list-style-type: none"> • Expectations and perceptions of investors are communicated to and addressed by the board • Provide opportunities to introduce management and the business profile
Property Managers	<ul style="list-style-type: none"> • Good working environment • Support from the Asset Manager • Good collection • Minimal bad debt • Successful facilities management 	<ul style="list-style-type: none"> • Performance review by the Asset Manager 	Asset Manager: <ul style="list-style-type: none"> • Feedback discussed at Asset Manager level and communicated to the board
Asset Manager	<ul style="list-style-type: none"> • Consistent performance • Fair mandate conditions 	<ul style="list-style-type: none"> • Asset management agreement • Board and executive engagements 	Feedback discussed at asset manager level and communicated to the board
Lenders/providers of capital	<ul style="list-style-type: none"> • Capital management • Sustainability • Investment performance • Cash generation • Governance and compliance • Risk management 	<ul style="list-style-type: none"> • Contractually required information flow • Regular ad hoc meetings 	Chief Executive, CFO and CIO: <ul style="list-style-type: none"> • Feedback from meetings is relayed to and dealt with at board level
Tenants	<ul style="list-style-type: none"> • Property management service • Reasonable rentals and escalations • Location of property • Security of customers (retail) • Footfall and turnover (retail) • Good upkeep and maintenance of buildings 	<ul style="list-style-type: none"> • Government – management liaises with the Department of Public Works • Retail – Chief Executive liaises with key national tenants, and Property Managers and centre management liaise daily with all tenants 	Feedback discussed at asset manager level and communicated to the board

HOW WE OPERATE

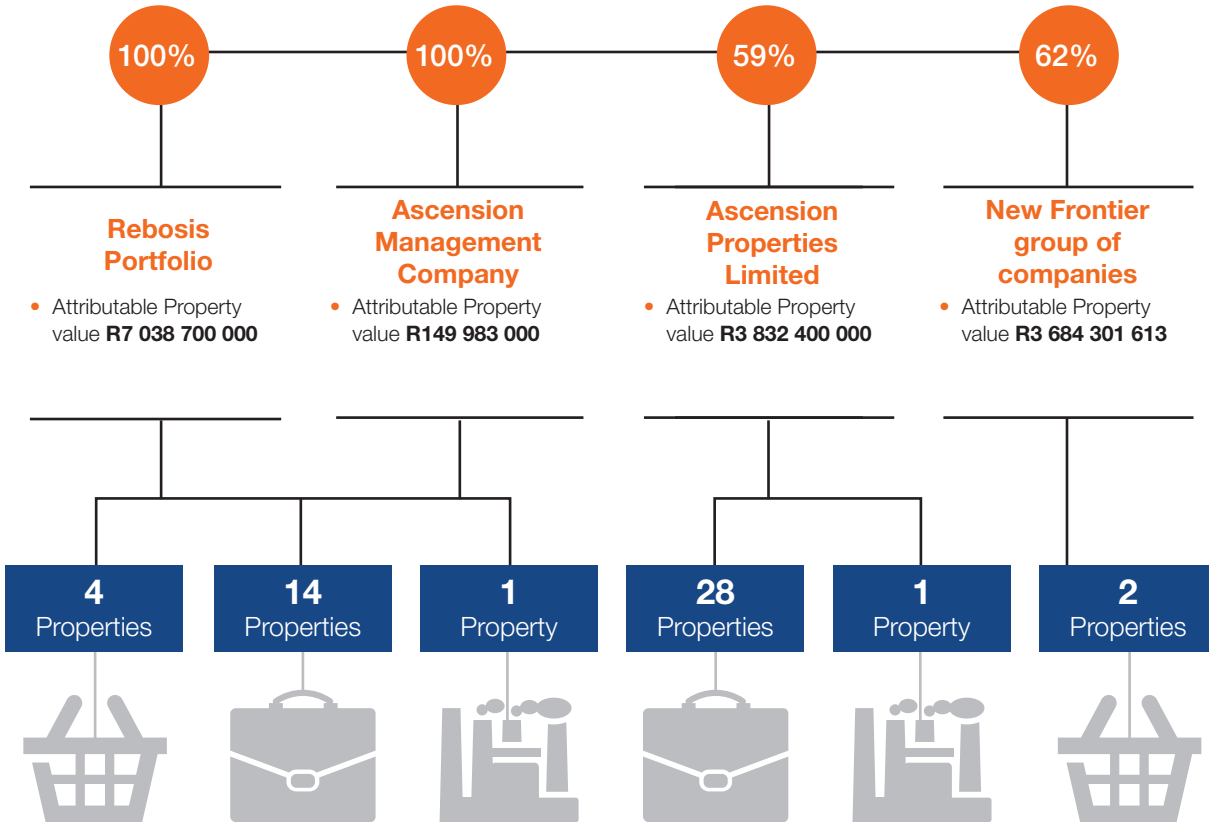
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MDANTSANE
CITY

18 Company structure

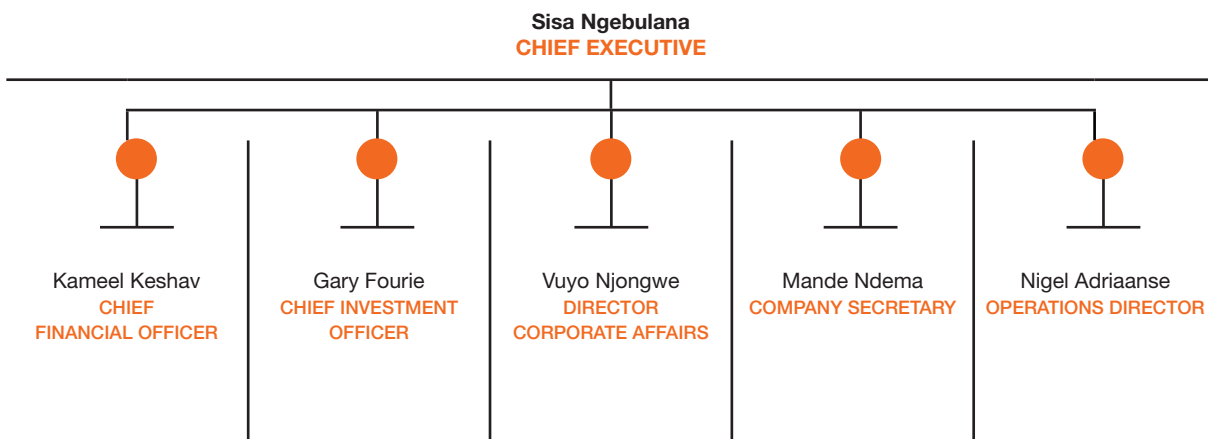
REBOSIS PROPERTY FUND



THE REBOSIS FUND MANAGEMENT TEAM

Our fund management team comprises a complementary mix of listed property, retail, property finance, entrepreneurial and governance expertise.

EXECUTIVE MANAGEMENT AT YEAR-END



* ReboSis has no employees; management are all employed by the asset manager



ASCENSION PROPERTIES

Ascension is a JSE-listed black-managed BBBEE Level 3 real estate investment trust possessing a portfolio of 29 properties (28 office and one industrial) in Gauteng, Mpumalanga and the Western Cape. Assets under management were valued at R3,8 billion at 31 August 2015. Office properties are largely tenanted by government departments.

The company's capital structure consists of A and B shares with the A shares having first right to net distributable income growing at a fixed 5% per annum for the first five years following Ascension's listing in 2012. B linked units receive the residual net income. Annualised distribution growth for B shares for the two months to 31 August 2015 was 10,3%. (Ascension's reporting year-end was changed this year, from June to August, to align with Reboasis.)

In 2014 Reboasis acquired a 32% interest in Ascension's shares. In June 2015 Reboasis further acquired 100% of the B shares but failed to obtain approval for its stated objective of acquiring all of the A shares. This gave Reboasis an effective 59% interest in the company.

Ascension returned net property income growth of 10% for the year to 31 August 2015 with vacancies decreasing from 8,5% in June 2014 to 5,8% in August 2015 and the cost to income ratio remaining stable at 11,8%. Properties are well located and of good quality with outstanding tenant retention rates.

The chief executive officer of Ascension and Reboasis' Chief Financial Officer is Kameel Keshav.



NEW FRONTIER PROPERTIES

New Frontier owns three regional shopping centres in Middlesbrough, Burton-upon-Trent and Blackpool in the north of England.

New Frontier is focused on centrally located regionally dominant shopping centres, a strategy that aligns with Reboasis' retail strategy. At 31 August 2015 New Frontier had assets under management valued at £180,2 million and net property income for the year of £5,4 million. Subsequent to the year-end, New Frontier acquired the Houndshill Shopping Centre in Blackpool for £105 million. Houndshill's 28 053m² brought the company's GLA to 101 396m².

New Frontier's properties benefit from a buoyant British economy, falling unemployment, real wage growth and rising consumer spend. Tenants are largely blue-chip national brands and average lease expiries approach ten years. In the past year tenant renewals were 100%.

Reboasis acquired a 62% stake in New Frontier effective March 2015 for a cash-and-equity consideration of R1,2 billion. The investment has benefited shareholders as a rand hedge through an annualised yield of 7% (8,1% in rand terms). Post-year-end Reboasis increased its interest to 67,5%.

With a primary listing on the Stock Exchange of Mauritius and a secondary listing on the JSE AltX, New Frontier registered as a real estate investment trust post year-end and seeks a primary listing on the JSE.

The Chief Executive Officer of New Frontier is seasoned retail property executive Mike Riley.

The initial two shopping centres owned and managed by New Frontier have average unexpired lease terms close to 10 years – in a British retail market which has recently recorded annual growth of some 5,7%.

Reboasis' New Frontier investment represents a powerful rand currency hedge – particularly given rand weakness subsequent to the year-end.



The Reboasis core portfolio returned outstanding results in the year reviewed, as measured by all key indicators.

While it is difficult to obtain meaningful benchmark statistics on the operational performance of listed South African property stocks, it can be asserted with confidence that Reboasis' assets under management delivered market-leading value for investors. This performance is reflected in the record distribution growth achieved under challenging economic circumstances and in an environment of rising interest rates and a national electricity-supply crisis.

PORTFOLIO REVIEW

At year-end the Reboasis property portfolio was valued at R7,0 billion –

up 2,7% on the value of a year earlier. Whereas the company's total assets under management rose in value by 29,5%, the wholly owned South African portfolio of properties was essentially unchanged – the same 19 properties as reported a year previously.

At year-end retail represented 43% of the portfolio by value, office 55% and industrial 2% – remaining materially unchanged from 12 months earlier. The properties are in Gauteng, Eastern Cape, KwaZulu-Natal and North West. GLA was 414 390m², again virtually the same as that of a year before.

Overall vacancy rate at year-end was 3,2%, represents an increase on the 2,4% reported a year previously. Retail

vacancies declined from 4,1% to 3,1%. A major highlight was the ongoing 3% reduction in net cost-to-income ratio to 13,3%.

RENTAL INCOME

Rental income for the year stood at R797 million, 6,5% up on 2014, again an extremely pleasing result that does not bear comparison with the previous year's increase which, at 43,1%, largely reflected the impact of acquisitions made in that year.

The quality of tenants – largely government in the office space and 85% blue-chip listed chains in retail – translated into dependable, on-time rental payments.

LETTING ACTIVITY AND LEASE RENEWALS

At year-end total vacancies were, as mentioned, 3,2% against a figure of 2,4% reported a year earlier. This was largely skewed by a substantial Pietermaritzburg office tenancy which lapsed while still under warranty. Subsequent to year-end the 3,2% vacancy figure reduced to 2,8%.

	RETAIL			OFFICE/INDUSTRIAL			TOTAL		
	GLA m ²	Vacancy m ²	%	GLA m ²	Vacancy m ²	%	GLA m ²	Vacancy m ²	%
Opening balance	163 961	6 657	4,1	251 087	3 300	1,3	415 048	9 957	2,4
Lease expiring during the year	–	16 726	–	–	1 793	–	–	18 519	–
Leases terminations	–	2 246	–	–	–	–	–	2 246	–
Lease renewals	–	(14 426)	–	–	(1 793)	–	–	(16 219)	–
Warranties expired	–	–	–	–	4 698	–	–	4 698	–
New lettings of vacant space	–	(6 079)	–	–	–	–	–	(6 079)	–
GLA adjustments	(658)	–	–	–	–	–	(658)	(658)	–
Balance at 31 August 2015	163 303	5 125	3,1	251 087	7 998	3,2	414 390	13 123	3,2

RETAIL

Our four high-quality shopping centres achieved secure income streams this year with average escalations of 7,4%, in line with expectations despite growing pressure on consumer spend.

All malls returned double-digit trading density increases. Lease renewals and new lettings amounted to 20 505m² while terminations were just 2 246m². In the year the retail portfolio was impacted by the Abil/Ellerines business collapse but all units closed by the stricken retailer were timeously let to new tenants.

Our flagship Hemingways Mall in East London underwent a successful re-development and further optimisation of its tenant mix. Turnover rose by 9,9% to R1,3 billion. Spend per head, at R173, was up 8,8% on the R159 of the previous year, driven by a concerted marketing drive and value-added new services which targeted families and positioned the mall as a lifestyle/entertainment destination. Utilising a mix of traditional and new media, marketing campaigns, which were undertaken in close cooperation with tenants, had the effect of increasing both footfall and dwell time.

This year the construction of a pedestrian bridge linking the east and west portions of the Bloed Street Mall was completed, the upgrade attracting a number of new

national tenants. Turnover growth 4,4% was contributed through the completion of construction, which had impacted the previous year's income. Trading densities rose 20,5% to R33 282/m², a trend that is likely to be accelerated with the inclusion of more fashion in the retail mix and an anchor FMCG tenant upgrading and expanding its store.

Despite adverse economic conditions impacting lower-income earners, the township Mdantsane City mall performed well; trading densities rising 11,4% to R28 425/m². Turnover was up 4,37%.

Sunnypark Mall recorded an 11,3% increase in trading density to R35 107/m² and turnover growth of 4,27%.

OFFICE AND INDUSTRIAL

Our 14 office buildings are well located in nodes attractive to government tenants. Buildings are mostly single-tenant properties let to the national and provincial departments of Public Works. Our empowerment status, which we managed proactively this year to maintain, – enabled us to negotiate new leases with government tenants at an average escalation of 8,6% – a pleasing increase on the 7,6% increase secured in 2014.

At year-end 42% of leases were due to expire after 2019. Office vacancies increased, at year-end, from 1,3% to

3,2%. This was largely ascribable to the delayed letting of the 4 698m² Revenue building in Pietermaritzburg, which had been warranted since acquisition. (After year-end a substantial part of this property was let.)

Our acquisition, for R495 million, of the iconic 11 Diagonal Street and the West Street Parkade in Johannesburg (with an initial yield of 9,6%) will only become effective in the new financial year. The acquisition will increase our office portfolio by 35 347m². The only industrial property in the portfolio is a specialised single-tenanted warehouse in Selby, Johannesburg, occupied under a triple net lease escalating at 7,0% and expiring in December 2019.

PROSPECTS

Excellent tenant performance and close management of operating costs will continue to support growth of the portfolio and its returns for shareholders. Investments in our shopping malls have enhanced their attractiveness to both shoppers and tenants while the escalations secured from our office portfolio augur well for distribution growth.

The acquisition of 11 Diagonal Street, which is fully let, will be value accretive in the new year given the initial yield of 9,6%.



01

**EXECUTIVE DIRECTOR****SISA NGBULANA (49)***Chief Executive Officer, BJuris, LLB, LLM*

Sisa founded the Billion Group in 1998 and Rebosis in 2010. Sisa has won various awards: Entrepreneur of the Year Award (2006), Pioneer award (2014), African Business Excellence (2014). An admitted attorney of the High Court of South Africa, he practised with Jan S de Villiers Attorneys in commercial litigation before joining Eskom for seven years as legal counsel specialising in property and finance. He is a past president of the South African Council of Shopping Centres (SACSC), and has been a director of the Attfund group, Truworths International and the Construction Industry Development Board (CIDB). Sisa has single handedly developed a number of regional shopping malls in SA, including Hemingways Mall, Forrest Hill City, Mdantsane City, B.T. Ngebs City and Bay West City Abacus Asset Management.

02

**CHIEF FINANCIAL OFFICER****KAMEEL KESHAV (36)***Chief Financial Officer, BCom, HDip Acc, CA(SA)*

Kameel is a qualified chartered accountant. He has diverse experience that extends across the *Financial Services, Consulting, FMCG and Mining industries* all with global listed entities. A large component of this experience extends to direct functional responsibility across Africa, Middle East and Continental Europe. He brings a strong focus on institutional controls, financial and risk management, reporting and corporate governance to Rebosis as well as extensive commercial, strategic and business development experience. Kameel has also always had a strong commitment to transformation and diversity in the workplace having obtained course certification from an International US University in this field.

03

**NON-EXECUTIVE DIRECTOR****KEN REYNOLDS (56)***BCom*

Ken joined BoE in 1988 as a mortgage lending manager and over the past 25 years has filled management and specialist positions in Nedbank's property finance and property investment operations. He oversaw the building of the second phase of the Nedbank office in Sandton, South Africa's first Green Star-rated building. Ken is currently the regional executive for Gauteng at Nedbank's corporate property finance.

04

**INDEPENDENT NON-EXECUTIVE DIRECTOR****DR ANNA MOKGOKONG (58)***Chairperson, BSc, MBChB*

Born in Soweto and raised in Swaziland, Dr Mokgokong has achieved international acclaim for her entrepreneurial ability and in 1999 received the South African Businesswoman of the Year Award. She is a former president of both the South African Woman Entrepreneurs Network (SAWEN) and the International Women's Forum of South Africa (IWFSA). She serves on the boards of numerous listed and private companies, both local and international. She is one of the founder members and group executive chairperson of Community Investment Holdings Proprietary Limited, a leading black empowerment company. Anna formerly chaired the Council of the University of South Africa and served on the Commission for the Remuneration of Public Office Bearers, where she was the deputy chairperson. She was also formerly appointed to serve as a member of the Interim Defence Force Commission. Anna is an independent non-executive director of Shoprite Holdings Limited and Adcock Ingram Holdings Limited and is further chairperson of Jasco Electronics Limited and Afrocentric Investment Corporation.

05

**INDEPENDENT NON-EXECUTIVE DIRECTOR****ANDILE MAZWAI (44)***BCom (Hons)*

Andile is the chief executive officer of the National Stokvel Association of South Africa (NSASA) and non-executive director of the JSE. He was formally chief executive officer of Barnard Jacobs Mellet Holdings, before it was acquired by First National Bank in 2011.

INDEPENDENT NON-EXECUTIVE DIRECTOR

THABO SEOPA (51)

BAcc, HDip Tax, MDP

Thabo is the managing director of Trudon Proprietary Limited. Prior to this he spent over seven years as an investment banker with HSBC and UBS in corporate finance and mergers and acquisitions. He was also a member of the South African Institute of Stock Brokers, a member of the audit committee of Johannesburg Property Company and a director of Barnard Jacobs Mellet Holdings. Thabo currently serves as a trustee for the Red Cross Children's Hospital Foundation and is chairman of Pridwin School.

06



INDEPENDENT NON-EXECUTIVE DIRECTOR

JACO ODENDAAL (55)

Personnel Management Diploma

Jaco successfully managed his own property development and leasing company for ten years before being offered a position as chief executive officer at Colliers International in 1997, where he was responsible for retail and property development in the Western Cape. In 2002 Jaco headed up a number of developments, notably the Cape Gate Precinct in joint venture with Hartwig Trust. In 2005 he co-founded Abacus Asset Management and is currently involved in various other developments, namely the award-winning Moorivier Mall in Potchefstroom as well as the Matiosana Mall in Klerksdorp.

07



INDEPENDENT NON-EXECUTIVE DIRECTOR

NOMFUNDO QANGULE (48)

BCom, BCom (Hons), CTA, CA(SA), CAI

A qualified chartered accountant, Nomfundo has extensive experience in corporate finance and private equity and was previously the chief financial officer of Harmony Gold Limited. She serves on the UNISA Foundation and is chair of the audit committee of Afrocentric Limited and a member of the investment committee of KZN Growth Fund. Nomfundo is a former chair of the audit committee of Spescom.

08



COMPANY SECRETARY

MANDE NDEMA (42)

BSocSc, LLB, PMD (GIBS)

Mande is an admitted attorney of the High Court of South Africa having specialised in commercial law. He now specialises in all aspects of corporate governance as a company secretary and is responsible for the flow of information to the Board and its committees and ensuring compliance with Board procedures, legislation and regulations. Mande also holds a certificate in Property Investment and Practice from the University of the Witwatersrand.

09



This integrated report is also available for download on the website



LEADERSHIP REVIEW

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26 Chairperson's message

“THE 2015 FINANCIAL YEAR SAW THE FUND MAKE CONSIDERABLE STRIDES IN ADVANCING THE LONG-TERM STRATEGIC INTENT TO BE THE FASTEST GROWING INVESTMENT FUND IN SOUTH AFRICA”



The 2015 financial year saw the fund make considerable strides in advancing the long-term strategic intent to be the fastest growing investment fund in South Africa. Assets under management grew by 30%, or R2,2 billion. Distributions grew by 11,0%, well ahead of forecasts and market expectations. A final distribution of 110,41 cents per unit for the year was declared, up from 99,45 cents per unit for the previous year.

The completion of a targeted investment in New Frontier Properties Limited ("New Frontier") signifies the company's growing aspirations as well as its ability to execute on transformational opportunities that lends scale to the business. Exposure to the UK retail markets has augmented the revenue base and balance sheet against economic stagnation prevalent within emerging markets. Under the stewardship of Mike Riley, Chief Executive of New Frontier, who brings a wealth of expertise and experience within the UK property market, we are confident that New Frontier will deliver robust and sustainable growth.

The acquisition of an effective 59% of the issued share capital of Ascension Properties Limited ("Ascension") through a scheme of arrangement establishes a structure for a greater degree of fund specialisation. Rebasis is able to concentrate its emphasis on quality retail assets, whilst Ascension is set to position itself to become the leading government tenanted commercial fund in the country.

Distribution growth for the year under review was driven by distribution income generated from the investment in New Frontier, lower overall vacancies and good cost containment.

OPERATIONAL ENVIRONMENT

The 2015 financial year performance was achieved against the backdrop of a very challenging business environment. Constraints on electricity supply, the tightening within the interest rate cycle and higher levels of household indebtedness was a prominent feature throughout the year. Growth forecast projections were revised downwards as output in the mining and manufacturing sectors fell short of expectations. Consumer spending continued to come under pressure while both corporate and public sector spending experienced a marked curtailment.

Despite this difficult climate, the property sector still continued to provide above average returns. According to IPD, the South African Property Sector provided a return of 6.5% for the first six months of 2015.

The performance of retail was remarkably resilient throughout the year. Gross lettable area (GLA) at 31 August 2015 remained flat when compared to the 2014 financial year close, emphasising the defensive quality of an entrenched dominance in key catchment areas. Trading densities in all four malls within the Rebasis stable grew impressively as optimisation of national tenant mix at each of the regionally dominant hubs underpins the retail strategy. The completion of the bridge at Bloed Street Mall which came in under budget, was also a significant milestone achieved during the financial year under review.

The 14 office buildings are well-located in nodes attractive to government tenants. These are mainly single-tenant buildings let to the national and provincial departments under long-term leases. The commercial office environment continues to present opportunities for redevelopment and value unlock through asset management opportunities to counter pressure on rentals and increased vacancies.

UNLOCKING VALUE

New Frontier's growth strategy accords precisely with Rebasis' vision of growing its retail footprint – acquiring low-risk, high-yield regionally dominant shopping centres – and then managing and investing in them to maximise shareholder value, and optimise the shopping experience for tenants and shoppers. Striving for tenant quality and longer lease tenure is a central tenet of asset management discipline.

Secure government tenants, together with formidable BEE credentials, allows Rebasis to benefit from zero tenant default in its office portfolio. The investment in Ascension deepens this quality revenue stream and mitigates against private sector risks, and provides a vehicle for housing the group's commercial office interests in the future.

The board of directors and the management team continue to prioritise the search for quality, yield enhancing assets to complement the portfolio. Over the years, the management team, the asset and property managers have built up formidable knowledge and experience to identify and execute on suitable opportunities.

SUSTAINABILITY

Good governance is essential for the long-term success of the group. The board is committed to continuously improving governance in line with the King III Report, the JSE Listings Requirements and the Companies Act. (More information on the company's corporate governance policies and procedures is set out on page 35.)

APPRECIATION

I thank my fellow directors for their diligence and leadership during the year. I commend our Chief Executive Officer, his team, our asset and property managers and all who work for Rebasis for their hard work and congratulate them on their outstanding accomplishments.

My sincere gratitude also goes out to our shareholders, tenants, business partners and regulators for your ongoing support.



Dr Anna Mokgokong
Chairperson

29 February 2016

“REBOSIS CONTINUES TO DISPLAY STRONG OPERATIONAL PERFORMANCE DESPITE A SUBDUED ECONOMIC ENVIRONMENT THAT CONTINUES TO PLAY OUT DOMESTICALLY AND INTERNATIONALLY”



The 2015 financial year was a period of robust corporate activity that saw the company make meaningful strides in successfully executing the group strategy of building a resilient portfolio of investment assets.

The company began the year with a high-growth, low-risk portfolio worth some R7,7 billion, which at year-end saw growth in total assets under management to R9,9 billion (a 29,5% growth) and consolidated assets of R15 billion. Rebosis continues to offer a compelling value proposition – low risks combined with consistent strong returns, which have been the hallmark of the company since the listing in 2011.

The Company achieved an 11% distribution growth, a record for the company since inception.

OPERATIONAL PERFORMANCE

Rebosis continues to display strong operational performance despite a subdued economic environment that continues to play out domestically and internationally. Underpinning these positive outcomes was a solid performance on the fundamentals of our business: robust net income growth of 8%, disciplined cost containment (net operating costs rose by just 3,6%), and well managed vacancy of 3,2% (see page 09). These bear testament to the consistent focus and efforts of the management team and the asset managers in optimising asset performance.

During the year, the company successfully concluded two landmark acquisitions, which had a transformative impact on the corporate profile and assets under management.

ASCENSION PROPERTIES

In the previous year's report, we communicated our intention to acquire, through a scheme of arrangement, 100% of Ascension Properties Limited (“Ascension”), a strong, substantially black-managed company with a centrally located and largely government-tenanted office portfolio. We amended our memorandum of incorporation in May 2015, replacing our linked unit capital structure with an all share arrangement. In July 2015 Rebosis concluded the scheme of arrangement which resulted in a share swap for all Ascension B linked unit holders. The impact of the transaction is that Rebosis now holds 100% of the issued B shares in Ascension and, accordingly approximately 59% of the entire issued share capital of Ascension. Ascension continues to operate as a listed subsidiary of Rebosis.

Ascension generated an impressive 10.3% annualised growth on income distribution for the B shares in the financial year to August 2015. The Ascension portfolio also added R3,8 billion to the group's consolidated portfolio, a 50% increase on the 2014 year-end portfolio value. The Ascension Management Company, 100% of which was acquired in 2014, continued to unlock value since its successful integration with Billion Asset Management.

NEW FRONTIER PROPERTIES LIMITED

The acquisition of an effective 62% of the share capital of New Frontier Properties Limited ("New Frontier") for R1,18 billion represents Rebosis's first entrance into the offshore market, specifically the UK retail property sector. New Frontier is a Mauritian-domiciled company with a primary listing on the Stock Exchange of Mauritius (SEM), and a secondary listing on the JSE AltX board; which has a principal focus on UK retail assets. The New Frontier investment furthers the strategic imperative of undertaking quality retail acquisitions, diversification of revenue streams and the introduction of strong rand hedge capability.

At 31 August 2015, New Frontier owned two geographically dominant regional shopping centres in Middlesbrough and Burton-upon-Trent in the United Kingdom, which have a combined GLA of 74 000m², 180 tenancies including major national brands and forward yields of 7,01% in GBP. This translated to a rand return of 34,6% for the attributable five months of the year reported, emphasising the value accretion from having a strategic rand hedge in place.

The two shopping centres have weighted average unexpired lease terms of more than 10 years, with 100% retentions on lease expiry. The assets continue to benefit from positive economic growth, confidence in the UK consumer appetite and better economic fundamentals such as lower unemployment and real wage growth.

New Frontier accounted for 8,9% of the group's net income for the year under review. On an annualised basis, the proportional contribution is 18,3%, a resounding endorsement of the long-term value embedded in the stake.

CAPITAL RAISE

In January 2015, Rebosis conducted an accelerated book-build (prior to the conversion of our equity structure to an all-share basis), which increased capital by R565 million through the issue of 47 478 992 new linked units. The book-build was 2,5 times oversubscribed,

further emphasising the strong demand for exposure to the counter. The issuance added to balance sheet strength by reducing the gearing ratio from 38,0% to 36,5%. A further R458 million was raised resulting in total equity raise of R1.023 billion for the year.

In April 2015 the company issued its maiden Domestic Medium-Term Note programme ("DMNT"), successfully raising the sum of R430 million of unsecured bond. The company received an A-rating, exemplifying the positive sentiment on the issue and the company in general.

OTHER CORPORATE ACTIVITY

Another important transaction which commenced during the year under review (which will become effective in the new financial year) was the purchase of 11 Diagonal Street, the iconic "diamond building" in central Johannesburg, for R495 million and the associated West Street Parkade.

Outside its international interest, Rebosis is uniquely positioned to rapidly develop its portfolio domestically – both in terms of total value and return on investment. We have consistently achieved this while adhering strictly to our proven strategy of focusing on shopping centres of at least 20 000m² that are dominant in strategic catchment areas, and on large single-tenanted long-lease large offices of approximately 10 000m².

The historical commercial focus on low-risk, government-tenanted commercial buildings (strengthened through the Ascension investment) continues to underpin the defensive quality of the portfolio. Rentals received from government tenants are market related with arrears being almost non-existent.

BBBEE

Rebosis continues to pride itself on integrated thinking. The achievements of our company in the year reviewed were by no means limited to the financial capital we created for our investors. Increasingly, we are focused on creating social and human, as well as conserving natural, capital, a focus that is reported in greater depth in this year's integrated report than has previously been the case (see pages 50 to 53).

As the third largest lessor to the government (at year-end approximately 500 000m² of Rebosis' office space was leased to government clients) our broad-based black economic empowerment (BBBEE) credentials are understandably central to the value proposition. We continue to maintain our Level 2 rating and

enhancing the company's transformation credentials. We continue to epitomise transformation in our workforce and efforts in the sector.

STRATEGIC OUTLOOK

The efforts of the 2015 financial year has culminated in an enhancement of portfolio fundamentals and reaffirms the company's investment case. A high concentration of national tenants continues to be a feature of the tenant base. The strategy of acquiring regionally dominant retail assets continues to mitigate against the prevailing macroeconomic climate. The group will continue to pursue growth opportunities without necessarily coming to market for capital. Rebosis has the first right of refusal on a pipeline of high quality regional centres and mixed used developments, developed by Billion Group.

It is anticipated that the Ascension and New Frontier acquisitions will continue to improve scale and liquidity in the Rebosis counter.

Ascension, with its strong sovereign underpin and government tenant focus, allows Rebosis to turn its traditional retail "bias" to a more retail "focus", or a specialised retail fund. Segregating the retail, commercial and industrial interests will provide shareholders with the opportunity for targeted sectoral exposures.

New Frontier will continue to add significant shareholder value in a depreciating rand environment. The company was converted to a UK REIT post year-end. The board of directors and management will monitor and review opportunities to execute the intention of migrating New Frontier's listing to the JSE Main Board, should market conditions and investor sentiment support these initiatives.

APPRECIATION

I wish to extend my sincere thanks to the board for their wise counsel. I also thank the executive team, the management team, property managers and staff for their unwavering commitment, dedication and hard work



Sisa Ngebulana
Chief Executive Officer

29 February 2016

**“PORTFOLIO PERFORMANCE
IN 2015 WAS EXCELLENT
WITH NET PROPERTY
INCOME INCREASING 8,0%
TO R603,8 MILLION”**



During the year under review, Rebosis embarked on a number of significant corporate transactions designed to substantially increase sustainable shareholder value while preserving its traditional balance-sheet strength.

FINANCIAL PERFORMANCE

Rebosis portfolio performance in 2015 was excellent with net property income increasing 8,0% to R603,8 million and operating costs rising by just 3,6% to R214,7 million, resulted in an improved cost to income ratio of 13,3% (2014: 13,7%). Weighted yield for the full retail, office and industrial investment portfolio stood at an impressive 8,5%.

Solid growth in assets under management was underpinned by acquisitive activity during the year under review. Vacancies within the Rebosis retail portfolio continued to trend downwards during the year under review, ending at 3,1% at year-end (2014: 4,1%) despite adverse impact of the tough macroeconomic environment on key tenants. This currently includes a single property lease which lapsed under warranty, which is the only addition to vacancies from the prior reporting period (Arbour Square has a 3 300m² vacancy) which was carried forward from the last reporting date. Both of these commercial vacancies have been partially filled post year-end. The Ascension and New Frontier portfolios closed the year with vacancies of 5,8% and 5,1% respectively. During the year under review, facilities management income grew by 18% to R21,1 million (2014: R17,9 million), benefiting from growth in facilities management activity undertaken at a key strategic client. In only its first full year under management by Rebosis, the Ascension Manco delivered revenue of R18,9 million (seven months of 2014: R9,8 million).

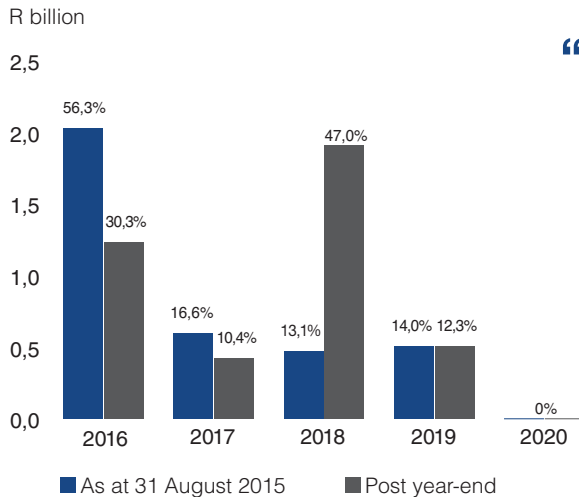
ACQUISITIONS

During the 2015 financial year, the company acquired 62% of the UK specific retail property fund – New Frontier Limited and an additional 27% of the total issued share capital of Ascension Properties Limited. These acquisitions grew total assets under management by 29,5%, with consolidated assets reaching R15 billion at year-end.

For the year reported, the directly-owned Rebosis portfolio accounted for 81,2% of income, Ascension 9,9% and New Frontier 8,9%. On an annualised basis, however, the contributions from Ascension and New Frontier were 11,8% and 18,3% respectively. These figures underscore the importance of these acquisitions to Rebosis' future prospects.

Ascension's B shares (of which Rebosis owns 100%) achieved a 10,3% annualised distribution growth with net property

“DECREASE IN GEARING FROM 38,0% TO 36,5%”



“13,3% DECREASE IN COST TO INCOME RATIO”

income displaying growth of 10,0%. Similarly the investment in New Frontier, which took effect in March 2015, produced an annualised yield of 7,0% in GBP terms which, with the rand movement for the attributable five months, improved to 8,1%.

At year-end the company's borrowings had increased to R3,6 billion (from R2,9 billion a year previously) – an increase that was almost entirely ascribable to the investments in New Frontier, other property acquisitions and the increase in the holdings in Ascension. As a result, net finance costs rose by 19% to R216 million. Despite the increased borrowing position, gearing declined, from 38,0% to 36,5%, the result of an increase of 34% in the number of shares, to 518 169 396, and strong investment performance.

Cost of debt for the year under review increased from 7,9% to 8,2%, essentially the result of rising interest rates, while interest cover moved, on the back of increased borrowings, from 3,2X to 2,9X. At 31 August 2015 74% of the total debt book was hedged, this figure rising post year-end towards our objective of maintaining debt hedging above 75%.

CASH MANAGEMENT

After deducting interest, all net property income, asset management income and income from listed subsidiaries is distributed to shareholders semi-annually. Between distributions, cash collected is regularly applied to revolving debt facilities so as to minimise interest payable.

RISK MANAGEMENT

The company's holdings in New Frontier and Ascension have, in a short time of space, proven their ability to generate attractive long-term returns and improved liquidity. As witnessed by the annualised income contributions described, these investments have also substantially diversified the group's sources of income, a positive trend that Rebosis has maintained since its listing in 2011.

The debt expiry position also showed steady improvement during 2015, with the percentage of debt expiring in 2016 declining from 56,3% at the start of the year to 30,3% at the financial year-end close, and the bulk of our debt expiring in 2018 due to post year-end debt renewals.

The management team continues to focus its attention on risk management of the investment portfolio profile.

While the national Department of Public Works accounted for 33% of total rental exposure, no single retail tenant represented more than 3,2% of total rental income. This year the company's top 10 properties by value accounted for just over 80% of portfolio net income, down materially from 85% a year previously. At an average escalation of 8,0% (7,4% for retail and 8,6% for office), the management team continued to manage rent increases at levels that will ensure satisfactory returns without exposing the company to risk of large-scale contract terminations.

A key highlight of the year under review was an accelerated book-build, undertaken in January 2015 which at a price of R11,90 per linked unit was 2,5 times oversubscribed. The amount raised increased from the initially announced R400 million to R565 million. The equity raise ensured that funding for the New Frontier investments did not result in any material deterioration of the company's conservative gearing policy.

Similar success was achieved with the maiden domestic medium-term note (“DMTN”) issue in April 2015 which raised R430 million, of which was used to replace a debt expiring in the year reported. As the Chief Executive Officer notes, the DMTN attracted an A-rating, emphasising the group's credit standing.

OUTLOOK

The importance of the investments in New Frontier and Ascension cannot be overemphasised. Both companies are solid businesses with outstanding assets, credible management teams and commendable records of tenant performance. We envisage a similarly strong performance in 2016 from the company's acquisition of 11 Diagonal Street, while the investment portfolio will, without a doubt, continue to prove its resilience and ability to generate strong, predictable returns.

The further strengthening of the balance sheet this year equips Rebosis to continue prudently raising debt to fund further acquisitions: those carefully identified opportunities which meet the group's low-risk, high-yield, high-potential criteria.

Kameel Keshav
Chief Financial Officer

29 February 2016



TRANSPARENCY AND ACCOUNTABILITY

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THE BOARD IS COMMITTED TO ACTING WITH THE HIGHEST STANDARDS OF ETHICAL BEHAVIOUR AND EFFECTIVE GOVERNANCE, IN THE INTERESTS OF SHAREHOLDERS AND THE WIDER COMMUNITY ALIKE, WHEN DELIVERING ON STRATEGIC GROWTH INITIATIVES.

Oversight and monitoring of the company's good corporate citizenship is the responsibility of the social and ethics committee.

Rebosis has a zero tolerance approach to unethical behaviour and is committed to ensuring that the company upholds its reputation. To this end our service providers and suppliers are required to adhere to the company's Business Code of Ethical Conduct in accordance with relevant clauses included in agreements with these stakeholders. Any contravention is dealt with through formal

disciplinary procedures, which have also been encoded. The areas covered by our Business Code of Ethical Conduct include:

- acting in accordance with Rebosis' values;
- equitable treatment for all;
- business integrity;
- gifts, entertainment and bribery;
- integrity of qualitative and quantitative information;
- protection and use of property;
- business controls;
- confidential information;
- safety, health, quality and the environment;
- political activities;
- compliance;
- accountability;
- corporate governance;
- ethics profile, risks and opportunities; and
- conflict of interests.

TIP-OFFS ANONYMOUS HOTLINE

Rebosis endeavours to promote a culture of openness and transparency throughout the company and stakeholders are encouraged to report unethical conduct and other transgressions of which they become aware.

An independently monitored whistleblowing hotline, Deloitte's Tip-Offs Anonymous, has been made available to employees across the company's businesses, whereby employees can report suspected fraud and/or activities which are considered to be transgressions of the company's Business Code of Ethical Conduct. Tip-offs training and awareness sessions are conducted periodically to promote utilisation of the facility where necessary. The Tip-offs service has also been extended to key customers and suppliers in the South African business.

THE BOARD

Responsibility

The board retains full and effective control over the group and monitors the effective management and decisions made by the asset manager. The board's responsibility includes:

- Assessing and approving strategic plans.
- Monitoring operational performance and management.
- Determining policies and processes for the group's risk management and internal controls.



(The responsibilities of the board are set out in full in this charter, which is set out at www.rebosis.co.za)

Members and meeting attendance	Executive directors	No of meetings/attendance
	Sisa Ngebulana (Chief Executive Officer)	4(4)
	Kameel Keshav (Chief Financial Officer)	4(4)
	Non-executive director	
	Ken Reynolds	4(4)
	Independent non-executive directors	
	Anna Mokgokong (Chairperson)	4(4)
	Andile Mazwai	4(4)
	Jaco Odendaal	4(3)
	Nomfundo Qangule	4(4)
	Thabo Seopa	4(4)
	Sindiswa Zilwa (resigned 18 March 2015)	4(1)
Independent non-executive directors	The board formally evaluates the independence of the non-executive directors annually having due regard to the relevant factors which might impair independence. For the year under review, all non-executive directors were considered to be independent.	
Self-evaluation completed	Yes	
Independent directors	Quota the same as 2014	

The Rebosis board takes responsibility for the holistic application of the principles contained in King III, without diluting the group's focus on sustainable performance. Where the board has deemed that recommended principles or practices are not appropriate for Rebosis, we follow King III in explaining the reasons for our alternative approach.

Rebosis is committed to upholding the highest standards of ethics, transparency and good governance while pursuing wealth and value creation. To this end the board is committed to ongoing review and refinement of its governance principles and practices in terms of relevant local and international best practice.

Stakeholder perceptions and the management of the group's reputation are always considered when the board deliberates. All board members are required to review and comment on the integrated report before it is distributed. This is to ensure that all relevant matters are reported on in a fair and transparent manner.

COMMITTEES

	Audit and risk committee	Investment committee	Social and ethics committee	Remuneration committee	Nominations committee
Responsibility	<p>A mandatory committee in terms of the Companies Act, it is responsible for:</p> <ul style="list-style-type: none"> Reviewing the interim and integrated annual report and annual financial statements The internal control framework and procedures Confirming and reviewing the internal audit as well as internal, financial and operational controls, including IT governance functions Reviewing risk management, standards of grievance, reporting and compliance and the integrity of the integrated annual report Approving the appointment of the auditors for non-audit services 	<ul style="list-style-type: none"> Assisting the board in setting the company's investment policy Evaluating transactions in respect of the property portfolio, portfolio management and the review and approval of property budgets and valuations Evaluating proposed unbudgeted capital expenditure which exceed authority limits Reviewing the annual valuations of the property portfolio 	<ul style="list-style-type: none"> Overseeing the good corporate citizenship of the group on behalf of the board 	<ul style="list-style-type: none"> Recommending to the board executive remuneration packages and policies, as well as the Remuneration Policy for the group as a whole 	<ul style="list-style-type: none"> Recommending suitable candidates for the board after following a vetting process which takes into account a candidate's skills offering and experience and other concerns such as diversity

MEMBERS AND NUMBER OF MEETINGS/ATTENDANCE

	Audit and risk committee	Investment committee	Social and ethics committee	Remuneration committee	Nominations* committee				
Thabo Seopa (Acting chair)	3(3)	Andile Mazwai (Chair)	5(5)	Thabo Seopa (Chair)	3(3)	Nomfundo Qangule (Chair)	2(2)	Anna Mokgokong (Chair)	3(3)
Andile Mazwai	3(3)	Sisa Ngebulana (CEO)	5(5)	Sisa Ngebulana (CEO)	3(3)	Andile Mazwai	2(2)	Sindiswa Zilwa	3(0)
Nomfundo Qangule	3(3)	Jaco Odendaal	5(4)	Ken Reynolds	3(3)	Jaco Odendaal	2(2)		
Sindiswa Zilwa	3(0)	Ken Reynolds	5(4)	Nomfundo Qangule	3(3)	Sindiswa Zilwa	2(0)		
		Thabo Seopa	5(5)	Sindiswa Zilwa	3(0)				

* As at the date of this report, the board was in the process of appointing two additional non-executive directors, one of which is independent, who will also be members of the Nominations Committee

Rebosis is a public company incorporated in South Africa under the provisions of the Companies Act, No 71 of 2008, and the Regulations thereto ("the Companies Act") and is listed as a REIT on the JSE Limited ("the JSE").

The Rebosis board is guided by a charter, which is reviewed annually. The charter includes a delegation of authority stating the matters to be dealt with by the board committees. A number of governance policies support and frame the delegation of authority, which are reviewed on an annual basis. The board approves all amendments. (Rebosis' board charter and key governance policies are available at www.rebosis.co.za.) 

The board ensures effective control over the company by continuously monitoring the implementation of strategies, policies and goals, which are prepared by executive management based on the company's core competencies, existing skills, overarching values and ultimate goal of value creation.

The size of the board is sufficiently large to ensure a wide range of skills, knowledge and experience without compromising common purpose, involvement and participation in meeting the company's strategic objectives.

The responsibilities of the Chairperson and Chief Executive, and those of other non-executive and executive directors, are clearly separated to ensure a balance of authority and prevent any one director from exercising unfettered powers of decision-making. The Chairperson provides leadership to the board in all deliberations ensuring independent input, and oversees its efficient operation.

The Chief Executive, assisted by the Chief Investment Officer, is responsible for proposing, updating, implementing and maintaining the strategic direction of Rebosis as well as ensuring controlled operations.

In this regard, the CFO, company secretary and executive management assist them.

The non-executive directors are well-qualified individuals who objectively contribute a wide range of industry skills, knowledge and experience to the board's decision-making process. These directors are not involved in the daily operations of the company and the board is satisfied that all non-executive directors, other than Ken Reynolds, meet the requirements of independence in terms of the King III Report. As prescribed by the board charter, the independence

of non-executive directors is assessed annually by the Chairperson and the board.

In light of the recent amendments to the JSE Listings Requirements, Rebosis is currently drafting a policy to assist its directors in determining whether any information relating to the issuer constitutes price-sensitive information and the best manner of dealing with the disclosure of price sensitive information.


In addition, the company is also drafting a policy on the promotion of gender diversity at board level, to encourage the company to set voluntary gender diversity targets and to report on the achievement of these targets.

Directors have unrestricted access to all company information, records, documents and property including the advice and services of the company secretary. Non-executive directors also have unfettered access to the external and internal auditors and to management at any time. All directors are entitled, at Rebosis' expense, to seek independent professional advice on any matters concerning the affairs of the company.

The company's memorandum of incorporation provides for one-third of the directors to retire by rotation each year. Accordingly, Jaco Odendaal and Nomfundo Qangule will retire at the upcoming annual general meeting and being eligible, will stand for re-election.

The board meets quarterly with *ad hoc* meetings convened as and when necessary to review strategy, planning, financial performance, resources, operations, risk, capital expenditure, standards of conduct, governance, transformation, community upliftment and environmental management and diversity, employment equity and human resources in terms of Billion Group's policies, as well as the manner in which all of these contribute to Rebosis' sustainability.

BOARD COMMITTEES

Rebosis has established audit and risk, remuneration, nominations, investment and social and ethics committees to assist the board in discharging its collective responsibility of sound governance. The board continually evaluates the need for additional committees on an ongoing basis. The directors are comfortable that a single committee for both audit and risk is sufficient in a company of Rebosis' size at this stage. All committees have satisfied their responsibilities during the year in compliance with their formal charters. (All committee charters are available at www.rebosis.co.za.) 

There is transparency and full disclosure from board committees to the board.

Committee chairpersons provide the board with a verbal report on recent committee activities and the minutes of committee meetings are made available. In addition, the chairperson of the committees or a nominated committee member attends the company's annual general meetings to answer any questions from stakeholders pertaining to the relevant matters handled by their respective committees.

BOARD PROCESSES

Appointments

The nomination committee is tasked with recommending new appointments to the board and for ensuring that these are formal and transparent and are a decision for the board as a whole. Further, an induction programme is conducted for all newly appointed directors aimed at an understanding of the company, its operating environment and the markets in which it trades.

Conflicts of interest

To guard against conflicts of interest, directors are required to submit a written declaration regarding their shareholdings, additional directorships and potential conflicts of interest. Share dealings in Rebosis units are completely prohibited during 'closed periods' as defined by the JSE. To ensure directors are aware of closed period/s, emails are distributed to the board and all staff advising when the company enters and concludes a closed period. Outside of closed periods, any director wishing to trade in securities of the company must obtain clearance from the CFO before trading (or in his absence the Chief Executive or company secretary), and any dealings are announced on SENS as soon as possible after the trade/s in question.

Company secretary

The company secretary is Mr Mande Ndema. The board is satisfied that an arm's length relationship is maintained between the board and the company secretary through the provisions of the service agreement entered into between Mr Ndema and the company, which limits the duties of the company secretary to only those related to the corporate governance of the company and the administration of company secretarial documentation. There is a written policy and/or procedure for the formal annual evaluation of the company secretary by the chairman of the board in respect of statutory/governance responsibilities. The board considers Mr Ndema sufficiently skilled and qualified to act in accordance

with, and update the directors in terms of, the King III Report, Companies Act and other relevant regulations and legislation.

All directors have unlimited access to the advice and services of the company secretary, who is accountable to the board for ensuring that procedures are complied with and that sound governance and ethical principles are adhered to.

The specific role and functions of the company secretary include:

- providing the directors, collectively and individually, with detailed guidance on their duties, responsibilities and powers;
- providing information and advice on laws, legislation, regulations and matters of ethics and good governance relevant to the company;
- ensuring compliance with laws and regulations;
- properly recording, *inter alia*, the minutes of board, committee and unitholder meetings, meeting attendance, resolutions, directors' declarations of personal interests,

and all notices and circulars issued by the company; and

- preparing the notice of annual general meeting.

ACCOUNTING AND AUDITING

The external auditors are responsible for reporting on whether the annual financial statements are fairly presented in compliance with IFRS.

The board, via the audit and risk committee, is responsible for evaluating the independence and effectiveness of the external auditors.

It also considers whether any non-audit services rendered by the auditors are likely to substantially impair their independence. Corrective action is taken where necessary. Non-audit services in excess of 50% of the audit fee in any financial year require special consideration by the committee.

The board is responsible for the company's systems of internal control

and risk management, assisted by the internal auditors, who conduct risk-based internal audit assignments on a regular basis. These systems provide reasonable assurance, within the parameters of human intervention, regarding the reliability and integrity of the financial information, compliance with statutory laws and regulations and the safeguarding of assets. They are further intended to identify and prevent significant fraud, loss and material misstatement.

The board is satisfied that the internal controls and risk management processes were effective throughout the year.

INFORMATION SECURITY MANAGEMENT

The board acknowledges its overall responsibility for IT governance and business continuity. To this end, Rebois continually reviews and assesses the measures in place to ensure appropriate IT governance. An IT governance charter is currently being developed and will be finalised in the ensuing financial year.

LEGAL COMPLIANCE

The board is responsible for ensuring compliance with laws and regulations. New legislation that impacts the company is discussed at board meetings. The directors are assisted in this regard by the company secretary.

The board has been assured of Rebosis' material legal compliance through the preliminary compliance checklist completed by the CFO during the year, and the external assurance of the company secretary.

Rebosis continues to expand the checklist of requirements to incorporate all the requirements of the JSE Listings

Requirements, King III Report, the Companies Act and other applicable legislation.

No fines or non-monetary sanctions were imposed on the group for non-compliance with any laws or regulations during the year under review, nor has the group been party to any legal actions for anti-competitive behaviour or anti-trust and monopoly practices during the year.

KING III APPLICATION

The board supports the Code of Corporate Practices and Conduct as recommended by the King III Report including the additional provisions in the

Companies Act. More than this, Rebosis believes that sustainable and effective governance is best demonstrated through a consistent pattern of doing "the right thing", regardless of the circumstances.

The company's application of King III in relation to Chapter 2 is set out below. Each principle has been assessed based on the following criteria: Fully applied; Partially applied; Not applied with necessary explanations.

Rebosis' application of all 75 King III principles are available at www.rebosis.co.za. 

CHAPTER 2: BOARD AND DIRECTORS

King III principle	Compliance	Comments
2.1 The board should act as the focal point for and custodian of corporate governance	Fully	The board is the focal point and custodian of corporate governance at Rebosis. In accordance with the board charter the board is committed to the highest standards of corporate governance. The board charter, which is reviewed annually, clearly sets out its role and duties with regard to achieving sustainable value for the company in a transparent and responsible manner.
2.2 The board should appreciate that strategy, risk, performance and sustainability are inseparable	Fully	The board, in accordance with the board charter, and all committee terms of reference reviewed in line with King III, is responsible for aligning the strategic objectives, vision and mission with performance and sustainability considerations. The board both informs and approves company strategy and is accountable for its execution. At the beginning of each year the CEO presents the board with the company strategy, objectives, plans and challenges for the upcoming year.
2.3 The board should provide effective leadership based on an ethical foundation	Fully	The board provides effective leadership and is committed to the highest levels of corporate governance as a key driver of sustainability. Directors are required to adhere to the values set out in the Code of Business Ethics. Deliberations, decisions and actions of the board are based on fairness, accountability, responsibility and transparency.
2.4 The board should ensure that the company is and is seen to be a responsible corporate citizen	Fully	Rebosis' social and ethics committee reflects and effects the company's commitment to responsible corporate citizenship. In addition to compliance with King III, Rebosis has a Code of Business Ethics in place which guides directors' relationships with and commitment to stakeholders.
2.5 The board should ensure that the company's ethics are managed effectively	Fully	The board has established a social and ethics committee, which assists in ensuring that the company's ethics are managed effectively. The committee focuses on social investment, transformation, ethics and sustainable development within the company. The board ensures that ethical risks and opportunities are incorporated in the risk management process. A process is currently underway to formalise and strengthen our internal ethics framework.
2.6 The board should ensure that the company has an effective and independent audit committee	Fully	The membership of the audit and risk committee comprises three independent non-executive directors who meet at least three times each year. The audit and risk committee's terms of reference have been approved by the board and are reviewed every year. The effectiveness of the committee is monitored by the board annually.
2.7 The board should be responsible for the governance of risk	Fully	This function is delegated to the audit and risk committee, which oversees the development and annual review of the company's risk management policy, process and structures, and makes recommendations from time to time to the board. The board is ultimately responsible for the governance of risk within the company.

2.8	The board should be responsible for information technology (IT) governance	Fully	Ensuring proper system security, data integrity and business continuity is the responsibility of the board, but is delegated to the audit and risk committee. Management provides feedback to the board on all IT-related matters.
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	Fully	<p>The company strives to comply with all applicable laws to the best of its ability. Compliance is an ethical imperative and is monitored by the audit and risk committee and in applicable instances, the social and ethics committee and reported to the board.</p> <p>The audit and risk committee is responsible for assisting the board with the oversight of compliance-related matters. Regular reports are presented to the audit and risk committee.</p>
2.10	The board should ensure that there is an effective risk-based internal audit	Fully	An effective risk-based internal audit is in place. One of the key functions of internal audit is to perform an assessment of the effectiveness of risk management in order to objectively evaluate the effectiveness of risk management and the internal control framework.
2.11	The board should appreciate that stakeholders' perceptions affect the company's reputation	Fully	The social and ethics committee is responsible for ensuring that transparent communication is in place for stakeholders on issues that impact them and the sustainability of the company. The company's reputation, brand and relationship with its stakeholders is a standing agenda item at social and ethics committee meetings.
2.12	The board should ensure the integrity of the company's integrated report	Fully	The board is responsible for the integrity of the integrated report and approves the report prior to publication.
2.13	The board should report on the effectiveness of the company's system of internal controls	Fully	Internal audit plays an important role in providing assurance to the board regarding the effectiveness of the system of internal controls and risk management of the company. The board reports on the effectiveness of the system of internal controls in the integrated report.
2.14	The board and its directors should act in the best interests of the company	Fully	The board and its directors always act in the best interests of the company. The board has unrestricted access to all company information, records, documents and property. The board also has access to this information through the company secretary. The company secretary maintains a register of directors' interests which is reviewed and updated at every board meeting.
2.15	The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act	Fully	The board continually monitors whether the company is financially distressed for the purposes of considering business rescue proceedings; i.e. whether it appears reasonably unlikely that the company can pay its debts when due within the next six months or likely that the company will become insolvent within the next six months. Processes are in place for the audit and risk committee and the board to consider and assess the liquidity and going concern of the company before approval of any distributions.
2.16	The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board	Fully	The Chairperson is an independent non-executive director and is not a former CEO. The role of the Chairperson is clearly defined in the board charter. Furthermore, a clear division of responsibilities between the roles of the chairperson and that of the Chief Executive exists. This ensures a balance of power within the company and ensures that no individual has unrestricted decision-making powers or authority.
2.17	The board should appoint the CEO and establish a framework for the delegation of authority	Fully	The role and function of the Chief Executive are clearly formulated in writing. Furthermore, there is an approved delegation of authority within the company. There is a formal succession plan in place for the Chief Executive and other senior executives.
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	Fully	The board comprises a majority of non-executive directors. A majority of the non-executive directors on the board are independent. Seven of the nine directors are non-executive directors, namely Dr Anna Mkgokong, Sindi Zilwa, Thabo Seopa, Andile Mazwai, Jaco Odendaal, Ken Reynolds and Nomfundo Qangule. All of the above directors are independent non-executive directors with the exception of Ken Reynolds.

CHAPTER 2: BOARD AND DIRECTORS

King III principle	Compliance	Comments
2.19 Directors should be appointed through a formal process	Fully	The nominations committee identifies and participates in selecting board members. The nominations committee ensures that new directors have not been declared delinquent or are not serving probation in terms of section 162 of the Companies Act, 2008. The selection process considers the existing balance of skills and experience required as well as continual process of assessing the needs of the company.
2.20 The induction of and ongoing training and development of directors should be conducted through formal processes	Fully	An induction programme aimed at an understanding of the company, its operating environment and markets in which it trades is conducted for all newly appointed directors. The nomination committee assists the board with ongoing training and development of directors.
2.21 The board should be assisted by a competent, suitably qualified and experienced company secretary	Fully	The company secretary is empowered by the board to effectively perform his duties. The role and function of the company secretary are clearly formulated in writing. The company complies with the provisions of the Companies Act, 2008 in relation to the appointment and removal of the company secretary, and the duties allocated to him.
2.22 The evaluation of the board, its committees and the individual directors should be performed every year	Fully	The board charter clearly sets out the roles and responsibilities of the board regarding their fiduciary duties against which an individual director's performance is assessed. The results of the annual assessment are reviewed by the Chairperson and the company secretary and presented to the board. The results of performance evaluations are constructively used to identify training and development needs for directors.
2.23 The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	Fully	The board established the audit and risk committee, investment committee, social and ethics committee, remuneration committee and nomination committee to assist the board in fulfilling its obligations. Each of these committees operates under formal terms of references that are reviewed and approved annually. The performance of each committee is also assessed annually by the board. The board is of the view that the skills, experience and knowledge of the current committee members is appropriate in overseeing the committees' activities. The chairperson of each committee reports back to the board at each board meeting embracing a general principle of transparency and full disclosure.
2.24 A governance framework should be agreed between the group and its subsidiary boards	Fully	A governance structure and framework for the delegation of authority is in place for the company.
2.25 Companies should remunerate directors and executives fairly and responsibly	Fully	Remuneration practices are in place that address pay and bonuses. The company does not yet have share-based and other long-term incentive schemes. The remuneration of the executive directors and senior management is determined by the asset manager. The remuneration of the non-executive directors is determined by the remuneration committee and recommended by the board for approval at the annual general meeting.



42 Risk report

Rebosis implements a risk management process for identifying, evaluating and monitoring the nature and extent of risks affecting the achievement of its business objectives and for managing and controlling these risks. The audit and risk committee is tasked with assisting the board in determining the company's risk tolerance.

Those risks prioritised as fundamental have given rise to our material issues and strategies addressed in this integrated report.

Certain other important risks are set out below. These are not prioritised or ranked in any particular order, and do not comprise an exhaustive risk register but serve rather as examples of the group's risk focus.

The company has an appropriate risk management policy in place, which is in accordance with industry practice. The audit and risk committee has monitored compliance with this policy and is satisfied that the company has, in all material respects, complied with the policy.

RISK	IMPACT	MITIGATION STRATEGIES
Investment property portfolio		
Damage to investment property	<ul style="list-style-type: none"> Financial loss to the company Reduced asset value 	<ul style="list-style-type: none"> Comprehensive insurance policy based on replacement value of investment property Regular review of insurance policies and insured values
Operational performance		
Vacancies and rental default	<ul style="list-style-type: none"> Reduced profitability and ROI for unitholders Declining property valuations Reduced net asset values Risk of breach of financial covenants 	<ul style="list-style-type: none"> Strong focus on tenant relationships Targeted leasing strategy by a driven and highly focused leasing team Early renewal negotiations Credit checks
Financing		
Interest rate risk	<ul style="list-style-type: none"> Increased cost of borrowings will reduce distributions to unitholders 	<ul style="list-style-type: none"> Hedging strategies in place for at least 75% of debt
Governance		
Non-compliance with legislation	<ul style="list-style-type: none"> Suspension or termination of the company's listing Reputational damage 	<ul style="list-style-type: none"> Active monitoring by corporate sponsor and company secretary
Reputational risk	<ul style="list-style-type: none"> Loss of investor confidence Unit price volatility 	<ul style="list-style-type: none"> Regular monitoring of stakeholder viewpoints and interaction with them
Systems		
Information technology ("IT") failure	<ul style="list-style-type: none"> Loss of revenue as a result of loss of data Impact on the company's reputation in the event that the data is not recovered promptly 	<ul style="list-style-type: none"> Offsite storage of daily data back-ups Support of appropriately skilled IT resources
Failure of the IT system to adequately address the business framework and processes	<ul style="list-style-type: none"> Inability to customise the software to meet all the needs of the company 	<ul style="list-style-type: none"> Regularly assess the appropriateness and sustainability of the licensor Assess alternative systems

The remuneration committee is chaired by independent non-executive director Nomfundo Qangule and further comprises independent non-executive directors Andile Mazwai and Jaco Odendaal. Since the resignation of Sindi Zilwa, the board is in the process of appointing an additional member. The Chief Executive attends meetings by invitation, and is excluded from deliberations regarding his or any other executive director's remuneration.

While the executives and senior management are directly employed by Billion Asset Managers and Billion Property Services, the committee is cognisant of the fact that people are one of the key drivers of a secure, sustainable business. There is therefore an undeniable need for a sound remuneration strategy to be adopted by Billion Asset Managers and Billion Property Services that is continuously updated to align with the challenging and constantly changing business environment. The remuneration committee is therefore charged with reviewing the Billion Asset Managers and Billion Property Services remuneration strategies.

The roles and responsibilities of the committee include:

- Determining, agreeing and developing the company's general policy on executive and senior management remuneration;
- Reviewing executive and non-executive directors' remuneration including, but not limited to, basic salary, benefits in kind, any annual bonuses, performance-based incentives, share incentives and other benefits; and
- Assessing short- and long-term incentive pay structures for executives.

Remuneration for non-executive directors comprises a base fee (retainer) and a fee per meeting, predetermined annually and approved by shareholders at the annual general meeting. The remuneration committee reviews these fees annually and proposes fees to the board for approval.

Fees paid to non-executive directors for the year under review were approved at the last annual general meeting of shareholders and debenture holders.

Fees earned by non-executive directors

	2015 R000	2014 R000
AM Mazwai	628	330
ATM Mokgokong	555	440
J Odendaal	265	230
KL Reynolds	295	270
NV Qangule	300	270
TSM Seopa	370	290
SV Zilwa	175	370
	2 345	2 200

Executive remuneration is determined annually with reference to industry benchmarks. Bonuses are linked to individual and company performance in accordance with predetermined parameters.

Remuneration earned by executive directors

	2015 R000	2014 R000
SM Ngebulana	6 329	5 856
K Keshav	3 153	–
JA Finn*	628	2 875
	10 110	8 731

* Resigned effective 30 November 2014

The executive directors' remuneration was paid by Billion Asset Managers.



OUR IMPACTS

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46 Value added statement

	For year ended 31 August 2015		For year ended 31 August 2014	
	R000	%	R000	%
Gross property revenue	917 175		765 728	–
Listed property securities income	60 262		21 090	–
Asset management fees received	18 891		9 812	–
Property expenses excluding municipal charges	(81 723)		(84 287)	–
Other	66 321		(29 387)	–
Wealth created	980 926	100	682 956	100
Value distribution				
To providers of finance				
Net finance charges	275 838	28	180 969	26
To government				
Municipal costs	132 958	14	123 003	18
To providers of capital				
Distributions to shareholders	572 130	58	378 984	55
Wealth distribution	980 926	100	682 956	100

The mandate of the social and ethics committee is derived from section 72 of the Companies Act 71 of 2008, read together with section 43(5) of Regulation 43 of the Companies Regulation.

The social and ethics committee's responsibilities encompass monitoring and regulating the impact of the company on its stakeholders. The committee assists the board in ensuring that the company is and remains a good and responsible corporate citizen and performs the statutory functions required of a social and ethics committee in terms of the Companies Act 71 of 2008, as amended.

The committee comprises of three non-executive directors: Thabo Seopa (Chairman), Nomfundo Quangule and Ken Reynolds. Sisa Ngebulana, the Chief Executive, and members of management are invitees. Details of meetings attendance are set out on page 33.

The committee operates within defined terms of reference as set out in its charter and the authority granted to it by the board. Broadly, it is tasked with overseeing the good corporate citizenship of the group on behalf of the board. The committee's role is to regularly monitor the group's activities with regard to any relevant legislation, other legal requirements or prevailing codes of best practice, in respect of the following:

1. Social

- Community development
- Donations and sponsorship
- Reduction of corruption
- Public health and safety
- Consumer protection

2. Safety and environment

- Public health and safety
- Environmental impact

3. Workplace and employment

- Employment equity
- Contribution towards employee education and development
- Protocols on decent work and working conditions
- Employee safety and health

4. Market place

- Broad-based Black Economic Empowerment
- Prevention of unfair discrimination
- United Nations Global Compact Principles
- Global best practice, including OECD

PROMOTING ETHICAL CONDUCT AND ANTI-CORRUPTION

An anti-corruption programme, which is underpinned by effective communication to all staff has been implemented and an independent whistle-blowing policy and crime hotline is in place.

PROMOTING BEE

The committee is responsible for developing and implementing the company's transformation strategy and monitoring transformation across the South African business in line with the Department of Trade and Industry's BBBEE Act, 2003/04, and the associated Codes of Good Practice of 2007.

The committee has defined clear guidelines and objectives for each of the seven elements of the BBBEE codes and has an ongoing responsibility to monitor and review all aspects of the company's BBBEE strategies.

ENVIRONMENT, HEALTH AND SAFETY

The committee monitors the company's activities in respect of the environment, health and safety with regards to any relevant legislation, other legal requirements and prevailing codes of best practice.

RESPONSIBLE CORPORATE CITIZENSHIP

Rebosis' vision is to deliver value to its stakeholders as a responsible corporate citizen with quality retail, commercial and industrial properties.

For more details on specific projects supported, refer to pages 50 to 53.



Thabo Seopa
Social and ethics committee chairman

REBOSIS HAS A PROUD LEGACY AS A TRANSFORMED PROPERTY COMPANY; THE FIRST BLACK-MANAGED AND SUBSTANTIALLY BLACK-OWNED PROPERTY FUND TO LIST ON THE JSE.

THE COMPANY REMAINS 29,9% BLACK-OWNED, OF WHICH 7,4% WAS DIRECTLY OR INDIRECTLY OWNED BY CHIEF EXECUTIVE OFFICER AND FOUNDER SISA NGBULANA AT YEAR-END. PROPERTY AND ASSET MANAGEMENT ARE OUTSOURCED TO BILLION PROPERTY SERVICES AND BILLION ASSET MANAGERS RESPECTIVELY, BOTH OF WHICH ARE 100% BLACK-OWNED.

We are acutely mindful of our obligation, as a responsible corporate citizen, to create social value by practising transformation in our strategy execution, our operations and in all of our dealings with stakeholders. Similarly, we are mindful of the opportunity we possess, as a substantially transformed company, to act as a role model and to demonstrate our conviction that actioning transformation into practice can create both financial and social capital.

The 12 members of our executive management team are all employed by

the Billion Group. This table reflects the breakdown of management in terms of employment equity:

	Male	Female	Total
Black	4	5	9
White	2	1	3
Total	6	6	12


While asset and property management are performed by third parties, as the party responsible for funding these operations, we are able to leverage our current and capital expenditure to advance our transformation objectives. Our ownership of large commercial properties further enables us to increase our socio-economic impact, especially through enterprise development.

This year we embarked on a wide-range, ambitious programme to accelerate our transformation journey and to improve our performance under the Property Sector Charter's Broad-based Black Economic Empowerment (BBBEE) codes of good conduct.

Given our commitment to transformation and Rebosis' empowerment profile, maintaining, and even improving, our BBBEE performance was considered a key management priority for the year reviewed.

Under the Preferential Procurement and Enterprise Development elements we performed extremely well in 2015, achieving 75% recognition on Preferential Procurement and 100% on Enterprise Development. A number of Preferential Procurement and Enterprise Development initiatives were implemented towards the end of the year, progress on which we intend reporting on fully in next year's integrated annual report.

Overall we achieved a BBBEE recognition level of 125%, retaining our Level 2 BBBEE score.



**“REBOSIS:
A LEVEL
2 BBBEE
CONTRIBUTOR
WITH STRONG
TIES TO THE
COMMUNITIES
WE SERVE”**

REBOSIS IS COMMITTED TO PROVIDING A SAFE, HEALTHY AND HYGIENIC WORKING ENVIRONMENT FOR ITS REPRESENTATIVES AND SUPPLIERS AS WELL AS FOR ITS TENANTS AND THEIR PATRONS.

To this end, strict adherence with the Occupational Health and Safety Act, 85 of 1993 is enforced at all properties and in all operations. The Billion Group, as asset and property managers and the employer of Reboasis' executives, has policies in place which accordingly govern health and safety at Reboasis' premises.

No work-related injuries or deaths were reported at any of the company's properties during the year.

The Billion Group has a formal HIV/Aids policy in place, the primary objectives of which are to:

- create a non-discriminatory work environment;
- manage HIV testing, confidentiality and disclosure; and
- provide equitable employee benefits across the board.

Specifically, the Billion Group has developed strategies to assess and reduce the impact of HIV/Aids on the workplace through measures to prevent the spread of HIV as well as procedures to manage occupational incidents and claims for compensation. The Billion Group is also committed to supporting those infected or affected by HIV/Aids so that they can continue to work productively for as long as possible.

Environmental

AS A PROPERTY COMPANY WHICH DOES NOT UNDERTAKE DEVELOPMENT, REBOSIS IS REGARDED AS HAVING A RELATIVELY LOW ENVIRONMENTAL IMPACT. DESPITE THIS, THE COMPANY ACKNOWLEDGES THAT ITS OPERATIONS AND ALONG WITH OPERATIONS CARRIED OUT BY TENANTS IN ITS PROPERTIES HAVE A MATERIAL IMPACT, ESPECIALLY IN RELATION TO SCOPE 2 CARBON EMISSIONS.

This year we achieved an 85% waste-recycling rate.

To reduce its environmental impact Reboasis has initiated a wide-range energy efficiency programme considering the entire energy cycle but targeting, in particular, reductions in electricity consumption.

This year the company's energy efficiency drive took a number of concrete forms.

These included:

- Working with the Buffalo City Metropolitan Municipality on a voluntary load-shedding programme, our flagship Hemingways Mall cut its electricity consumption by some 17% when required by the municipality, a saving of 600 – 650 kWh. The arrangement with the municipality enabled Hemingways to keep trading during Stage 1 and 2 load shedding from 1 June while shoppers and tenant employees were unaware of the centre's air-conditioning being intermittently shut down.

- In July 2015 implementation began on a R2,5 million 36 – 40-month payback photovoltaic project at Ascension Properties' Island Centre warehousing property in Cape Town. At year-end orders had been placed for 11 000m² of photovoltaic cells and related equipment. The 140kWp (kilowatt peak) produced will provide 28% of the building's electricity requirement with a further extension planned while negotiations on an offset agreement with the City of Cape Town have been initiated. It is envisaged that, should negotiations with the city prove successful, electricity supplied into the municipal grid will be offset against the consumption of local (CBD) office properties owned by Ascension.

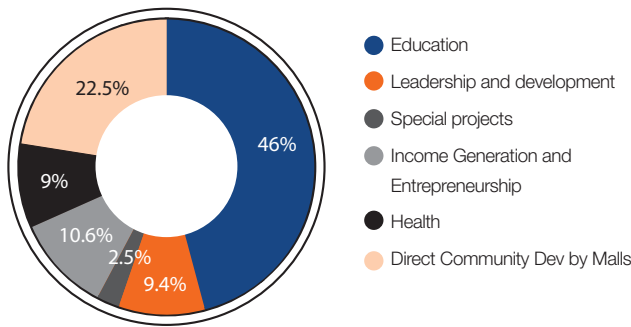
Reboasis complies with the Billion Group's environmental policy, in turn ensuring compliance with relevant environmental laws and regulations by its own employees and those of outsourced service providers.

The company received no fines and/or sanctions during the year for non-compliance with environmental laws and regulations.

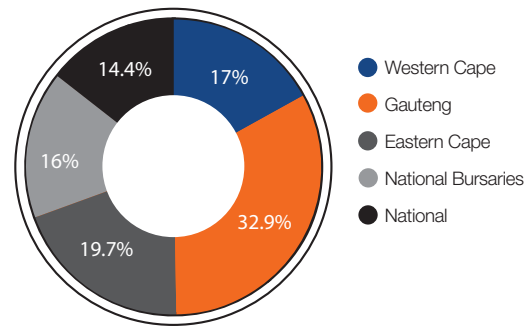
IN ADDITION TO THE FORMAL ENTERPRISE DEVELOPMENT INVESTMENTS MADE THIS YEAR (SEE TRANSFORMATION) OUR COMPANY CREATES SOCIAL CAPITAL THROUGH AN EXTENSIVE CORPORATE SOCIAL INVESTMENT (CSI) PROGRAMME. THIS YEAR AN AMOUNT OF R1,25 MILLION WAS DISBURSED BY THE COMPANY TO DESERVING CAUSES.

In 2015 our shopping centres were actively engaged in upliftment projects that benefit their local communities. These projects include winter blanket drives, the delivery of food parcels and voucher giveaways as well as fundraising for deserving charities, activities which are facilitated in-centre and through donations. The monetary value of these investments was in excess of R240 000 in the 2015 year, giving a total Reboasis CSI contribution of over R1,5 million.

DISTRIBUTION BY CATEGORY



DISTRIBUTION BY REGION



BURSARIES

In 2015 Reboasis funded four historically disadvantaged undergraduate students studying accounting, property management, entrepreneurship and business science at the universities of Johannesburg, Cape Town and the Western Cape. Bursary support amounted to R60 000 per student and was supplemented by individual mentoring by Billion volunteers as well as job shadowing. In the new year the company intends extending bursaries to six students, of whom half will be female. Expert third-party mentoring will be provided to bursars.

Projects supported for the reporting year



NAME: KIDZPOSITIVE

Community: Cape Town

Type: Health

Summary: Health cares services for improving the lives of children and families affected by HIV/AIDS and other chronic diseases.



NAME: OPERATION HOPE

Community: Greater Gauteng

Type: Community

Summary: Through its international outreach arm, Hope Global Initiatives (HGI), is committed to teaching financial literacy education to children in South Africa through the Banking on Our Future campaign.

Projects supported for the reporting year continued



NAME: GOLDEN CAMPS
Community: Greater Gauteng
Type: Education

Summary: Communications concept aimed at motivating and grooming teenage girls from disadvantaged areas of South Africa to be the best women they can be. The aim of these camps is to equip young women with vital life tools that they will need as they blossom into young adults.



NAME: A.B. XUMA PRIMARY SCHOOL
Community: Soweto
Type: Education

Summary: Primary school in Orlando West Soweto. Funds contributed to the school have been utilised in building additional classrooms.



NAME: SAME FOUNDATION
Community: Greater Gauteng
Type: Education

Summary: To improve healthcare and educational facilities in poverty-stricken communities, where there is no short/medium-term governmental budget for improvements.



NAME: BREAK THE SHAME
Community: Greater Gauteng
Type: Health

Summary: A non-profit Organization founded on the belief that in order for addiction recovery to become a widespread possibility we need to deal with the problem openly.



NAME: BONESA KHANYA PROJECT
Community: Johannesburg (Yeoville)
Type: Education

Summary: Innovative job creation, micro business empowerment, food security, HIV/AIDS and TB, Youth development.

**NAME: CHRISTWAY****Community:** Greater Gauteng**Type:** Special Projects

Summary: A safe house housing 18 children and destitute children. Community Centre and other outreach projects

**NAME: REACH FOR A DREAM****Community:** Greater Gauteng**Type:** Special Projects

Summary: Continue giving hope to children fighting life-threatening illnesses through the fulfillment of their dreams, and to further help as many children facing these illnesses though



“TOTAL REBOSIS CSI CONTRIBUTIONS OF OVER R1,5 MILLION TO ORGANISATIONS SUPPORTING EDUCATION, HEALTH, LEADERSHIP AND DEVELOPMENT”



The CSI initiatives funded by the group were complemented this year by on-the-ground charity and NGO support carried out by our shopping malls. In detail:



HEMINGWAYS MALL

THIS YEAR HEMINGWAYS LENT ITS SUPPORT TO CAMPAIGNS, CHARITABLE PROJECTS AND FUNDRAISING DRIVES WITH A VALUE OF SOME R310 000.

Initiatives included:

- Cupcakes for Kids with Cancer
- Charity potjiekos cook-off
- Charity golf day which raised R74 000 for animal welfare
- Blood donation and book donation drives
- Take a Girl Child to Work Day and Mandela Day



MDANTSANE CITY

THE MALL SUPPORTED A VARIETY OF CAUSES AIMED AT PROVIDING UPLIFTMENT AND POVERTY RELIEF IN THE LOCAL TOWNSHIP COMMUNITY. SUPPORT WAS WORTH IN EXCESS OF R52 000 TO BENEFICIARIES.

Initiatives included:

- A till-slip competition rewarding shoppers and their children's schools
- Donating food parcels to 50 child-headed households
- Donating clothing and household products from shoppers and retailers to deserving causes
- Monthly mall vouchers given to feeding schemes
- Gifts, food and entertainment for pensioners



BLOED STREET MALL

THIS YEAR THE MALL LENT ITS SUPPORT TO THE SA NATIONAL BLOOD SERVICE, THE ROAD ACCIDENT FUND AND A LOCAL ORPHANAGE.

- Supported the SA National Blood service by giving them free promotional court space
- Sponsorship to Lerako and Inkululeko orphanage during Mandela-Day with a voucher giveaway
- Support of the Road Accident Fund with free promotional court space



SUNNYPARK MALL

VARIOUS DESERVING INITIATIVES WERE SUPPORTED THIS YEAR WITH VALUE IN BOTH CASH AND KIND WORTH OVER R110 000.

Initiatives included:

- Sponsorship of Human Rights Day community race
- Support for Casual Day, CANSA Shavathon, 16 Days of Activism for No Violence Against Women and Children, and Slipper Day
- Provision of meals to orphanage and community centre
- Marketing support for Tertiary Orientation Week and Youth Month Expo
- Marketing support for HIV/Aids/Child Protection Awareness campaign



ANNUAL FINANCIAL STATEMENTS

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The directors are required in terms of the Companies Act, 71 of 2008, as amended 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 group as at the end of the year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

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

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

The directors have reviewed the group's cash flow forecast for the 12 months to 31 August 2016 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The board is responsible for the financial affairs of the group.

The external auditors are responsible for independently auditing and reporting on the group's financial statements. The financial statements have been examined by the group's external auditors and their report is presented on page 60.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements were approved by the board on 29 February 2016 and are signed on its behalf by:



Dr Anna Mokgokong
Chairperson

29 February 2016



Sisa Ngebulana
Chief Executive Officer

In terms of the Companies Act, 71 of 2008, as amended ("the Act"), I declare that to the best of my knowledge, for the year ended 31 August 2015, Rebosis Property Fund Limited has lodged with the Registrar of Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and that such returns are true, correct and up to date.



Mande Ndema
Company secretary

29 February 2016

The information below constitutes the report of the audit and risk committee in respect of the year under review. The committee is an independent statutory committee, to which duties are delegated by the board. The report has been presented as required in terms of the Companies Act, 71 of 2008, as amended.

The committee is chaired (in acting capacity) by independent non-executive director Thabo Seopa and further comprises independent non-executive directors Andile Mazwai and Nomfundo Qangule. The board of directors is satisfied that these directors act independently for the purposes of the committee.

The audit and risk committee is governed by formal charter which is reviewed annually. The committee has conducted its affairs in compliance with these terms of reference and has discharged its responsibilities contained therein.

The committee meets at least three times a year and special meetings are convened when necessary. Details of attendance by members at meetings, for the year under review, are set out on page 35.

RESPONSIBILITIES

The audit and risk committee has an independent role with accountability to both the board and shareholders. The committee does not assume the functions of management, which remain the responsibility of the executive directors, officers and other senior members of management. The duties and responsibilities of the members of the committee are set out in the audit and risk committee terms of reference, which is approved by the board. The committee fulfils an oversight role regarding the company's integrated report and the reporting process, including the systems of internal financial control.

The committee oversees co-operation between the internal and external auditors and is *inter alia*, responsible for assisting the board in discharging its duties in respect of the safeguarding of assets, accounting systems and practices, internal control processes and the preparation of accurate financial statements.

In the conduct of its duties, the audit and risk committee has, *inter alia*:

- nominated and recommended the appointment of the external auditor of the company who is a registered auditor and who, in the opinion of the committee, is independent of the company
- determined the auditor's terms of engagement and the fees to be paid to the auditor
- ensured that the appointment of the auditor complies with the Companies Act, 71 of 2008, as amended, and any other legislation relating to the appointment of the auditor
- determined the nature and extent of any non-audit services that the auditor may provide to the company
- reviewed and evaluated the quality of the financial information prepared to ensure integrity of reporting
- reviewed and approved the interim and final financial results, and the related press releases, for recommendation to the board
- prepared this report for inclusion in the annual financial statements
- received and dealt with any concerns relating to the accounting practices of the company, the content or auditing of the company's annual financial statements, the internal financial controls of the company or any related matter
- made submissions to the board on any matter concerning the company's accounting policies, financial controls, records and reporting.

EXTERNAL AUDITOR

The audit and risk committee has satisfied itself that the external auditor is independent of the company, which includes consideration of compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for auditors. Requisite assurance was sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the financial year-ended 31 August 2015.

The external auditors are invited to and attend all audit and risk committee meetings and are required to meet independently with the committee at least annually. Findings by the external auditors arising from their annual statutory audit are tabled and presented at an audit and risk committee meeting following the audit. The committee endorses action plans for management to mitigate noted concerns. The external auditor has expressed an unqualified opinion on the financial statements for the year-ended 31 August 2015.

The committee has nominated, for election at the annual general meeting, Grant Thornton as the external audit firm and Michelle da Costa as the designated auditor responsible for performing the functions of auditor for the 2016 financial year. The audit and risk committee has satisfied itself that the audit firm and designated auditors are accredited as such on the JSE list of auditors and their advisers.

PRE-APPROVAL OF NON-AUDIT SERVICES

Grant Thornton routinely performs non-audit services. The Audit and Risk Committee is required to pre-approve all audit and non-audit services performed by Grant Thornton in order to assure that auditor independence is not compromised. Refer to the Corporate Governance section of this report for further details on approval of non-audit services.

APPOINTMENT OF INTERNAL AUDITORS

Rebosis has outsourced its internal audit function to Kwinana & Associates Incorporated, a professional service provider, ensuring that an independent strategically aligned function exists. The Audit and Risk Committee reviewed and approved the plan incorporating the field work to be performed. Critical and significant findings are reported to the Audit and Risk Committee. Corrective action is taken to address internal control deficiencies identified in the execution of work.

INTERNAL CONTROLS

To meet the company's responsibility to provide reliable financial information, the Group maintains financial, legal compliance and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, are properly authorised and recorded and that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal.

The system includes a documented organisational structure and division of responsibility, established policies and procedures (which are communicated throughout the company) and the careful selection, training and development of people.

RISK MANAGEMENT

Effective risk management plays an integral part in ensuring that the company's strategic intent is met.

Rebosis has an enterprise risk management policy which is reviewed, assessed and amended, where applicable, by the Audit and Risk Committee. Rebosis applies a formal risk assessment process on an annual basis and continuously identifies and quantifies emerging risks to the company. The board of directors takes ultimate responsibility for risk management and has delegated oversight responsibility to the Audit and Risk Committee. Management, as the implementer of strategy, has to ensure that the company has an effective system to manage risk, and that effective and efficient risk mitigations are implemented.

Risk management is a strategic partner for business ensuring that it not only protects value, but acts as an enabler for business and growth. Management and the Audit and Risk Committee are committed to continuously improving the risk management process to ensure a risk-resilient environment.

COMPLIANCE

The Audit and Risk Committee oversees the compliance with accounting standards and financial reporting requirements. The compliance risk management process is facilitated by the company's head of legal and her team and supported by the risk management function from a monitoring and reporting perspective. The legal and regulatory compliance process is managed through a compliance risk assessment process. Refer to the Compliance Framework section of this report for further details on legal compliance.

EXPERTISE AND EXPERIENCE OF CFO AND THE FINANCE FUNCTION

The Audit and Risk committee has considered and is satisfied with the expertise and experience of the CFO, Kameel Keshav. Further, the committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior management responsible for this.

ANNUAL FINANCIAL STATEMENTS

The Audit and Risk committee assists the board with all financial reporting and reviews the annual financial statements as well as the preliminary results announcements and interim financial information. The committee has reviewed the annual financial statements of the group and company and is satisfied that they comply with International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, JSE Limited Listings Requirements and the requirements of the Companies Act, 71 of 2008, as amended.

GOING CONCERN

The Audit and Risk committee reviewed a documented assessment by management of the going concern premise of the group and company before concluding to the board that the company will remain a going concern in the foreseeable future.

RECOMMENDATION OF THE INTEGRATED REPORT FOR APPROVAL BY THE BOARD

The Audit and Risk committee, reviewed and recommended the integrated report for approval by the board of directors.



Thabo Seopa
Acting audit and risk committee chair

29 February 2016

60 Independent auditor's report

TO THE SHAREHOLDERS OF REBOSIS PROPERTY FUND LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the consolidated and separate financial statements of ReboSis Property Fund Limited set out on pages 64 to 99, which comprise the statements of financial position as at 31 August 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards 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 consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

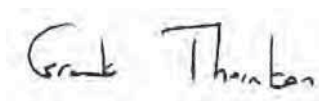
OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of ReboSis Property Fund Limited as at 31 August 2015, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated and separate financial statements for the year ended 31 August 2015, we have read the Directors' Report and Audit and Risk Committee's Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers.

Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.



GRANT THORNTON JOHANNESBURG PARTNERSHIP

Chartered Accountants (SA)
Registered Auditors

Paul Badrick
Partner

Chartered Accountant (SA)
Registered Auditor

29 February 2016

52 Corlett Drive
Johannesburg
2196

The board has pleasure in submitting their directors' report for the year ended 31 August 2015.

NATURE OF BUSINESS

Rebosis is a listed property REIT which owns a high growth defensive property portfolio.

The company's portfolio, valued at R7,039 billion, comprises 19 quality grade retail, commercial and industrial properties located in Gauteng, the Eastern Cape, KwaZulu-Natal and Northwest Province.

The group portfolio, valued at R14,555 billion, comprises 54 properties located across South Africa, with three properties in the UK.

Rebosis' primary objective is to grow its portfolio and distributions by investing in high quality properties yielding secure capital and income returns for shareholders.

YEAR UNDER REVIEW

The results of the company are addressed in the reports of the Chairperson and the Chief Executive Officer and are set out in the annual financial statements on pages 64 to 99.

SHARE AND DEBENTURE CAPITAL

During the year under review, Rebosis issued the following shares (under the general authority):

- 47 478 992 shares issued on 29 January 2015 for R11.90 per share
- 15 923 566 shares issued on 25 March 2015 for R12.56 per share
- 43 428 943 shares issued on 17 August 2015 as part of the scheme of arrangement (acquisition of Ascension B shares). The number of shares issued was based on a predetermined swap ratio (23.549 new Rebosis ordinary shares issued for every 100 Ascension B shares held)
- 19 323 671 shares issued on 15 September 2015 for R10.35 per share
- 5 428 647 shares issued on 21 September 2015 for R10.65 per share

As set out more fully in the circular issued to shareholders on 22 April 2015, Rebosis has converted its capital structure from a linked capital structure to an all-share capital structure, comprising Rebosis ordinary shares. A new Memorandum of Incorporation was adopted to give effect to the change in the Rebosis capital structure; and Rebosis Debenture Trust Deed was subsequently terminated. The effective date of conversion was 8 June 2015.

The company's authorised share capital comprises of 1 000 000 000 ordinary shares of no par value. Refer to notes 14 and 15 for a reconciliation of the shares issued during the 2015 financial year.

DIVIDENDS AND INTEREST DISTRIBUTIONS

On 28 October 2015 the board of directors declared a dividend of 19,91 cents per share for the two months ended 31 August 2015.

The following distributions were in respect of the year under review:

- Distribution number 7 of 52,46 cents per share for the six months ended 28 February 2015
- Distribution number 8 of 38,04 cents per share for the four months ended 30 June 2015

The total dividend/distribution per share for the year ended 31 August 2015, is 110,41 cents per share. Refer to note 24 for the detailed analysis.

DIRECTORATE

The directors of the company throughout the year and at the date of this report were:

JA Finn (CFO)**

K Keshav (CFO)**

AM Mazwai

ATM Mokgokong (Chairperson)

SM Ngebulana (Chief Executive Officer or CEO)^

WJ Odendaal

NV Qangule

KL Reynolds

TSM Seopa

SV Zilwa***

^ Executive

* Resigned effective 30 November 2014

** Appointed effective 1 December 2014

*** Resigned effective 18 March 2015

The number of board and committee meetings attended by each of the directors during the year is tabled in the Corporate Governance Report pages 35 to 37.

DIRECTORS' INTERESTS

The interests of the directors in the shares of the company at 31 August 2015 were as follows:

	Beneficial		Total
	Direct	Indirect	
Executive directors			
SM Ngebulana	–	36 571 937	36 571 937
K Keshav*	–	–	–
JA Finn**	–	–	–
Non-executive directors			
AM Mazwai	–	678 115	678 115
ATM Mokgokong	–	–	–
WJ Odendaal	–	–	–
NV Qangule	–	–	–
KL Reynolds	36 988	–	36 988
TSM Seopa	–	–	–
SV Zilwa***	–	12 130	12 130
	36 988	37 262 182	37 299 170

Directors that sold shares subsequent to year-end include the Amatolo Family Trust, Cytodox (Pty) Ltd and Razonex (Pty) Ltd, associates of SM Ngebulana who sold 5 369 200 shares and Snowy Owl Properties (Pty) Ltd, an associate of AM Mazwai who sold 250 000 shares. There have been no other changes in director shareholdings between 31 August 2015 and approval of the annual financial statements.

As at 31 August 2014 the interests of the directors in the linked units of the company were as follows:

	Beneficial		Total
	Direct	Indirect	
Executive directors			
SM Ngebulana	–	36 571 937	36 571 937
JA Finn*	–	–	–
Non-executive directors			
SP Fifield	–	–	–
AM Mazwai	–	678 115	678 115
ATM Mokgokong	–	–	–
WJ Odendaal	–	–	–
KL Reynolds	36 988	–	36 988
SV Zilwa	–	12 130	12 130
	36 988	37 262 182	37 299 170

* Appointed effective 1 December 2014

** Resigned effective 30 November 2014

*** Resigned effective 18 March 2015

DIRECTORS' INTERESTS IN CONTRACTS

The company has entered into the following contracts, in which a director has a material interest:

Asset management

Billion Asset Managers Proprietary Limited ("Billion Asset Managers"), a company owned by The Amatolo Family Trust, are appointed asset managers of Rebosis. The fee payable by Rebosis to Billion Asset Managers for all asset management and operational management services is a monthly fee of 0,35% of the aggregate of the market capitalisation and the borrowings of Rebosis.

SM Ngebulana is a beneficiary of The Amatolo Family Trust which owns 7,41% of the shares in Rebosis.

Property management

Billion Property Services Proprietary Limited ("BPS"), a company owned by The Amatolo Family Trust, are appointed as property managers of Rebosis. The fee payable by Rebosis to BPS for the provision of management and administration services is 2,5% of all collections per month. In addition, BPS is entitled to a market related lease commission in respect of new lettings and renewals.

SUBSEQUENT EVENTS

On 17 September 2015, following the end of the reporting period, the group acquired a UK Shipping Centre, Houndshell in Blackpool, through its subsidiary New Frontier. The acquisition was for a value of R2,17 billion.

On 20 November 2015, debt instrument REBCO1 of R100 million (under the Domestic Medium-Term Note ("DMTN") Programme) expired and was replaced with the issue of debt instrument REBCO3 for R100 million.

The company declared a dividend amounting to R103 198 402 (19,91 cents per share) on 28 October 2015.

GOING CONCERN

The directors are of the opinion that the group and company has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the financial statements. The directors have satisfied themselves that the group and company are in a sound financial position and that it has access to sufficient borrowings facilities to meet its foreseeable cash requirements.

MAJOR SHAREHOLDERS

Beneficial shareholders holding in excess of 5% of the shares in issue are detailed on page 102 of the annual report.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

The executive directors' do not have service contracts with the company. A three month notice period is required by the Chief Executive Officer, Sisa Ngebulana while the CFO, Kameel Keshav, is on a two month notice period.

COMPANY SECRETARY

The company secretary for the year and at the date of this report was Mande Ndema, an employee of Billion Asset Managers Proprietary Limited.

The business and postal addresses of the company secretary are set out on the IBC.

By order of the board



Sisa Ngebulana
Fourways

29 February 2016



Kameel Keshav

AS AT 31 AUGUST 2015

	Notes	GROUP		COMPANY	
		2015 R000	2014 R000	2015 R000	2014 R000
ASSETS					
Non-current assets		14 669 283	7 714 435	9 968 630	7 714 446
Investment property		14 555 401	6 856 000	7 038 700	6 856 000
Fair value of property portfolio for accounting purposes	3	14 192 446	6 662 943	6 792 149	6 662 943
Straight-line rental income accrual	4	362 955	193 057	246 551	193 057
Listed property securities	5	–	597 592	–	597 592
Loans to group companies	6	–	–	1 179 999	–
Investment in subsidiaries	7	–	–	1 643 730	150 000
Goodwill	8	95 703	95 703	95 703	95 703
Intangibles	9	–	149 983	–	–
Derivative instruments	10	17 671	14 617	10 071	14 617
Property, plant and equipment	11	508	540	427	534
Current assets		337 196	137 926	113 890	137 131
Trade and other receivables	12	162 373	89 076	57 619	88 519
Cash and cash equivalents	13	174 823	48 850	56 271	48 612
Total assets		15 006 479	7 852 361	10 082 520	7 851 577
EQUITY AND LIABILITIES					
Equity		7 541 124	1 832 554	6 400 083	1 832 554
Stated capital	14	5 079 588	1 053 732	5 079 588	1 053 732
Reserves		774 425	778 822	1 320 495	778 822
Foreign currency translation reserve		109 757	–	–	–
Total equity attributable to owners of the parent		5 963 770	1 832 554	6 400 083	1 832 554
Non-controlling interest	34	1 577 354	–	–	–
Liabilities		5 372 421	5 115 544	1 840 171	5 115 544
Debentures	15	–	2 806 219	–	2 806 219
Interest-bearing borrowings	16	5 370 741	2 301 017	1 839 015	2 301 017
Derivative instruments	10	1 156	8 308	1 156	8 308
Deferred taxation	17	524	–	–	–
Current liabilities		2 092 934	904 263	1 842 266	903 479
Short-term portion of interest-bearing borrowings	16	1 893 700	642 824	1 757 152	642 824
Trade and other payables	18	191 371	64 503	85 114	63 719
Tax payable		7 863	–	–	–
Unitholders for distribution		–	196 936	–	196 936
Total equity and liabilities		15 006 479	7 852 361	10 082 520	7 851 577

Consolidated statements of comprehensive income **65**

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	GROUP		COMPANY	
		2015 R000	2014 R000	2015 R000	2014 R000
REVENUE					
Property portfolio		1 009 880	855 946	910 256	855 946
Contractual rental income		896 124	747 837	796 500	747 837
Listed property securities and related income		60 262	48 107	60 262	48 107
Straight-line rental income accrual		53 494	60 002	53 494	60 002
Net income from facilities management		21 051	17 891	21 051	17 891
Asset management fee income		18 891	9 812	14 679	6 801
Sundry income		1 707	729	941	729
Total revenue		1 051 529	884 378	946 927	881 367
Operating costs		(226 735)	(207 290)	(214 680)	(207 290)
Administration costs		(111 831)	(34 138)	(33 405)	(31 120)
Net operating profit	19	712 963	642 950	698 842	642 957
Gain on bargain purchase		53 756	–	–	–
Changes in fair values	21	136 935	227 687	442 810	227 687
Profit from operations		903 654	870 637	1 141 652	870 644
Net finance charges	22	(282 078)	(185 104)	(222 304)	(185 111)
Finance charges – secured loans		(289 587)	(186 170)	(265 208)	(186 170)
Interest received – other		7 509	1 066	42 904	1 059
Profit before debenture interest and taxation		621 576	685 533	919 348	685 533
Debenture interest		(377 675)	(378 984)	(377 675)	(378 984)
Profit before taxation		243 901	306 549	541 673	306 549
Taxation	23	(13 499)	–	–	–
Total (loss)/profit for the year		230 402	306 549	541 673	306 549
Profit from discontinued operations		1 009	–	–	–
Total (loss)/profit for the year		231 411	306 549	541 673	306 549
Other comprehensive income					
Items that may be recycled to profit and loss					
Foreign currency translation reserve		177 226	–	–	–
Total comprehensive income		408 637	306 549	541 673	306 549
Total (loss)/profit attributable to:					
Owners of the parent		231 675	306 549	541 673	306 549
Non-controlling interests		(264)	–	–	–
(Loss)/profit for the year		231 411	306 549	541 673	306 549
Total comprehensive income attributable to:					
Owners of the parent		341 432	306 549	541 673	306 549
Non-controlling interests		67 205	–	–	–
Total comprehensive income for the year		408 637	306 549	541 673	306 549
Basic and diluted earnings per share/linked unit	24	54,64	180,59	–	–

Consolidated statements of changes in equity

FOR THE YEAR ENDED 31 AUGUST 2015

GROUP	Attributable to owners of the parent			Total R000	Non- controlling interests R000	Total R000
	Stated capital R000	Reserves R000	Foreign currency translation reserve R000			
Balance at 31 August 2013	910 425	472 273	–	1 382 698	–	1 382 698
Issue of shares	143 307	–	–	143 307	–	143 307
Total comprehensive income for the year	–	306 549	–	306 549	–	306 549
Balance at 31 August 2014	1 053 732	778 822	–	1 832 554	–	1 832 554
Issue of shares	914 938	–	–	914 938	–	914 938
Conversion of capital structure	3 110 918	–	–	3 110 918	–	3 110 918
Arising on investment in New Frontier Limited	–	(236 072)	–	(236 072)	566 367	330 295
Arising on acquisition of Ascension Properties Limited	–	–	–	–	943 782	943 782
Total comprehensive income for the year	–	231 675	109 757	341 432	67 205	408 637
Income for the year	–	231 675	–	231 675	(264)	231 411
Other comprehensive (loss)/income	–	–	–	–	–	–
Foreign currency translation reserve	–	–	109 957	109 757	67 469	177 226
Balance at 31 August 2015	5 079 588	774 425	109 757	5 963 770	1 577 354	7 541 124

COMPANY	Stated capital R000	Reserves R000	Total R000
Balance at 31 August 2013	910 425	472 273	1 382 698
Issue of shares	143 307	–	143 307
Total comprehensive income for the year	–	306 549	306 549
Balance at 31 August 2014	1 053 732	778 822	1 832 554
Issue of shares	914 938	–	914 938
Capital structure conversion	3 110 918	–	3 110 918
Total comprehensive income for the year	–	541 673	541 673
Balance at 31 August 2015	5 079 588	1 320 495	6 400 083

Consolidated statements of cash flows

FOR THE YEAR ENDED 31 AUGUST 2015

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	Notes	GROUP		COMPANY	
		2015 R000	2014 R000	2015 R000	2014 R000
Net cash utilised in operating activities		(163 643)	31 282	(121 547)	31 474
Cash generated from operations	25	715 917	577 161	698 239	577 360
Debt interest paid		(603 722)	(364 910)	(603 722)	(364 910)
Net finance charges paid		(275 838)	(180 969)	(216 064)	(180 976)
Net cash utilised in investing activities		(850 332)	(1 561 098)	(1 255 214)	(1 561 528)
Acquisition of investment property		-	(747 321)	-	(747 321)
Capital expenditure, tenant installations and lease commissions		(74 726)	(162 996)	(74 726)	(162 996)
Acquisition of listed property securities		-	(500 773)	-	(500 773)
Acquisition of subsidiaries		-	-	-	(150 000)
Acquisition of businesses, net of cash acquired	33	(775 117)	-	-	-
Loans to subsidiaries		-	-	(1 179 999)	-
Acquisition of intangible asset, net of cash acquired		-	(149 561)	-	-
Acquisition of property, plant and equipment		(489)	(447)	(489)	(438)
Net cash generated from financing activities		1 127 453	1 539 131	1 384 420	1 539 131
Proceeds from share issue		752 791	-	752 791	-
Share issue costs		-	(225)	-	(225)
Movement in secured financial liabilities		79 313	1 578 662	631 629	1 578 662
Proceeds from non-controlling shareholders		295 349	-	-	-
Acquisition of derivative assets		-	(39 306)	-	(39 306)
Net movement in cash and cash equivalents		113 478	9 315	7 659	9 077
Effects of translation		12 495	-	-	-
Cash and cash equivalents at beginning of year		48 850	39 535	48 612	39 535
Cash and cash equivalents at end of year	13	174 823	48 850	56 271	48 612

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements and the requirements of the Companies Act, 71 of 2008, as amended.

The financial statements are prepared on the historic cost basis, except for investment properties and certain financial instruments which are carried at fair value, and incorporate the principal accounting policies set out below. These accounting policies have been applied consistently with the previous year, other than as disclosed in note 1.1 and 2.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 1.15.

1.1 Change in accounting policy

Except for the changes below, the group has consistently applied the accounting policies set out in note 1 to all periods presented in these consolidated financial statements.

Investments in subsidiaries were previously accounted for at cost less accumulated impairments, if applicable. The investments are now carried at fair value.

The change allows for an accurate representation of the value of the underlying assets and investments.

There was no quantitative impact on the group's financial position, comprehensive income and cash flows due to the above changes in the accounting policies. The R150 million investment was acquired in the prior year and therefore the difference between the investment at cost and the fair value at year-end was considered immaterial.

Comparative amounts in the financial statements have not been reclassified or re-presented as a result of the change. The policy will be applied prospectively.

1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and all entities controlled by the group as at 31 August 2015. Control is achieved when the company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

i. Business combinations

Business combinations are accounted for using the acquisition method when control is transferred to the company. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest (NCI) in the acquiree. For each business combination, the Group elects whether to measure the NCI in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred and included in administrative expenses. When the company acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for NCI over the fair value of the identifiable net assets acquired and liabilities assumed. If the fair value of the identifiable net assets acquired is in excess of the aggregate consideration transferred, the group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the profit or loss. Goodwill is tested annually for impairment.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

ii. Investment in subsidiaries

Subsidiaries are entities over which the company has control. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

In the separate financial statements of the company, investments in subsidiaries are accounted for at fair value.

iii. Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

1.3 Financial instruments

Financial instruments are recognised in the statement of financial position when the company becomes party to the contractual provisions of the instrument. The company initially recognises a financial instrument as a financial asset, a financial liability or as an equity instrument in accordance with the substance of the contractual arrangement.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expired, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the entity is recognised as a separate asset or liability.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are initially measured at fair value plus in the case of those not classified as fair value through profit or loss, transaction cost. Subsequent to initial recognition, these instruments are measured as follows:

Financial assets

- **Listed property securities**

Listed property securities are classified at fair value through profit or loss and are subsequently measured at fair value less the accrual for distributions receivable. This accrual is included in receivables. No deduction is made for transaction costs which may be incurred on sale or other disposal.

The main class of financial assets designated at fair value through profit or loss by the group is listed property securities.

- **Trade and other receivables**

Trade and other receivable are initially recognised at fair value including transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables are presented net of an allowance for impairment. The allowance for impairment is based on the difference between the carrying value of the receivables and the present value of expected future cash flows using the discount rate calculated at initial recognition. Movements in the provision are recognised in profit or loss. Unrecoverable amounts are written off against the allowance account and subsequent recoveries of previously written off amounts are credited to profit or loss.

- **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Cash and cash equivalents are highly liquid, short-term investments that are readily convertible to known amounts of cash. These investments are subject to insignificant risk of change in value. Cash and cash equivalents are measured at amortised cost that approximates fair value.

Financial liabilities

- **Debenture capital and interest-bearing borrowings**

Debentures and interest-bearing borrowings are recognised at amortised cost using the effective interest rate method.

- **Trade and other payables**

Trade and other payables are initially recognised at cost and subsequently measured at amortised cost.

Offset

- Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derivative instruments

The entity uses derivative financial instruments to hedge its exposure to interest rate risk arising from its financing activities. Derivative instruments are adjusted to fair value at each reporting date and have been designated by the group as instruments held for trading and accounted for at fair value through profit or loss.

The group holds interest rate swap instruments. The fair value of interest rate swaps is the estimated amount that the entity would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

1.4 Impairment

Financial assets

Financial assets other than those at fair value through profit or loss are assessed at each reporting date to determine whether there is any evidence of impairment. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset. An impairment loss is recognised immediately in profit or loss.

1. ACCOUNTING POLICIES (CONTINUED)**1.4 Impairment (continued)****Non-financial assets**

The carrying amounts of the group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount and is recognised in profit or loss.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed, with the exception of impairments relating to goodwill and intangibles with indefinite useful lives, if there has been a change in the estimates used to determine the recoverable amount and there is an indication that the impairment loss no longer exists.

An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

1.5 Investment properties

Investment properties are properties held for the purpose of earning rental income and for capital appreciation. Investment properties are initially recorded at cost and include transaction costs on acquisition. Subsequent expenditure to add to or to replace a part of the property is capitalised at cost. The replaced parts are derecognised.

Investment properties are valued annually and adjusted to fair value as at the date of the statement of financial position. Any gain or loss arising from a change in the fair value of the investment property is included in net profit for the period to which it relates.

Gains and losses on the disposal of investment properties are recognised in net profit and are calculated as the difference between the sale price and the carrying value of the property.

1.6 Discontinued operations

A discontinued operation is a component of the group's business, the operations and cash flows of which can be clearly distinguished from the rest of the group, and which:

- represents a separate major line of business or geographic area of operations;
- is a part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-represented as if the operation had been discontinued from the start of the comparative year.

The group has elected to disclose a single amount of post-tax profit or loss of discontinued operations in the statement of comprehensive income, and has analysed that single amount in the notes.

1.7 Intangible assets

Acquired intangible assets with an indefinite life are measured at fair value on the date of acquisition using the expected cash flows to be generated from the asset acquired. Subsequent to initial recognition, intangible assets are carried at cost less accumulated impairment losses, if any.

1.8 Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment.

Property, plant and equipment is depreciated on a straight-line basis over the current useful lives of the assets. The estimated useful lives of the assets are:

Computer equipment	3 years
Computer software	2 years
Furniture, fittings and equipment	3 years
Motor vehicles	5 years

The useful lives and residual values are reassessed at the end of each reporting period and adjusted if necessary.

1.9 Revenue recognition

(a) Property portfolio revenue

Property portfolio revenue comprises operating lease income and operating cost recoveries from the letting of investment properties. Operating lease income is recognised on a straight-line basis over the term of the lease. Contingent rents (turnover rentals) are included in revenue when the amount can be reliably measured.

(b) Listed securities income

Distributions from listed securities are recognised on a time proportionate basis over the effective holding period.

(c) Facility management income

Facility management income is recognised on the rendering of the services.

(d) Interest income

Interest income is recognised as it accrues, using the effective interest rate method.

1.10 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is substantially ready for its intended use. Qualifying assets are those that necessarily take a substantial period of time to prepare for their intended use.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on funds specifically borrowed in respect of the qualifying asset. Investment income earned on the temporary investment of borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost capitalised. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.11 Taxation

Taxation for the year comprises current and deferred taxation.

The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantially enacted at reporting date.

Deferred income tax is provided using the comprehensive liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred taxation assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arose as a result of a transaction, other than a business combination, that does not impact accounting or taxable profit or loss.

Deferred taxation is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

Taxation is recognised in profit or loss unless it relates to a transaction that is recognised in equity or other comprehensive income, in which case the taxation is recognised in equity or other comprehensive income.

1.12 Letting costs

Tenant installations and lease commissions are carried at cost less accumulated depreciation. Depreciation is provided to write down the cost, less residual value, by equal installments over the period of the lease.

1.13 Operating segments

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses.

The operating results are reviewed regularly by executive management to make decisions about and to assess the performance of the segment.

On a primary basis the operations are organised into three major business segments – retail, office and industrial.

1.14 Foreign currency

1.14.1 Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rates ruling on the dates that the values are determined.

1.14.2 Foreign operations

Exchange differences arising from the translation of the net investment in foreign operations are taken to the foreign currency translation reserve. They are released into other comprehensive income upon disposal. On consolidation, the statement of financial position of foreign subsidiaries is translated at the closing rate and the statement of comprehensive income is translated at the average rate for the period. Differences arising are taken to the FCTR.

The movement in the FCTR during the reporting period is accounted for in other comprehensive income.

1.15 Key estimates and assumptions

Estimates and assumptions, an integral part of financial reporting, have an impact on the amounts reported for the company's assets, liabilities income and expenses. Judgement in these areas is based on historical experience and reasonable expectations relating to future events. Actual results may differ from these estimates. Information on the key estimations and uncertainties that have the most significant effect on amounts recognised are set out in the following notes to the financial statements:

- Accounting policies – notes 1.4, 1.5, 1.6, 1.7 and 1.8
- Investment property valuation – note 3
- Goodwill – note 8
- Impairment of receivables – note 12

Further matters that required key judgement in the preparation of these annual financial statements were:

1.15.1 Payment for the acquisition of investment properties

In the prior year, acquisitions were treated as property acquisitions in terms of IAS 40. In the opinion of the directors these properties did not constitute a business as defined in terms of IFRS 3, as there were not adequate processes identified with these properties to warrant classification as businesses.

1.15.2 Deferred tax and taxation

Deferred tax assets are raised to the extent that it is probable that future taxable profit will be available against which unused tax losses and unused tax credits can be utilised. Assessment of future taxable profit is performed at every reporting date, in the form of future cash flows using a suitable growth rate.

As the group has obtained REIT status effective 1 September 2013, the group is not liable for capital gains tax on the disposal of directly held properties and local REIT securities. In addition, deferred tax is not calculated on the straight-line rental income accrual as the rental income accrual forms part of the group's distributions. Given the REIT status, such distributions are fully deductible for tax purposes and hence no tax liability arises on rental income accruals.

2. STANDARDS AND INTERPRETATIONS APPLICABLE TO THE COMPANY NOT YET EFFECTIVE

There are new or revised accounting standards and interpretations in issue that are not yet effective. These include the following standards and interpretations that are material to the business and may have an impact on future financial statements, or those for which the impact has not yet been assessed. These standards were not early adopted.

IFRS 9 Financial Instruments

This new standard is the first phase of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities. The following are main changes from IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remain unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.

The effective date of the standard is for years beginning on or after 1 January 2018.

The group expects to adopt the standard for the first time in the 2019 financial statements.

Management has yet to assess the impact of this standard on its results.

IFRS 15 Revenue from Contracts with Customers

This new standard provides guidance on recognition of revenue that requires recognition of revenue in a manner that depicts the transfer of goods or services to customers at an amount that reflects the consideration the entity expects to be entitled to in exchange for these goods or services.

The effective date of the amendment is for years beginning on or after 1 January 2018.

The group expects to adopt the standard for the first time in the 2019 financial statements.

It is unlikely that the amendments will have a material impact on the group's annual financial statements.

IFRS 11 Joint Arrangements (Amendments)

The objective was to add new guidance to IFRS 11 joint Arrangements on the accounting for the acquisition of an interest in a joint operation that constitutes a business. The International Accounting Standards Board decided that acquirers of such interests shall apply all of the principles on business combinations accounting in IFRS 3 Business Combinations, and others, that do not conflict with the guidance in IFRS 11 and disclose the information that is required in IFRS in relation to business combinations.

IFRS 11 (amended) will be adopted by the group for the first time for its financial reporting period ending 31 August 2017.

The impact on the financial statements for the group has not yet been determined.

Sale or contribution of assets between an investor and its associate or joint venture (amendment to IFRS 10 and IAS 28)

The objective of the project is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. It will be adopted by the group for the first time for its financial reporting period ending 31 August 2018.

2. STANDARDS AND INTERPRETATIONS APPLICABLE TO THE COMPANY NOT YET EFFECTIVE (CONTINUED)

The impact on the financial statements for the group has not yet been determined.

Disclosure initiative (amendments to IAS 1)

The IASB has published Disclosure Initiative (amendments to IAS 1). The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgement in presenting their financial reports.

The standard will be adopted by the group for the first time for its financial reporting period ending 31 August 2017.

The impact on the financial statements for the group has not yet been determined.

IFRS 5 Changes in Methods of Disposal

Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification. For example, on 1 September 2016, Entity A determines that it will distribute shares of its subsidiary to its shareholders. Consequently, it classifies the subsidiary as "held-for-distribution". However, on 1 December 2016, Entity A decides that, instead of distributing the shares to its shareholders, it will sell the subsidiary. Therefore, it changes the disposal method to "held-for-sale".

The date of classification continues to be 1 September 2016 and the sale must be completed within one year from that date.

The impact on the financial statements for the group has not yet been determined.

IFRS 7 Financial Instruments: Disclosures

In December 2011, IFRS 7 was amended to add guidance on offsetting of financial assets and financial liabilities. In the effective date and transition for that amendment, paragraph 44R of IFRS 7 states that "An entity shall apply those amendments for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods." The interim disclosure standard, IAS 34, does not reflect this requirement, however, and it is not clear whether those disclosures are required in the condensed interim financial report. The amendment removes the phrase "and interim periods within those annual periods" from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the IASB noted that IAS 34 requires an entity to disclose an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period". Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the IASB would expect the disclosures to be included in the entity's condensed interim financial report.

The impact on the financial statements for the group has not yet been determined.

	GROUP		COMPANY	
	2015 R000	2014 R000	2015 R000	2014 R000
3. INVESTMENT PROPERTY				
Net carrying value				
Cost	12 895 729	5 947 257	6 019 331	5 947 257
Fair value surplus	1 296 717	715 686	772 818	715 686
	14 192 446	6 662 943	6 792 149	6 662 943
Movement for the year				
Investment properties at the beginning of year	6 662 943	5 150 445	6 662 943	5 150 445
Acquisitions	–	1 047 322	–	1 047 322
Acquired through business combinations	6 942 113	–	–	–
Disposed of on disposal of subsidiary	(21 054)	–	–	–
Change in fair value	133 508	364 402	110 626	364 402
Effect of translation	455 845	–	–	–
Tenant incentives within receivables	511	–	–	–
Straight-line rental income accrual	(53 494)	(60 002)	(53 494)	(60 002)
Capital expenditure, tenant installations and lease commissions	72 074	160 776	72 074	160 776
– Capitalised	74 726	162 996	74 726	162 996
– Amortised	(2 652)	(2 220)	(2 652)	(2 220)
	14 192 446	6 662 943	6 792 149	6 662 943
Balance at the end of the year	14 192 446	6 662 943	6 792 149	6 662 943
Reconciliation to independent valuation				
Investment properties at carrying value	14 192 446	6 662 943	6 792 149	6 662 943
Straight-line lease accrual	362 955	193 057	246 551	193 057
	14 555 401	6 856 000	7 038 700	6 856 000

Full details of investment properties owned by the company are disclosed on page 11 of the annual report.

3.1 Investment property valuation

In terms of company policy, the portfolio is valued annually by three independent valuers. The valuation division of Old Mutual Investments Group SA, led by Trevor King, is responsible for the valuation of the retail portfolio of the company while Peter Parfitt of Quadrant Properties values the South African office and industrial properties. Both valuers are registered valuers in terms of section 19 of the Property Valuers Professional Act (Act No 47 of 2000).

Colliers International Valuation UK LLP valued the UK Properties in accordance with the "RICS Valuation – Professional Standards, the 2012 Edition (the "Red Book"). This is an internationally accepted basis of valuation.

The portfolio was valued at R14 555 billion (2014: R6 856 billion) for the group and R7 038 billion (2014: R6 856 billion) for the company at the reporting date. The valuations were based on the discounted cash flow methodology applying appropriate capitalisation rates of between 7% to 10% to the properties resulting in an average capitalisation rate of 8,4% for the portfolio.

As at 31 August 2015, investment properties and related information have been ranked as per the fair value hierarchy set out in note 31.

	GROUP		COMPANY	
	2015 R000	2014 R000	2015 R000	2014 R000
3. INVESTMENT PROPERTY (CONTINUED)				
3.2 Investment property pledged as security	14 555 401	6 856 000	7 038 700	6 856 000
Investment property valued at R14 555 billion (group) and R7 039 billion (company) has been pledged as security for facilities of R6 864 billion (group) and R8 167 (company) from Nedbank Corporate (a division of Nedbank Limited), Rand Merchant Bank (a division of FirstRand Bank Limited), Investec Private Bank, Standard Bank of South Africa and HSBC Bank.				
4. STRAIGHT-LINE RENTAL INCOME ACCRUAL				
Balance at the beginning of the year	193 057	133 055	193 057	133 055
Movement for the year	53 494	60 002	53 494	60 002
Acquired through business combination	116 404	–	–	–
Balance at the end of the year	362 955	193 057	246 551	193 057
5. LISTED PROPERTY SECURITIES				
(Financial assets held at fair value through profit and loss)				
Investment in Ascension Properties Limited (“Ascension”)				
28 001 628 (2014: 28 001 628) A shares	–	131 622	–	131 622
At cost	–	134 038	–	134 038
Fair valuation adjustment	–	3 170	–	3 170
Accrual for distribution receivable	–	(5 586)	–	(5 586)
376 359 014 (2014: 191 939 001) B shares	–	465 970	–	465 970
At cost	–	506 550	–	506 550
Fair valuation adjustment	–	(17 106)	–	(17 106)
Accrual for distribution receivable	–	(23 474)	–	(23 474)
	–	597 592	–	597 592
<i>Movement in listed property securities:</i>				
Balance at beginning of year	597 592	–	597 592	–
Purchase of Ascension A shares	–	134 038	–	134 038
Purchase of Ascension B shares	524 385	506 550	524 385	506 550
Fair value adjustment of Ascension shares	59 942	(13 936)	59 942	(13 936)
Accrual for interest	(17 126)	(29 060)	(17 126)	(29 060)
Transfer to investment in subsidiaries	(1 164 973)	–	(1 164 793)	–
Balance at end of year	–	–	–	–
On 31 August 2015, Rebosis acquired additional shares which gave rise to an effective 59% controlling interest in Ascension. The acquisition was effected by a scheme of arrangement on 17 August 2015, whereby Rebosis acquired the entire issued B share capital of Ascension that Rebosis did not already own. The purchase consideration was an exchange of 23.549 new Rebosis ordinary shares for every 100 Ascension B shares held by way of a scheme of arrangement.				
The fair value of the Ascension A shares was based on the closing price of the shares on the JSE on 31 August 2015 and the B shares on the closing price of the shares on 31 July 2015 (last date of trade).				

	GROUP		COMPANY	
	2015 R000	2014 R000	2015 R000	2014 R000
6. LOANS TO GROUP COMPANIES				
Subsidiaries				
Clyroplex Proprietary Limited	-	-	149 999	-
Delficraft Proprietary Limited	-	-	170 000	-
Delfiflo Proprietary Limited	-	-	170 000	-
Delfisat Proprietary Limited	-	-	170 000	-
Delfiwiz Proprietary Limited	-	-	170 000	-
Delfitime Proprietary Limited	-	-	180 000	-
Lesasign Proprietary Limited	-	-	170 000	-
	-	-	1 179 999	-

The loans are unsecured, bear interest and are repayable by mutual consent, with payments not expected within 12 months. The carrying value of the loans are considered to approximate fair value.

7. INVESTMENT IN SUBSIDIARIES				
100% interest in Clyroplex Proprietary Limited	-	-	39 856	-
100% interest in Delficraft Proprietary Limited	-	-	45 170	-
100% interest in Delfiflo Proprietary Limited	-	-	45 170	-
100% interest in Delfisat Proprietary Limited	-	-	45 170	-
100% interest in Delfiwiz Proprietary Limited	-	-	45 167	-
100% interest in Delfitime Proprietary Limited	-	-	47 827	-
100% interest in Lesasign Proprietary Limited	-	-	45 169	-
59% interest in Ascension Properties Limited	-	-	1 164 973	-
100% interest in Ascension Property Management Company Proprietary Limited	-	-	165 228	150 000
	-	-	1 643 730	150 000

Movement in investments:

Balance at beginning of year	-	-	150 000	-
Investment in Clyroplex Proprietary Limited	-	-	1	-
Investment in Delficraft Proprietary Limited	-	-	1	-
Investment in Delfiflo Proprietary Limited	-	-	1	-
Investment in Delfisat Proprietary Limited	-	-	1	-
Investment in Delfiwiz Proprietary Limited	-	-	1	-
Investment in Delfitime Proprietary Limited	-	-	1	-
Investment in Lesasign Proprietary Limited	-	-	1	-
Investment in Ascension Properties Limited	-	-	1 164 973	-
Investment in Ascension Property Management Company Proprietary Limited	-	-	-	150 000
Fair value increase in investments	-	-	328 750	-
Balance at end of year	-	-	1 643 730	150 000

The investments in subsidiaries are carried at fair value.

The value of Ascension Property Management Company Proprietary Limited is determined by discounting the expected free cash flows at a capitalisation rate of 9.67%.

The fair value of the unlisted subsidiaries is determined in relation to their investment in New Frontier Limited, a listed entity on the Mauritius Stock Exchange and AltX.

	GROUP		COMPANY					
	2015 R000	2014 R000	2015 R000	2014 R000				
8. GOODWILL								
Arising on business combination	95 703	95 703	95 703	95 703				
Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units that are expected to benefit from the business combination. Goodwill is tested annually for impairment by comparing the carrying amount to the value in use. The cash flows used in the value in use calculation was the forecast dividend for the 2015 financial year capitalised at a rate of 8,49% (2014: 8,38%). The following key assumptions were applied by management in calculating the forecast dividend: Vacancy rates of 1,5% Average rental increases in respect of renewals of 5% Average increase in operating costs of 6% No tax will be payable on net property income as this will be declared as a dividend to shareholders in terms of the new REIT legislation								
9. INTANGIBLES								
The right to manage property	–	149 983						
The intangible represented the right to manage the portfolio of Ascension Properties Limited.								
Balance at beginning of year	149 983	–	–	–				
Arising on acquisition of Ascension Property Management Company	–	149 983	–	–				
Transfer of intangible on initial recognition of Ascension Properties Limited	(149 983)	–	–	–				
Balance at end of year	–	149 983	–	–				
10. DERIVATIVE INSTRUMENTS								
	Nominal value 2015 R000	Nominal value 2014 R000	Maturity	Rate (including margin) %	GROUP		COMPANY	
					2015 R000	2014 R000	2015 R000	2014 R000
Assets								
Interest rate caps	1 700 000	1 200 000			17 671	14 617	10 071	14 617
Rebosis	800 000	800 000	6 February 2017		5 727	6 462	5 727	6 462
Rebosis	400 000	400 000	29 May 2017		4 345	8 155	4 344	8 155
Ascension	500 000	–	13 December 2017		2 421	–	–	–
Long-term cancellable interest rate swaps – Ascension	483 000	–	1 December 2015		1 600	–	–	–
Long-term cancellable interest rate swaps – Rebosis	1 717 195	–	7 March 2020		3 578	–	–	–
Liabilities								
Long-term cancellable interest rate swaps	1 045 000	745 000			1 156	8 308	1 156	8 308
	250 000	250 000	29 May 2019	7,55	(257)	3 589	(257)	3 589
	250 000	250 000	6 June 2017	7,18	1 325	2 840	1 325	2 840
	245 000	245 000	15 August 2018	7,29	(462)	1 879	(462)	1 879
	300 000	–	28 August 2017	7,17	550	–	550	–
	4 945 195	1 945 000			16 515	6 309	8 915	6 309

The derivative instruments were valued by Rand Merchant Bank (a division of FirstRand Bank Limited) and Nedbank Limited by discounting the future cash flows using the JIBAR swap curve.

	GROUP		COMPANY	
	2015 R000	2014 R000	2015 R000	2014 R000
11. PROPERTY, PLANT AND EQUIPMENT				
Computer equipment	18	23	18	17
Cost	263	180	263	171
Accumulated depreciation	(245)	(157)	(245)	(154)
Computer software	4	4	4	4
Cost	8	8	8	8
Accumulated depreciation	(4)	(4)	(4)	(4)
Furniture, fittings and equipment	176	163	95	163
Cost	1 224	741	1 138	741
Accumulated depreciation	(1 048)	(578)	(1 043)	(578)
Motor vehicles	310	350	310	350
Cost	393	393	393	393
Accumulated depreciation	(83)	(43)	(83)	(43)
	508	540	427	534
Movement for the year				
Balance at beginning of year	540	295	534	295
Acquisitions	607	447	489	438
Computer equipment	83	35	92	26
Computer software	-	8	-	8
Furniture, fittings and equipment	524	17	397	17
Motor vehicles	-	387	-	387
Depreciation	(639)	(202)	(596)	(199)
Computer equipment	(88)	(12)	(91)	(9)
Computer software	-	(4)	-	(4)
Furniture, fittings and equipment	(511)	(146)	(465)	(146)
Motor vehicles	(40)	(40)	(40)	(40)
	508	540	427	534
12. TRADE AND OTHER RECEIVABLES				
Trade receivables	65 450	32 747	30 636	32 747
Allowance for doubtful debts	(10 488)	(7 653)	(8 735)	(7 653)
	54 962	25 094	21 901	25 094
Listed property securities income	-	29 060	-	29 060
Amounts due from vendors	4 039	21 036	4 039	21 036
Transaction costs for properties transferred after year-end	-	5 426	-	5 426
Asset management fee	2 528	1 610	3 000	1 053
Municipal deposits	3 968	2 663	2 497	2 663
Prepayments	3 299	1 179	537	1 179
Rates clearances	-	-	-	-
Sundry receivables and accrued income	93 577	3 008	25 645	3 008
	162 373	89 076	57 619	88 519

	GROUP		COMPANY	
	2015 R000	2014 R000	2015 R000	2014 R000
12. TRADE AND OTHER RECEIVABLES (CONTINUED)				
Movement in allowance for doubtful debts				
Balance at beginning of the year	7 653	4 003	7 653	4 003
Increase in allowance	3 100	8 044	3 100	8 044
Receivables written off during the year	(2 018)	(4 394)	(2 018)	(4 394)
Acquired through business combination	1 753	–	–	–
	10 488	7 653	8 735	7 653
Ageing of receivables past due but not impaired				
30 days	4 359	3 824	1 962	3 824
60 days	2 956	2 422	1 259	2 422
90 days	4 241	2 477	1 112	2 477
120+ days	17 648	7 925	17 648	7 925
Total	29 204	16 648	21 981	16 648
Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of tenant credit risk, including underlying tenants' credit ratings if they are available.				
Ageing of impaired receivables				
Current	923	248	900	248
30 days	1 005	257	974	257
60 days	919	268	919	268
90 days	1 128	542	1 128	542
120+ days	6 513	6 338	4 814	6 338
Total	10 488	7 653	8 735	7 653
The allowance for doubtful debts has been determined on a tenant by tenant basis. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable disclosed above.				
13. CASH AND CASH EQUIVALENTS				
For purposes of the cash flow statement, cash and cash equivalents comprise:				
Bank balances	174 823	48 850	56 271	48 612
Cash is invested with reputable banks.				

	GROUP		COMPANY	
	2015 R000	2014 R000	2015 R000	2014 R000
14. STATED CAPITAL				
Authorised				
1 000 000 000 ordinary no par value shares				
Issued				
493 363 078 (2014: 386 531 577) ordinary shares	5 079 588	1 053 732	5 079 588	1 053 732
Movement for the year				
Balance at the beginning of the year	1 053 732	910 425	1 053 732	910 425
Shares issued during the year	917 545	143 532	917 545	143 532
Share issue expenses	(2 607)	(225)	(2 607)	(225)
Capital structure conversion	3 110 918	–	3 110 918	–
Balance at the end of the year	5 079 588	1 053 732	5 079 588	1 053 732
The unissued shares are under the control of the directors. This authority remains in force until the next annual general meeting of the company.				
15. DEBENTURES				
Authorised				
1 000 000 000 variable rate subordinated debentures of R7.26 each				
Issued				
Nil (2014: 386 531 577) debentures	–	2 806 219	–	2 806 219
Movement for the year				
Balance at the beginning of the year	2 806 219	2 527 436	2 806 219	2 527 436
Debentures issued during the year	304 698	278 783	304 698	278 783
Capital structure conversion	(3 110 917)	–	(3 110 917)	–
Balance at the end of the year	–	2 806 219	–	2 806 219

The debentures were unsecured and subordinated in favour of the unsubordinated creditors of the company.

As the company was obligated to pay interest on the debentures, which interest is calculated in terms of a distributable earnings formula and accrues to the debenture holder every six months, the instrument was classified as a liability.

The debentures were redeemable at the instance of the debenture holder by special resolution after 31 August 2041 or on the 10th anniversary after this date or every 10 years thereafter.

On 8 June 2015 the capital structure was converted from a linked unit structure to an all share capital structure.

16. INTEREST-BEARING BORROWINGS

Nedbank Corporate (a division of Nedbank Limited)

Details of the facility, which bears interest at an average rate of 8,15% per annum, are as follows:

Facility R000	Nature	Rate	Maturity	GROUP		COMPANY	
				2015 R000	2014 R000	2015 R000	2014 R000
				3 087 629	2 070 334	2 602 061	2 070 334
201 100	Floating	3 month JIBAR plus 1,85%	23 May 2019	201 100	201 100	201 100	201 100
151 700	Floating	3 month JIBAR plus 1,8%	15 February 2019	151 700	151 700	151 700	151 700
150 000	Floating	3 month JIBAR plus 1,8%	31 July 2019	150 000	150 000	150 000	150 000
175 000	Floating	3 month JIBAR plus 1,74%	17 July 2017	175 000	175 000	175 000	175 000
247 500	Floating	3 month JIBAR plus 1,6%	23 May 2017	247 500	247 500	247 500	247 500
24 860	Floating	1 month JIBAR plus 1,6%	29 August 2016	24 917	24 917	24 917	24 917
200 000	Fixed	9,11%	17 May 2016	200 000	200 000	200 000	200 000
48 185	Floating	1 month JIBAR plus 1,9%	7 March 2016	48 185	48 185	48 185	48 185
72 500	Fixed	8,8%	7 March 2016	72 500	72 500	72 500	72 500
480 000	Floating	1 month JIBAR plus 1,9%	2 August 2016	480 000	480 000	480 000	480 000
260 000	Floating	3 month JIBAR plus 1,9%	2 August 2016	260 000	260 000	260 000	260 000
150 000	Floating	1 month JIBAR plus 1,9%	30 November 2016	147 741	59 432	147 741	59 432
363 418	Floating	3 month JIBAR plus 1,9%	2 October 2017	363 418	-	363 418	-
80 000	Floating	1 month JIBAR plus 1,9%	30 September 2015	80 000	-	80 000	-
152 901	Floating	Prime minus 1,50%	7 March 2019	152 901	-	-	-
151 034	Floating	Prime minus 1,50%	12 September 2016	151 034	-	-	-
26 216	Floating	Prime minus 1,50%	30 August 2016	26 216	-	-	-
45 085	Floating	Prime minus 0,85%	23 April 2018	45 085	-	-	-
50 169	Floating	Prime minus 1,50%	28 June 2016	50 169	-	-	-
34 187	Floating	Prime minus 1,50%	30 August 2016	34 187	-	-	-
25 976	Floating	Prime minus 1,50%	18 July 2016	25 976	-	-	-

Rand Merchant Bank (a division of FirstRand Bank Limited)

Details of the facility, which bears interest at an average rate of 7,88% per annum, are as follows:

				566 550	878 277	566 550	878 277
175 000	Floating	3 month JIBAR plus 1,75%	17 July 2017	175 000	175 000	175 000	175 000
150 000	Floating	1 month JIBAR plus 1,9%	17 May 2016	148 726	60 453	148 726	60 453
242 824	Floating	3 month JIBAR plus 1,25%	25 September 2015	242 824	-	242 824	-
642 824	Floating	3 month JIBAR plus 1,25%	31 May 2015	-	642 824	-	642 824

DMTN Programme

Details of the facility, which bears interest at an average of 7,75% per annum, are as follows:

				430 874	-	430 874	-
REBC01	Floating	3 month JIBAR plus 0,68%	20 Nov 2015	100 000	-	100 000	-
REB01	Floating	3 month JIBAR plus 1,85%	21 May 2018	130 000	-	130 000	-
REBC02	Floating	3 month JIBAR plus 1,85%	21 May 2018	100 874	-	100 874	-
REB01 (tap)	Floating	3 month JIBAR plus 1,40%	20 July 2016	100 000	-	100 000	-

Investec Private Bank Limited

Ascension Properties Limited Floating Prime less 0,50% 13 March 2018

526 805 - -

Standard Bank of South Africa

Ascension Properties Limited Floating Prime less 1,50% 31 August 2017

160 035 - -

Ascension Properties Limited Floating 3 month JIBAR plus 1,80% 31 August 2017

392 911 - -

HSBC Bank Plc

New Frontier Limited Floating 3 month LIBOR plus 2,2% 7 March 2020

2 130 140 - -

Total debt

				7 294 944	2 948 611	3 599 485	2 948 611
Less: Deferred finance costs				(30 503)	(4 770)	(3 318)	(4 770)
Balance at beginning of the year				(4 770)	(3 596)	(4 770)	(3 596)
Incurred during the year				(29 859)	(5 309)	(4 789)	(5 309)
Acquired through business combination				(2 115)	-	-	-
Amortisation for the year				6 241	4 135	6 241	4 135

				7 264 441	2 943 841	3 596 167	2 943 841
Less: Short-term portion				(1 893 700)	(642 824)	(1 757 152)	(642 824)
				5 370 741	2 301 017	1 839 015	2 301 017

At year-end, the company's unutilised loan facilities amounted to R3,5 million (group: R51,7 million), the gearing ratio was 36,5% (2014: 38,0%) (group: 48,4% (2014: 38,0%)) and the average all inclusive rate of interest for the year under review was 8,2% (2014: 8,1%) (group: 8,4 (2014: 8,1%)).

Facilities of R3 167 billion from Nedbank and Rand Merchant Bank are secured by mortgage bonds over investment properties of the company valued at R7 039 billion (note 3).

Facilities of R6 864 million from Nedbank, Rand Merchant Bank, Invest Private bank, Standard Bank of South African and HSBC Bank PLC are secured by mortgage bonds over investment properties of the group valued at R14 555 billion (note 3).

	GROUP		COMPANY	
	2015 R000	2014 R000	2015 R000	2014 R000
17. DEFERRED TAXATION				
Acquired through business combination	(6 522)	–	–	–
Charge for the period	7 379	–	–	–
Effects of translation	(333)	–	–	–
	524	–	–	–
The closing deferred tax balance relates to accelerated capital allowances which relate to the following:				
Investment property	524	–	–	–
18. TRADE AND OTHER PAYABLES				
Income received in advance	29 360	21 675	25 018	21 675
Trade payables	52 871	–	12 597	–
Value added taxation	9 768	3 487	7 148	3 487
Asset, property and facility management fees	8 255	2 015	5 393	2 015
Tenant deposits	17 812	7 898	8 265	7 898
Accrued interest	25 087	11 300	25 087	11 300
Accrued expenses	48 218	18 128	1 606	17 344
	191 371	64 503	85 114	63 719
19. NET OPERATING PROFIT				
Net operating profit includes the following charges:				
Amortisation of structuring fee	6 241	4 135	6 241	4 135
Asset management fees	25 810	20 137	25 810	20 137
Audit fees				
Paid to external auditors	5 297	463	380	463
For the attest function – current year	1 985	385	380	385
For other services	3 312	78	–	78
Paid to internal auditors				
Current year	350	290	350	290
Depreciation	639	202	596	199
Property management fees	21 120	20 694	21 120	20 694

	GROUP		COMPANY	
	2015 R000	2014 R000	2015 R000	2014 R000
20. DIRECTORS' EMOLUMENTS				
Fees paid to executive directors				
SM Ngebulana	6 329	5 856	6 086	5 856
Salary and allowances	3 726	3 496	3 726	3 496
Other benefits and payments	360	257	360	257
Performance bonus	2 000	2 103	2 000	2 103
Paid by subsidiary	243	–	–	–
K Keshav ¹	3 153	–	2 910	–
Basic salary	1 381	–	1 381	–
Other benefits and payments	179	–	179	–
Performance bonus	1 350	–	1 350	–
Paid by subsidiary	243	–	–	–
JA Finn ²	628	2 875	628	2 875
Salary and allowances	453	1 808	453	1 808
Other benefits and payments	43	86	43	86
Termination of services	132	–	132	–
Performance bonus	–	981	–	981
	10 110	8 731	9 624	8 731
The executive directors' remuneration was paid by Billion Asset Managers (Proprietary) Limited, the company's asset manager.				
Fees paid to non-executive directors				
AM Mazwai	628	330	385	330
ATM Mokgokong	555	440	555	440
J Odendaal	265	230	265	230
KL Reynolds	295	270	295	270
NV Qangule	300	270	300	270
TSM Seopa	370	290	370	290
SV Zilwa ³	175	370	175	370
	2 588	2 200	2 345	2 200
¹ Appointment effective 1 December 2014				
² Resigned effective 30 November 2014				
² Resigned effective 18 March 2015				
21. CHANGES IN FAIR VALUES				
Unrealised change on revaluation of investment property	133 508	364 402	110 626	364 402
Listed property securities	59 942	(50 712)	59 942	(50 712)
Investment in subsidiaries	–	–	328 757	–
Straight-line rental income accrual	(53 494)	(60 002)	(53 494)	(60 002)
Derivative instruments	(3 021)	(26 001)	(3 021)	(26 001)
	136 935	227 687	442 810	227 687
22. NET FINANCE CHARGES				
Interest paid – secured financial liabilities	289 587	186 170	265 208	186 170
Interest received – bank	(7 509)	(1 066)	(42 904)	(1 059)
	282 078	185 104	222 304	185 111

	GROUP		COMPANY	
	2015 R000	2014 R000	2015 R000	2014 R000
23. TAXATION				
Current	6 120	-	-	-
Deferred	7 379	-	-	-
	13 499			
No provision for normal taxation has been made as the company has an estimated loss for tax purposes of R114,3 million (2014: R33,1 million).				
No deferred taxation asset has been raised on the estimated tax loss as the company does not expect to have taxable income in the foreseeable future as all profits are distributed to shareholders.				
Reconciliation of taxation charge				
Profit before tax at 28%	68 292	85 834	151 668	85 834
<i>Adjusted for:</i>				
Fair value adjustments	(38 342)	(63 752)	(123 987)	(63 752)
Straight-line rental accrual	(14 978)	(16 801)	(14 978)	(16 801)
Utilisation of tax loss	-	(7 565)	-	(7 565)
Distribution not declared at year-end	(1 670)	-	(14 541)	-
Permanent differences	10 996	-	1 838	-
Gain on bargain purchase	(15 052)	-	-	-
Difference in tax rate	4 252	-	-	-
Other	-	2 284	-	2 284
	13 499	-	-	-

	GROUP		COMPANY	
	2015 R000	2014 R000	2015 R000	2014 R000
24. EARNINGS, HEADLINE EARNINGS AND DISTRIBUTABLE EARNINGS				
Number of shares/linked units in issue at year-end	493 363 078	386 531 577	493 363 078	386 531 577
Weighted average number of shares/linked units in issue used for the calculation of earnings and headline earnings per share	424 011 545	379 617 629	424 011 545	379 617 629
Reconciliation of earnings, headline earnings and distributable earnings				
Profit attributable to ordinary equity holders of the parent entity	231 675	306 549	541 673	306 549
<i>Adjusted for:</i>				
Change in fair value of investment properties	(133 508)	(304 400)	(110 626)	(304 400)
Gain on bargain purchase	(53 756)	–	–	–
Headline profit attributable to shareholders	44 411	2 149	431 047	2 149
Debt interest	377 675	378 984	377 675	378 984
Headline earnings attributable to shareholders (2014: unitholders)	422 086	381 133	808 722	381 133
<i>Adjustments to reconcile to distributable earnings:</i>				
Change in fair value of assets and liabilities	(3 427)	26 001	(332 184)	26 001
Straight-line rental accrual	(53 494)	(60 002)	(53 494)	(60 002)
Change in fair value of investment in listed property securities	–	50 712	–	50 712
Amortisation of structuring fees	6 241	4 135	6 241	4 135
Corporate transaction costs	323	4 022	323	4 022
Pre acquisition distribution on Ascension linked units	–	(27 015)	–	(27 015)
Antecedent interest	29 112	5 419	29 112	5 419
Anticipated distribution from listed REIT subsidiaries ****	79 714	–	79 714	–
Antecedent dividend on anticipated distribution ***	33 696	–	33 696	–
Consol adjustments between group entities	57 879	–	–	–
Distributable earnings attributable to shareholders/linked unitholders	572 130	384 405	572 130	384 405
Basic and diluted earnings per share (cents)	54,64	80,75		
Basic and diluted headline earnings per share	85,55	98,60		
Dividend/Distribution per share (2014: linked unit)	110,41	99,45		

* Shares of 24 806 318 were issued post 31 August 2015.

** Distributable earnings per share calculated on incorporation of post-period shares issued of 24 806 318 (cum distribution).

*** Antecedent dividend includes post-period shares issued of 24 806 318 (cum dividend).

**** In terms of the South African REIT Association Best Practice, Rebosis has become entitled at year-end to the anticipated distributions of its listed REIT subsidiaries. Accordingly an adjustment is made at year-end to match the anticipated income of the distribution with the period to which the distribution relates.

***** Given the nature of the business, Rebosis uses distribution per share as the measure of financial results for the purposes of trading statements.

In determination of distributable earnings adjustments the group elects to make adjustment dividend arising as result of the issued shares during the period for which the entity did not have full access to the cash flow from such issue.

The final distributable earnings value of R572 130 231 disclosed represents the total annual earnings for shareholders based on the number of shares in issue that were entitled to a distribution (518 169 396 shares) at the dividend declaration date post year-end. The cash amount distributed to shareholders across the three distribution cycles throughout the financial year (interim distribution, clean-out distribution and final year-end distribution) totals R510 378 831.

This difference is attributed to the following non-recurring items included in the annual distributable earnings figure:

1. Antecedent Interest

Antecedent interest on the share swap performed from the Ascension transaction which resulted in a clean out distribution at 30 June 2015. This amount was included in the total earnings value, however distributed through the clean out distribution paid to shareholders.

2. Anticipated distribution from listed REIT subsidiary

Includes the New Frontier "cum distribution" which Rebosis was entitled to, but not distributed as this occurred post year-end.

The following table provides a reconciliation between the actual cash distributed throughout the financial year at each distribution cycle and the final annualised distributable earnings disclosed. This includes the items noted above:

Reconciliation of distributable earnings

Full year distributable earnings as reported	572 130 231
Less	
1. Antecedent interest (Ascension Share Swap)	(30 766 282)
2. Anticipated distribution from listed REIT subsidiary	(30 985 118)
	510 378 831

The following table reconciles the total cash distributed:

Distribution period	Distribution per share	Number of shares	Distributable income
Distribution paid (May 2015)	52.46	449 934 135	236 025 485
Distribution paid (August 2015)	38.04	449 934 135	171 154 945
Dividend declared post year-end	19.92	518 169 396	103 198 402
			510 378 831

	GROUP		COMPANY	
	2015 R000	2014 R000	2015 R000	2014 R000
25. NOTE TO THE CASH FLOW STATEMENT				
Cash generated from operations				
Profit before tax	243 901	306 549	541 673	306 549
Adjusted for:				
Non-cash items:	(237 306)	(288 848)	(489 467)	(288 851)
Changes in fair values	(136 935)	(227 687)	(442 809)	(227 687)
Straight-line rental income accrual	(53 494)	(60 002)	(53 494)	(60 002)
Time apportionment accrual for listed property security income	-	(7 716)	-	(7 716)
Depreciation	639	202	596	199
Gain on bargain purchase	(53 756)	-	-	-
Amortisation of tenant installations and lease commissions	-	2 220	-	2 220
Amortisation of structuring fee	6 240	4 135	6 240	4 135
Net finance charges	275 838	180 969	216 063	180 976
Debenture interest	377 675	378 984	377 675	378 984
Operating profit before working capital changes	660 108	577 654	645 944	577 658
Working capital changes:	55 809	(493)	52 295	(298)
Trade and other receivables	90 544	(33 271)	30 900	(32 715)
Trade and other payables	(34 735)	32 778	21 395	32 417
Cash generated from operations	715 917	577 161	698 239	577 360
26. COMMITMENTS				
26.1 Capital commitments				
Capital improvements in respect of investment properties				
- Approved and committed	143 272	59 100	66 200	59 100
- Approved not yet committed	54 232	12 900	54 232	12 900
	197 504	72 000	120 432	72 000
26.2 Operating expense commitments				
The company has entered into various service contracts for the cleaning and general maintenance of the property portfolio. The operating expense commitments payable to service providers in future years are as follows:				
- Due within one year	23 038	15 036	16 089	15 036
- Due two to five years	29 413	12 899	13 802	12 899
	52 451	27 935	29 891	27 935

	GROUP		COMPANY	
	2015 R000	2014 R000	2015 R000	2014 R000
27. MINIMUM LEASE PAYMENTS RECEIVABLE				
Minimum lease payments comprises contractual rental income from investment properties and operating lease recoveries due in terms of signed lease agreements				
– Receivable within one year	930 667	554 720	488 180	554 720
– Receivable two to five years	2 391 516	1 797 084	1 581 413	1 797 084
– Receivable beyond five years	1 801 152	446 872	1 504 928	446 872
	5 123 335	2 798 676	3 574 521	2 798 676
28. RELATED PARTIES AND RELATED PARTY TRANSACTIONS				
Parties are considered related if one party has the ability to exercise control or significant influence over the other party in making financial or operational decisions.				
Related parties with whom the company transacted during the year were:				
Billion Property Management Services Proprietary Limited				
Property management fees	21 120	20 694	21 120	20 694
Facility management fee				
Leasing commission	922	430	922	430
Relationship: Directorial				
Amount owing at year-end (included in trade and other (receivables)/payables)*	17 763	–	17 763	–
Billion Asset Managers Proprietary Limited				
Asset management fees	25 810	20 136	25 810	20 136
Relationship: Directorial				
Amount owing at year-end (included in trade and other (receivables)/payables)*	5 393	2 015	5 393	2 015
Billion Group Proprietary Limited				
Developer guarantee income				
Relationship: Directorial				
Amount owing at year-end (included in trade and other (receivables)/payables)	–	(305)	–	(305)
Nedbank Limited				
Director's emoluments	270	270	270	270
Relationship: Directorial				
Amount owing at year-end (included in trade and other payables)	–	68	–	68

*The full amounts noted as outstanding have been settled in full post year-end.

29. FINANCIAL RISK MANAGEMENT

The group and company's financial instruments consists mainly of deposits with banks, interest-bearing liabilities, derivative instruments, trade and other receivables, trade and other payables, debentures and linked unitholders for distribution. Book value approximates fair value in respect of these financial instruments. Exposure to market, credit and liquidity risks arises in the normal course of business.

The table below sets out the classification of each class of financial asset and liability and their fair values:

	Financial assets		Financial liabilities		Total R000
	Loans and receivables R000	At fair value through profit or loss R000	At amortised cost R000	At fair value through profit or loss R000	
As at 31 August 2015					
GROUP					
Financial assets					
Derivative instruments	–	17 671	–	–	17 671
Trade and other receivables	159 074	–	–	–	159 074
Cash and cash equivalents	174 823	–	–	–	174 823
Total financial assets	333 897	17 671	–	–	351 568
Financial liabilities					
Interest-bearing borrowings	–	–	7 264 441	–	7 264 441
Derivative instruments	–	–	–	1 156	1 156
Trade and other payables	–	–	181 603	–	181 603
Total financial liabilities	–	–	7 446 044	1 156	7 447 200
COMPANY					
Financial assets					
Loan to group companies	1 179 999	–	–	–	1 179 999
Derivative instruments	–	10 071	–	–	10 071
Trade and other receivables	57 082	–	–	–	57 082
Cash and cash equivalents	56 271	–	–	–	56 271
Total financial assets	1 293 352	10 071	–	–	1 303 423
Financial liabilities					
Interest-bearing borrowings	–	–	3 596 167	–	3 596 167
Derivative instruments	–	–	–	1 156	1 156
Trade and other payables	–	–	77 966	–	77 966
Total financial liabilities	–	–	3 674 133	1 156	3 675 289

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Financial assets		Financial liabilities		Total R000
	Loans and receivables R000	At fair value through profit or loss R000	At amortised cost R000	At fair value through profit or loss R000	
As at 31 August 2014					
GROUP					
Financial assets					
Listed property securities	–	597 592	–	–	597 592
Derivative instruments	–	14 617	–	–	14 617
Trade and other receivables	89 076	–	–	–	89 076
Cash and cash equivalents	48 850	–	–	–	48 850
Total financial assets	137 926	612 209	–	–	750 135
Financial liabilities					
Debentures	–	–	2 806 219	–	2 806 219
Interest-bearing borrowings	–	–	2 943 841	–	2 943 841
Derivative instruments	–	–	–	8 308	8 308
Trade and other payables	–	–	61 016	–	61 016
Unitholders for distribution	–	–	196 936	–	196 936
Total financial liabilities	–	–	6 008 012	8 308	6 016 320
COMPANY					
Financial assets					
Listed property securities	–	597 592	–	–	597 592
Derivative instruments	–	14 617	–	–	14 617
Trade and other receivables	88 519	–	–	–	88 519
Cash and cash equivalents	48 612	–	–	–	48 612
Total financial assets	137 131	612 209	–	–	749 340
Financial liabilities					
Debentures	–	–	2 806 219	–	2 806 219
Interest-bearing borrowings	–	–	2 943 841	–	2 943 841
Derivative instruments	–	–	–	8 308	8 308
Trade and other payables	–	–	60 232	–	60 232
Total financial liabilities	–	–	5 810 292	8 308	5 818 600

Interest rate risk

The company manages its exposure to changes in interest rates by fixing interest rates by way of interest rate swap arrangements in respect of borrowings. At year-end, interest rates in respect of 73,7% (2014: 75,9%) (group: 75,1% (2014: 75,5%)) of borrowing were hedged in terms of interest rate swap and interest rate cap arrangements.

The average rate of interest for the year was 8,2% (2014: 7,9%) (group: 8,1% (2014: 7,9%)) and the average interest rate at year-end was 8,1% (2014: 8,2%) for both group and company.

An increase of 1% in the prime interest rate will result in an increased interest cost of R16,3 million (group: R31,9 million) per annum in respect of the floating portion of the debt.

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the group and company will not be able to meet its financial commitments as and when they fall due. This risk is managed by holding cash balances and a revolving loan facility and by regularly monitoring cash flows.

The company will utilise undrawn facilities and cash on hand to meet its short term funding requirements.

A maturity analysis of the group and company's financial assets and liabilities and its exposure to interest rate risk at year-end are set out in the table below:

	Weighted average effective interest rate %	Less than one year R	One to five years R	More than five years R	Total R
As at 31 August 2015					
GROUP					
Financial assets					
Derivative instruments	-	-	17 671	-	17 671
Trade and other receivables	-	159 074	-	-	159 074
Cash and cash equivalents	4,78	174 823	-	-	174 823
Total financial assets		333 897	17 671	-	351 568
Financial liabilities					
Interest-bearing borrowings	-	1 893 700	5 370 741	-	7 264 441
Derivative instruments	-	-	1 156	-	1 156
Trade and other payables	-	181 603	-	-	181 603
Total financial liabilities		2 075 303	5 371 897	-	7 447 200
Interest payments relating to interest-bearing borrowings above	-	381 545	348 881	-	730 426
COMPANY					
Financial assets					
Loans to group companies	-	-	1 179 999	-	1 179 999
Derivative instruments	-	-	10 071	-	10 071
Trade and other receivables	-	57 082	-	-	57 082
Cash and cash equivalents	4,15	56 271	-	-	56 271
Total financial assets		113 353	1 190 070	-	1 303 423
Financial liabilities					
Interest-bearing borrowings	-	1 767 152	1 839 015	-	3 596 167
Derivative instruments	-	-	1 156	-	1 156
Trade and other payables	-	77 966	-	-	77 966
Total financial liabilities		1 835 118	1 840 171	-	3 675 289
Interest payments relating to interest-bearing borrowings above	-	228 953	198 534	-	427 487

29. FINANCIAL RISK MANAGEMENT (CONTINUED)

	Weighted average effective interest rate %	Less than one year R	One to five years R	More than five years R	Total R
As at 31 August 2014					
GROUP					
Financial assets					
Listed property securities			597 592		597 592
Derivative instruments			14 617		14 617
Trade and other receivables		89 076			89 076
Cash and cash equivalents	4,15	48 850			48 850
Total financial assets		137 926	612 209	-	750 135
Financial liabilities					
Debentures				2 806 219	2 806 219
Interest-bearing borrowings		642 824	2 301 017		2 943 841
Derivative instruments			8 308		8 308
Trade and other payables		61 016			61 016
Unitholders for distribution		196 936			196 936
Total financial liabilities		900 776	2 309 325	2 806 219	6 016 320
Interest payments relating to interest-bearing borrowings above		229 993	312 373		542 366
COMPANY					
Financial assets					
Listed property securities			597 592		597 592
Derivative instruments			14 617		14 617
Trade and other receivables		88 519			88 519
Cash and cash equivalents	4,15	48 612			48 612
Total financial assets		137 131	612 209	-	749 340
Financial liabilities					
Debentures				2 806 219	2 806 219
Interest-bearing borrowings		642 824	2 301 017		2 943 841
Derivative instruments			8 308		8 308
Trade and other payables		60 232			60 232
Unitholder for distribution		48 612			48 612
Total financial liabilities		751 668	2 309 325	2 806 219	5 867 212
Interest payments relating to interest-bearing borrowings above		229 993	312 373		542 366

Credit risk

Credit risk arises from the risk that a tenant may default or not meet its obligations timeously. The financial position of the tenants is monitored on an ongoing basis. The risk is minimised as receivables are spread over a wide tenant base. Allowance is made for specific doubtful debts and credit risk is therefore limited to the carrying amount of the financial asset at year-end.

The impairment allowance at 31 August 2015 of R8,7 million (2014: R7,7 million) (group: R10,5 million (2014: R7,7 million)) relates to tenants who have either vacated the premises or who have been handed over for non-payment.

Management does not consider there to be any credit risk exposure that is not already covered in the impairment. The carrying value of receivables is considered to reasonably approximate fair value.

Foreign exchange risk

Foreign exchange risk is that changes in foreign exchange rate will affect the company's income or the fair value of its holdings of financial instruments. This is currently rated as low risk due to the strength of the pound (GBP) against the Rand.

The company does not use derivatives to manage its exposure to foreign exchange rate risks and the company does not apply hedge accounting.

30. CAPITAL MANAGEMENT

The group and company's borrowings, excluding debentures, are limited to 50% of the valuation of the investment property portfolio in terms of the existing debt covenants and to 65% the articles of the company.

As at 31 August 2015, the unutilised borrowing capacity of the company was as follows:

	GROUP		COMPANY	
	2015 R000	2014 R000	2015 R000	2014 R000
Investment at valuation (Properties and REITs)	14 555 401	6 836 000	8 682 430	6 856 000
50% thereof	7 277 700	3 418 000	4 341 215	3 428 000
Total borrowings	7 294 944	2 948 611	3 596 167	2 948 611
Unutilised borrowing capacity	–	479 389	745 048	479 389

Management is committed to a gearing level of a maximum of 45%.

31. FAIR VALUE HIERARCHY

The different levels have been defined as:

Level 1 – fair value is determined from quoted prices (unadjusted) in active markets for identical asset or liabilities

Level 2 – fair value is determined through the use of valuation techniques based on observable inputs, either directly or indirectly

Level 3 – fair value is determined through the use of valuation techniques using significant inputs

The table below analyses financial instruments measured at fair value by the level into which the fair value measurement is categorised.

GROUP Assets	Loans and receivables at amortised cost R000	Assets carried at fair value through profit and loss R000	Level 1	Level 2	Level 3
			R000	R000	R000
31 August 2015					
Investment property	–	14 555 401	–	–	14 555 401
Derivative instruments	–	17 671	–	17 671	–
Trade and other receivables	162 373	–	–	–	–
Cash and cash equivalents	174 823	–	–	–	–
31 August 2014					
Investment property	–	6 856 000	–	–	6 856 000
Listed property securities	–	597 592	597 592	–	–
Derivative instruments	–	14 617	–	14 617	–
Trade and other receivables	89 076	–	–	–	–
Cash and cash equivalents	48 850	–	–	–	–
Liabilities	Liabilities measured at amortised cost R000	Liabilities carried at fair value through profit and loss R000	Level 1 R000	Level 2 R000	Level 3 R000
31 August 2015					
Interest-bearing borrowings					
– Long term	5 370 741	–	–	–	–
– Short term	1 893 700	–	–	–	–
Derivative instruments	–	1 156	–	1 156	–
Payables	191 371	–	–	–	–

31. FAIR VALUE HIERARCHY (CONTINUED)

GROUP Liabilities	Liabilities	Liabilities	Level 1 R000	Level 2 R000	Level 3 R000
	measured at amortised cost R000	carried at fair value through profit and loss R000			
31 August 2014					
Debentures	2 806 219	-	-	-	-
Interest-bearing borrowings					
- Long term	2 301 017	-	-	-	-
- Short term	642 824	-	-	-	-
Derivative instruments	-	8 308	-	8 308	-
Payables	64 503	-	-	-	-

COMPANY Assets	Loans and	Assets	Level 1 R000	Level 2 R000	Level 3 R000
	receivables at amortised cost R000	carried at fair value through profit and loss R000			
31 August 2015					
Investment property	-	7 038 700	-	-	7 038 700
Investment in subsidiaries	-	1 643 730	1 164 973	478 757	-
Derivative instruments	-	10 071	-	10 071	-
Trade and other receivables	57 619	-	-	-	-
Cash and cash equivalents	56 271	-	-	-	-
Loans to group companies	1 179 999	-	-	-	-

31 August 2014					
Investment property	-	6 856 000	-	-	6 856 000
Listed property securities	-	597 592	597 592	-	-
Investment in subsidiaries	-	150 000	-	150 000	-
Derivative instruments	-	14 617	-	14 617	-
Trade and other receivables	88 519	-	-	-	-
Cash and cash equivalents	48 612	-	-	-	-
Loans to group companies	1 129 999	-	-	-	-

Liabilities	Liabilities	Liabilities	Level 1 R000	Level 2 R000	Level 3 R000
	measured at amortised cost R000	carried at fair value through profit and loss R000			
31 August 2015					
Interest-bearing borrowings					
- Long term	1 839 015	-	-	-	-
- Short term	1 757 152	-	-	-	-
Derivative instruments	-	1 156	-	1 156	-
Payables	85 114	-	-	-	-
31 August 2014					
Debentures	2 806 219	-	-	-	-
Interest-bearing borrowings					
- Long term	2 301 017	-	-	-	-
- Short term	642 824	-	-	-	-
Derivative instruments	-	8 308	-	8 308	-
Payables	63 719	-	-	-	-

32. SEGMENTAL REPORT

The group has three reportable segments as described below. These segments are managed separately based on the nature of the operations. For each of the segments, the group's CEO (the group's chief operating decision-maker) reviews internal management reports monthly. The CEO considers earnings before taxation to be an appropriate measure of each segment's performance.

	PROPERTY PORTFOLIO				Admin and corporate costs R000	Total R000
	Retail R000	Office R000	Industrial R000	Total R000		
2015						
Property portfolio	378 506	455 817	15 672	849 994	159 886	1 009 880
Contractual rental income	364 587	417 808	14 105	796 500	99 624	896 124
Listed property securities income	-	-	-	-	60 262	60 262
Straight-line rental income accrual	13 919	38 008	1 567	53 494	-	53 494
Net income from facilities management	-	21 051	-	21 051	-	21 051
Management fees received	-	-	-	-	18 891	18 891
Sundry income	957	(15)	-	941	766	1 707
Total revenue	379 462	476 852	15 672	871 986	179 543	1 051 529
Operating costs	(129 061)	(85 217)	(402)	(214 680)	(12 055)	(226 735)
Administration and corporate costs	-	-	-	-	(111 831)	(111 831)
Changes in fair values	(70 353)	119 789	5 021	54 458	82 477	136 935
Gain on bargain purchase	-	-	-	-	53 756	53 756
Finance charges	-	-	-	-	(282 078)	(282 078)
Segment profit before taxation	180 049	511 424	20 291	711 763	(90 188)	621 576
Investment property	3 051 000	3 842 200	145 500	7 038 700	7 516 701	14 556 401
Other assets	60 544	29 887	36 688	127 120	323 958	451 078
Total assets	3 111 544	3 873 087	182 188	7 166 820	7 835 659	15 006 479
Total liabilities	10 174	10 297	-	20 471	7 444 884	7 465 355

32. SEGMENTAL REPORT (CONTINUED)

	PROPERTY PORTFOLIO				Admin and corporate costs R000	Total R000
	Retail R000	Office R000	Industrial R000	Total R000		
2014						
Property portfolio	358 742	433 623	15 474	807 839	48 107	855 946
Contractual rental income	344 670	389 985	13 182	747 837	–	747 837
Listed property securities income	–	–	–	–	48 107	48 107
Straight-line rental income accrual	14 072	43 638	2 292	60 002	–	60 002
Net income from facilities management	–	17 891	–	17 891	–	17 891
Management fees received	–	–	–	–	9 812	9 812
Sundry income	613	116	–	729	–	729
Total revenue	359 355	451 630	15 474	826 459	–	884 378
Operating costs	(123 566)	(83 584)	(140)	(207 290)	–	(207 290)
Administration and corporate costs	–	–	–	–	(34 138)	(34 138)
Changes in fair values	88 683	265 719	10 000	364 402	(136 715)	227 687
Finance charges	–	–	–	–	(185 104)	(185 104)
Segment profit before taxation	324 472	633 765	25 334	983 571	(298 038)	685 533
Investment property	3 048 000	3 672 000	136 000	6 856 000	–	6 856 000
Other assets	10 112	14 982	–	25 094	971 267	996 361
Total assets	3 058 112	3 686 982	136 000	6 881 094	–	7 852 361
Total liabilities	5 466	22 180	–	27 646	5 992 161	6 019 807

33. BUSINESS COMBINATIONS

On 31 August 2015 Rebosis acquired additional units that gave rise to an effective 59% controlling interest in Ascension Properties Limited ("Ascension").

The following summarises the amounts of assets acquired and liabilities assumed at the acquisition date:

	Fair value of assets acquired R000	Acquiree's carrying amount R000
Investment property	3 832 400	3 832 400
Derivative instruments	4 021	4 021
Property, plant and equipment	76	76
Trade and other receivables	50 593	50 593
Cash and cash equivalents	16 380	16 380
Interest bearing borrowings	(1 563 204)	(1 563 204)
Trade and other payables	(38 719)	(38 719)
Total identifiable assets	2 301 547	2 301 547
Non-controlling interests		(943 782)
Initial investment amount		(640 588)
Intangible asset transferred		(149 983)
Transaction costs expensed		10 947
Gain on bargain purchase		(53 756)
Purchase consideration funded by issue of shares		524 385
Purchase consideration paid for in cash		-
Less: cash and cash equivalents acquired		(16 380)
Cash outflow on acquisition		(16 380)

The bargain purchase price arose as a result of the swap ratios accepted by the Ascension shareholders, which swap ratios were favourable for Rebosis shareholders.

Had the subsidiary been acquired on 1 September 2014, the contribution to revenue and net profit before tax would have been R495.7 million and R24.6 million respectively.

On 14 April 2015 the group acquired two businesses via its controlling interest in New Fronteir Properties Limited

The following summarises the amounts of assets acquired and liabilities assumed at the acquisition date:

	Fair value of assets acquired R000	Acquiree's carrying amount R000
Investment property	3 226 117	3 226 117
Deferred tax	6 522	6 522
Trade and other receivables	89 482	89 482
Cash and cash equivalents	22 421	22 421
Trade and other payables	(109 832)	(109 832)
Interest bearings borrowings	(2 421 049)	(2 421 049)
Total identifiable assets and cash consideration paid	813 661	813 661
Purchase consideration paid for in cash		813 661
Less: cash and cash equivalents acquired		(22 421)
Cash outflow on acquisition		791 497
Had the acquired businesses been acquired on 1 September 2014, the contribution to revenue and net profit before tax would have been R28,3 million and R42,4 million respectively.		
Net cash flow on acquisitions		775 117

33. BUSINESS COMBINATIONS (CONTINUED)

Details of the net assets of Ascension Property Management Company Proprietary Limited ("Ascension Manco") acquired on 3 February 2014 are:

	2014 Acquirees fair value R000
Property, plant and equipment	6
Trade and other receivables	1
Cash and other cash equivalents	434
Trade and other payables	(424)
Total net assets acquired	17
Right to manage	149 983
Purchase consideration settled in cash	150 000

If the controlling interest had been acquired on 1 September 2013, the revenue and profit after tax from Ascension Manco would have been R16,7 million and R12,3 million respectively.

The Ascension Manco contributed revenue and profit after tax of R9,8 million for the period 3 February 2014 to 31 August 2014.

34. NON-CONTROLLING INTERESTS

The following subsidiaries have a material non-controlling interest ("NCI").

Name	Principal place of business/Country of incorporation	Operating segment	Ownership interest held by NCI	
			2015 R'000	2014 R'000
Ascension Properties Group	South Africa	Property	943 782	–
New Frontier Group	United Kingdom	Property	633 572	–
Total			1 577 354	–
Movement during the year				
Balance beginning of year			–	–
Acquisition of shares in New Frontier Group			566 367	–
Acquisition of shares in Ascension Properties Group			943 782	–
Loss for the year			(264)	–
Other comprehensive income			67 469	–
Balance at end of year			1 577 354	–

The following is summarised financial information for the Ascension Properties and New Frontier groups, prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in the group's accounting policies. The information is before intercompany eliminations with other companies in the Group.

	New Frontier Group		Ascension Properties Group	
	2015 R000	2014 R000	2015 R000	2014 R000
Current assets	156 190	–	67 333	–
Non-current assets	3 687 879	–	3 836 497	–
Current liabilities	(75 550)	–	(175 267)	–
Non-current liabilities	(2 105 074)	–	(1 426 656)	–
Net assets	1 663 445	–	2 301 907	–
Net assets attributable to NCI	633 572	–	943 782	–
Revenue	100 390	–	83 369	–
Profit	17 520	–	22 920	–
Cash flows from operating activities	12 061	–	34 960	–
Cash flows from investing activities	(900 096)	–	(16 223)	–
Cash flows from financing activities	990 004	–	(52 633)	–
Net increase in cash and cash equivalents	101 969	–	(33 896)	–

35. DISCONTINUED OPERATIONS

On 20 July 2015, the group disposed of its investment in Coastal Building Holdings Limited (part of the New Frontier Properties Group).

Analysis of assets and liabilities over which control was lost:

	R000
Investment property	21 054
Cash and cash equivalents	135
Trade and other receivables	1 311
Trade and other payables	(443)
Borrowings	(10 488)
Net assets disposed of	11 568
Cost of disposal	(1 716)
Loss on disposal of subsidiary	9 852
Consideration received	11 568
Cost of disposal	(1 716)
Net assets disposed of	(11 568)
Loss on disposal	(1 716)

The loss on disposal is included in the profit for the year from discontinued operations in the consolidated financial statements.

An analysis of the result of discontinued operation in respect of the New Frontier subsidiary which was disposed of during the period is given below:

	Period from 1 January 2015 to 31 August 2015 R000	Period from 5 June 2014 (date of incorporation) to 31 December 2014 R000
Revenue	1 326	1 401
Expenses	(75)	(729)
Fair value loss on investment property	-	(803)
Finance cost	243	(318)
Profit/(loss) before tax on discontinued operations	1 495	(448)
Taxation	-	-
Profit/(loss) before tax on discontinued operations	1 495	(448)
Operating cash flow	1 002	(532)
Investing cash flows	-	(14 739)
Financing cash flows	(879)	14 453
Total cash flows	123	(818)

VICTORIA & GRIFFITHS MENGE
BUILDING





SHAREHOLDERS' INFORMATION

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102 Shareholders' analysis

Company: **Rebosis Property Fund Ltd**
 Register date: **28 August 2015**
 Issued share capital: **493 363 078**

SHAREHOLDER SPREAD	Number of shareholdings	%	Number of shares	%
1 – 1 000 shares	1 403	42,22	205 717	0,04
1 001 – 10 000 shares	1 145	34,46	4 168 376	0,84
10 001 – 100 000 shares	512	15,41	16 667 665	3,38
100 001 – 1 000 000 shares	188	5,66	61 160 262	12,40
1 000 001 shares and over	75	2,26	411 161 058	83,34
Total	3 323	100,00	493 363 078	100,00

DISTRIBUTION OF SHAREHOLDERS	Number of shareholdings	%	Number of shares	%
Banks/Brokers	41	1,23	10 994 688	2,23
Close corporations	33	0,99	1 374 691	0,28
Endowment funds	29	0,87	2 115 812	0,43
Individuals	2 324	69,94	10 560 897	2,14
Insurance companies	37	1,11	20 460 544	4,15
Investment companies	21	0,63	442 232	0,09
Medical schemes	5	0,15	285 619	0,06
Mutual funds	178	5,36	215 272 185	43,63
Other corporations	13	0,39	32 672	0,01
Private companies	90	2,71	38 777 337	7,86
Public companies	2	0,06	849 501	0,17
Retirement funds	186	5,60	155 630 261	31,54
Treasury stock	1	0,03	770 712	0,16
Trusts	363	10,92	35 795 927	7,26
Total	3 323	100,00	493 363 078	100,00

PUBLIC/NON-PUBLIC SHAREHOLDERS	Number of shareholdings	%	Number of shares	%
Non-public Shareholders	11	0,33	38 058 002	7,71
Directors and associates of the company holdings	10	0,30	37 287 290	7,56
Treasury stock	1	0,03	770 712	0,16
Public shareholders	3 312	99,67	455 305 076	92,29
Total	3 323	100,00	493 363 078	100,00

Beneficial shareholders holding 5% or more	No of shares	%
Government Employees Pension Fund	96 437 753	19,55
STANLIB	44 470 336	9,01
Coronation Fund Managers	41 592 905	8,43
Ngebulana, SM	36 571 937	7,41
Sanlam	28 976 781	5,87
Old Mutual	22 514 354	4,56
Total	270 564 066	54,84

Financial year-end	31 August
Integrated report posted	Monday, 29 February 2016
Annual general meeting	Wednesday, 13 April 2016
Announcement of interim results	April 2016
Announcement of annual results	October 2016

Distribution details

FOR THE YEAR ENDED 31 AUGUST 2015

Distribution	Distribution number	Cents
Six months ended 28 February 2015	7	52,46
Four months ended 30 June 2015	8	38,04
Two months ended 31 August 2015	9	19,91
Total		110,41

104 Notice of annual general meeting

Notice is hereby given that the annual general meeting ("AGM") of shareholders of Rebosis will be held at the offices of the company at 3rd Floor, Palazzo Towers West, Montecasino Boulevard, Fourways on Wednesday, 13 April 2016, at 10:00 for the purposes of:

- A. presenting the audited annual financial statements of the company for the year as well as the directors' report, the audit and risk committee report and the social and ethics committee report for the year ended 31 August 2015 contained in the integrated annual report to which this notice of annual general meeting is attached;
- B. transacting any other business as may be transacted at an annual general meeting of linked shareholders of a company; and
- C. considering and if deemed fit adopting with or without modification, the shareholder special and ordinary resolutions set out below.

IMPORTANT DATES TO NOTE

	2016
Record date to receive this notice of annual general meeting	Friday, 19 February
Last day to trade in order to be eligible to participate in and vote at the annual general meeting	Friday, 1 April
Record date for voting purposes ("voting record date")	Friday, 8 April
Last day to lodge forms of proxy by 10:00 on	Monday, 11 April
Annual general meeting held at 10:00 on	Wednesday, 13 April
Results of AGM released on SENS	Wednesday, 13 April

In terms of section 62(3)(e) of the Companies Act, 71 of 2008 ("Companies Act"):

- a shareholder who is entitled to attend and vote at the annual general meeting is entitled to appoint a proxy or two or more proxies to attend and participate in and vote at the annual general meeting in the place of the Rebosis shareholder, by completing the proxy in accordance with the instructions set out herein;
- a proxy need not be a shareholder of the company; and
- meeting participants (including shareholders and proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the shareholder meeting; in this regard all meeting participants will be required to provide identification satisfactory to the chairman of the meeting. Forms of identification involve valid identity documents, driver's licenses and passports.

1. SPECIAL RESOLUTION 1: SHARE REPURCHASES

"Resolved that the directors be authorised in terms of the company's memorandum of incorporation ("MOI") until this authority lapses at the next annual general meeting of the company unless it is then renewed at the next annual general meeting of the company and provided that this authority shall not extend beyond 15 months, to enable the company or any subsidiary of the company (if applicable) to acquire shares of the company subject to the MOI of the company, the Listings Requirements of the JSE Limited ("JSE") and the Companies Act 71 of 2008, as amended, on the following basis:

- (a) the acquisition of shares must be implemented through the order book operated by the JSE trading system without any prior understanding or arrangement between the company and the counterparty;
- (b) the company (or any subsidiary) must be authorised to do so in terms of its MOI;
- (c) the number of shares which may be acquired pursuant to this authority in any financial year (which commenced 1 September 2015 may not in the aggregate exceed 20% (or 10% where the acquisitions are effected by a subsidiary) of the company's share capital as at the date of passing this special resolution;
- (d) repurchases may not be made at a price more than 10% above the weighted average of the market value on the JSE of the shares in question for the five business days immediately preceding the repurchase;
- (e) repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the Listings Requirements of the JSE) unless a repurchase programme is in place and the dates and quantities of shares to be repurchased during the prohibited period have been determined and has been submitted to the JSE in writing prior to the commencement of the prohibited period;
- (f) after the company or any of its subsidiaries have acquired shares which constitute, on a cumulative basis, 3% of the number of shares in issue (at the time that authority from shareholders for the repurchase is granted), and for each 3% in aggregate acquired thereafter, the company shall publish an announcement containing full details of such repurchases;
- (g) the company (or any subsidiary) shall appoint only one agent to effect repurchases on its behalf; and
- (h) a resolution has been passed by the board of directors of the company or its subsidiaries authorising the acquisition, and the company has passed the solvency and liquidity test as set out in section 4 of the Companies Act 71 of 2008, and that, since the application of the solvency and liquidity test by the board, there have been no material changes to the financial position of the company."

In accordance with the Listings Requirements of the JSE, the directors record that:

Although there is no immediate intention to effect a repurchase of the shares of the company, the directors would utilise the general authority to repurchase shares as and when suitable opportunities present themselves, which may require immediate action.

The directors undertake that, after considering the maximum number of shares that may be repurchased and the price at which the repurchases may take place pursuant to the buyback general authority, for a period of 12 months after the date of this annual general meeting:

- the company and the group will, in the ordinary course of business, be able to pay its debts;
- the consolidated assets of the company and the group fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the company and the group after the buyback; and
- the company's and the group's share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, some of which may appear elsewhere in the integrated annual report of which this notice forms part, is provided in terms of the Listings Requirements of the JSE for purposes of this general authority:

- Major beneficial shareholders
 - page 102; and
- Capital structure of the company
 - page 61.

Directors' responsibility statement

The directors whose names appear on pages 22 to 23 of the integrated annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the Companies Act 71 of 2008, and the Listings Requirements of the JSE.

Material changes

Other than the facts and developments reported on in the integrated annual report of which this notice forms part, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report for the financial year ended 31 August 2015 and up to the date of this notice.

The reason for and effect of special resolution number 1:

The reason for special resolution 1 is to afford directors of the company a general authority for the company (or a subsidiary of the company) to effect a repurchase of the company's shares on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the Listings Requirements of the JSE and the Companies Act 71 of 2008, to effect repurchases of the company's shares on the JSE.

This resolution will require the support of at least 75% of the total number of voting rights exercised by shareholders, present in person or by proxy in order for it to be adopted.

2. SPECIAL RESOLUTION 2: FINANCIAL ASSISTANCE TO RELATED OR INTER-RELATED COMPANIES

"Resolved that, to the extent required by section 45 of the Companies Act 71 of 2008 ("the Companies Act"), the board of directors of the company may, subject to compliance with the requirements of the company's Memorandum of Incorporation, the Companies Act and the Listings Requirements of the JSE, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance in terms of section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, such authority to endure for two years from the adoption of this special resolution or until its renewal, whichever is the earliest.

The reason for and effect of special resolution number 2:

The company would like the ability to provide financial assistance, in appropriate circumstances and if necessary, in accordance with section 45 of the Companies Act. Under the Companies Act, the company will, however, require the special resolution referred to above to be adopted, provided that the board of directors of the company be satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and, immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act. In the circumstances and in order to, inter alia, ensure that the company's subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from the company (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in special resolution number 2. Therefore, the reason for, and effect of, special resolution number 2 is to permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the entities referred to in special resolution number 2 above.

This resolution will require the support of at least 75% of the total number of voting rights exercised by shareholders, present in person or by proxy in order for it to be adopted.

3. ORDINARY RESOLUTION 1: RE-ELECTION OF DIRECTOR

“Resolved that J Odendaal who retires by rotation in terms of the company’s Memorandum of Incorporation and who, being eligible, offers himself for re-election, be re-elected as a director of the company.”

An abridged curriculum vitae is included in the integrated annual report of which this notice forms part.

The nomination committee has considered J Odendaal’s past performance and contribution to the company and recommends that J Odendaal is re-elected as a director of the company.

This resolution will require the support of more than 50% of the voting rights exercised by shareholders, present in person or by proxy in order for it to be adopted.

4. ORDINARY RESOLUTION 2: RE-ELECTION OF DIRECTOR

“Resolved that N Qangule who retires by rotation in terms of the company’s Memorandum of Incorporation and who, being eligible, offers herself for re-election, be re-elected as a director of the company.”

An abridged curriculum vitae is included in the integrated annual report of which this notice forms part.

The nomination committee has considered N Qangule’s past performance and contribution to the company and recommends that N Qangule is re-elected as a director of the company.

This resolution will require the support of more than 50% of the voting rights exercised by shareholders, present in person or by proxy in order for it to be adopted.

5. ORDINARY RESOLUTION 3: RE-ELECTION OF DIRECTOR

“Resolved that K Reynolds who retires by rotation in terms of the company’s Memorandum of Incorporation and who, being eligible, offers himself for re-election, be re-elected as a director of the company.”

An abridged curriculum vitae is included in the integrated annual report of which this notice forms part.

The nomination committee has considered K Reynold’s past performance and contribution to the company and recommends that K Reynolds is re-elected as a director of the company.

This resolution will require the support of more than 50% of the voting rights exercised by shareholders, present in person or by proxy in order for it to be adopted.

6. ORDINARY RESOLUTION 4

Re-appointment of members of the audit and risk committee

“Resolved that the members of the company’s audit and risk committee set out below be and are hereby re-appointed, each by way of a separate vote, with effect from the end of this annual general meeting in terms of section 94(2) of the Companies Act.

The membership as proposed by the nomination committee is:

6.1 TSM Seopa (acting chairperson);

6.2 AM Mazwai; and

6.3 NV Qangule

all of whom are independent non-executive directors”.

An abridged curriculum vitae for each member is included in the integrated annual report of which this notice forms part. The re-appointment of each of the members will be voted on separately.

Each resolution will require the support of more than 50% of the voting rights exercised by shareholders, present in person or by proxy in order for it to be adopted.

7. ORDINARY RESOLUTION 5

Re-appointment of auditors

“Resolved that Grant Thornton Johannesburg Partnership be and are hereby re-appointed as the auditors of the company. It is noted that Michelle da Costa will be the individual and designated auditor who will undertake the audit of the company for the financial year ending 31 August 2016.”

The audit and risk committee has nominated for appointment as auditors of the company under section 90 of the Companies Act, 71 of 2008, as amended, Grant Thornton Johannesburg Partnership.

This resolution will require the support of more than 50% of the voting rights exercised by shareholders, present in person or by proxy in order for it to be adopted.

8. ORDINARY RESOLUTION 6: CONTROL OVER UNISSUED SHARES

“Resolved that, subject to the provisions of the Companies Act, the Listings Requirements of the JSE and the company’s Memorandum of Incorporation the authorised but unissued shares of the company be and are hereby placed under the control of the directors of the company until the next annual general meeting, with the authority to allot and issue and otherwise dispose of all or part thereof at their discretion, provided that:

- the number of shares which may be allotted, issued or disposed of under this authority does not in aggregate exceed 10% of the company’s issued share capital as at the date of the passing of this resolution; and

- such allotment, issue or disposal is subject to a maximum discount of 5% to the weighted average traded on the JSE of those shares over the 30 business days prior to the date of allotment, issue or disposal as the case may be, adjusted for a distribution where the ex date in respect of the distribution occurs during the 30-day period in question.”

This resolution will require the support of more than 50% of the voting rights exercised by shareholders, present in person or by proxy in order for it to be adopted.

9. ORDINARY RESOLUTION 7: ISSUE OF SHARES FOR CASH

“Resolved that, pursuant to the company’s Memorandum of Incorporation, the directors of the company be and are hereby authorised until this authority lapses at the next annual general meeting of the company, unless it is then renewed at the next annual general meeting and provided that this authority shall not extend beyond 15 months, to allot and issue shares for cash subject to the Listings Requirements of the JSE and the Companies Act, 71 of 2008, on the following basis:

- the allotment and issue of shares for cash shall be made only to persons qualifying as public shareholders and not to related parties, as defined in the Listings Requirements of the JSE;
- the total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 25 908 470 shares, being 5% of the company’s issued shares as at the date of notice of this annual general meeting. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 25 908 470 shares the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
- in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- the maximum discount at which shares may be issued for cash is 5% of the weighted average price on the JSE of those shares over 30 days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares;
- after the company has issued shares for cash, within the period that this authority is valid, which represents 5% or more of the number of shares in issue, the company shall publish an announcement containing full details of the issue, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 days prior to the date that the issue is agreed in writing and an explanation, including supporting documentation (if any) of the intended use of the funds; and
- the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights as are convertible into a class already in issue.”

In terms of the Listings Requirements of the JSE, this resolution will require the support of 75% of the votes cast by shareholders present or by proxy in order for it to be adopted.

10. ORDINARY RESOLUTION 8: SIGNATURE OF DOCUMENTATION

“Resolved that a director of the company or the company secretary be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of ordinary resolution numbers 1, 2, 3, 4, 5, 6 and 7 and special resolution numbers 1, 2 and 3 which are passed by the shareholders with and subject to the terms thereof.”

This resolution will require the support of more than 50% of the voting rights exercised by shareholders, present in person or by proxy in order for it to be adopted.

Voting and proxies

A shareholder of the company entitled to attend, speak and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and to vote in his stead. The proxy need not be a shareholder of the company.

On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share in the company by such shareholder.

A form of proxy is attached for the convenience of certificated and own-name dematerialised shareholders holding shares in the company who cannot attend the annual general meeting but wish to be represented thereat.

Such shareholders must complete and return the attached form of proxy and lodge it with the transfer secretaries of the company.

Dematerialised shareholders who have not elected own-name registration in the sub-register of the company through a Central Securities Depository Participant (“CSDP”) and who wish to attend the annual general meeting must instruct the CSDP or broker to provide them with the necessary authority to attend.

Dematerialised shareholders who have not elected own-name registration in the sub-register of the company through a CSDP and who are unable to attend, but wish to vote at the annual general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker. Such shareholders are advised that they must provide their CSDP or broker with voting instructions in respect of their shares.

Forms of proxy may also be obtained on request from the company’s registered office. The completed forms of proxy must be deposited at, posted or faxed to the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107), to be received at least 48 hours prior

to the meeting. Alternatively, the form of proxy may be handed to the Chairperson of the annual general meeting at any time prior to the commencement of the annual general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting should the shareholder subsequently decide to do so.

Quorum

A quorum for the purposes of considering the resolutions above shall consist of three shareholders of the company personally present (and if the shareholder is a body corporate, the representative of the body corporate) and entitled to vote at the annual general meeting. In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions above.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited (Ground Floor, 70 Marshall Street, Johannesburg), for the purposes of being entitled to attend, participate in and vote at the annual general meeting is Friday, 8 April 2016.

Electronic participation

The company has made provision for its shareholders or their proxies to participate electronically in the AGM by way of telephone conferencing. Shareholders who wish to participate in the AGM by telephone conference call as aforesaid, will be required to advise the company thereof by no later than 10.00 on Monday, 11 April 2016 by submitting an email to the company secretary at mande@billiongroup.co.za, including an email address, cellular number and landline as well as full details of the shareholder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and in the case of dematerialised shareholders, written confirmation from the shareholder's CSDP confirming the shareholder's title. Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the AGM. Shareholders must note that access to the electronic communication will be at the expense of the shareholder who wishes to utilise the facility. Shareholders will not be able to participate in voting electronically and should either complete a form of proxy or contact their CSDP or broker if they wish to have their vote counted at the AGM.

By order of the board.

Mande Ndema

Company Secretary

Registered office

3rd Floor, Palazzo Towers West

Montecasino Boulevard

Fourways

2055

(PO Box 2972, Northriding 2162)

Transfer Secretaries

Computershare Investor Services Proprietary Limited

70 Marshall Street

Johannesburg 2001

Form of proxy of shareholders

REBOSIS PROPERTY FUND LIMITED

Incorporated in the Republic of South Africa
 Registration number 2010/003468/06
 JSE share code: REB
 ISIN: ZAE 000156147
 (Approved as a REIT by the JSE)
 ("Rebosis" or "the company")

This form of proxy is for use by the holders of the company's certificated shares ("certificated shareholders") and/or dematerialised shares held through a Central Securities Depository Participant ("CSDP") or broker who have selected own-name registration and who cannot attend but wish to be represented at the annual general meeting of the company at 3rd Floor, Palazzo Towers West, Montecasino Boulevard, Fourways on [Wednesday, 13 April 2016], at 10:00 or any adjournment if required. Additional forms of proxy are available at the company's registered office.

Not for the use by holders of the company's dematerialised shares who have not selected own-name registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary authorisation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting but wish to be represented thereat, in order for the CSDP or broker to vote in accordance with their instructions.

I/We _____ (NAME IN BLOCK LETTERS)

of _____ (Address)

being the registered holder of _____ shares

hereby appoint _____ of _____ or failing him/her,

_____ of _____ or failing him/her,

the chairperson of the annual general meeting as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the company to and at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.

	In favour of	Against	Abstain
1.1 Special resolution 1: General authority to enable the company (or any subsidiary) to repurchase shares of the company			
1.2 Special resolution 2: Authority to grant financial assistance to related and inter-related companies			
1.3 Ordinary resolution 1: To re-elect J Odendaal as a director of the company			
1.4 Ordinary resolution 2: To re-elect N Qangule as a director of the company			
1.5 Ordinary resolution 3: To re-elect K Reynolds as a director of the company			
1.6 Ordinary resolution 4: To re-appoint members of the audit and risk committee			
Resolution 4.1 TS Seopa (acting chairperson)			
Resolution 4.2 AM Mazwai			
Resolution 4.3 NV Qangule			
1.7 Ordinary resolution 5: To reappoint Grant Thornton (Jhb) Inc as auditors of the company			
1.8 Ordinary resolution 6: Authority to place the unissued shares under the control of directors			
1.9 Ordinary resolution 7: General authority to issue shares for cash			
1.10 Ordinary resolution 8: To authorise the signature of documentation			

Signed this _____ day of _____ 2016

Signature _____

Assisted by _____ (if applicable)

Please read the notes on the reverse.

Notes to the form of proxy of shareholders

1. This form of proxy is to be completed only by those members who are:
 - holding shares in certificated form; or
 - recorded in the subregister in electronic form in their own name.
2. Each shareholder is entitled to appoint one or more proxies (none of whom need to be a shareholder of the company) to attend, speak and vote in place of that shareholder at the annual general meeting.
3. Shareholders that are certificated or own-name dematerialised shareholders may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairperson of the general meeting", but any such deletion must be initialled by the shareholders. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy, the chairperson shall be deemed to be appointed as the proxy.
4. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairperson, to vote or abstain from voting as deemed fit and in the case of the chairperson to vote in favour of the resolution.
5. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained from may not exceed the total of the votes exercisable in respect of the linked units held by the shareholder.
6. Forms of proxy must be lodged at, posted or faxed to the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107), to be received at least 48 hours prior to the meeting.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so. Where there are joint holders of shares, the vote of the first joint holder who tenders a vote as determined by the order in which the names stand in the register of shareholders, will be accepted.
8. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares needs to sign this form of proxy.
9. The chairperson of the annual general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, the chairperson is satisfied as to the manner in which the shareholder concerned wishes to vote.
10. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or Computershare Investor Services Proprietary Limited or waived by the chairperson of the annual general meeting.
11. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
12. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Computershare Investor Services Proprietary Limited.

Corporate information

Share code: REB

ISIN: ZAE000156147

Jse sector: Real Estate – Real Estate holdings and development

Listing date: 17 May 2011

Units in issue: 386 531 577 (31 August 2014)

Company registration number: 2010/003468/06

Country of incorporation: South Africa

Website: www.rebosis.co.za

DIRECTORS

SM Ngebulana (Chief Executive)

K Keshav (Chief Financial Officer)

ATM Mokgokong* (Chairperson)

AM Mazwai*

WJ Odendaal*

NV Qangule*

KL Reynolds

TSM Seopa*

* Independent non-executive

° Non-executive

REGISTERED OFFICE AND COMPANY SECRETARY

M Ndema

3rd Floor, Palazzo Towers West

Montecasino Boulevard

Fourways, 2191

(PO Box 2972, Northriding, 2162)

Telephone: +27 (0)11 511 5335

Facsimile: +27 (0)11 511 5626

BANKERS

First National Bank

(a division of FirstRand Bank Limited)

6th Floor, First Place

Corner Simmonds and Pritchard Streets

Johannesburg, 2001

(PO Box 1153, Johannesburg, 2000)

INDEPENDENT AUDITORS

Grant Thornton Johannesburg Partnership

Chartered Accountants (SA)

Registered Auditors

52 Corlett Drive

Johannesburg, 2196

(Private Bag X10046, Sandton, 2146)

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited

Ground Floor, 70 Marshall Street

Johannesburg, 2001

(PO Box 61051, Marshalltown, 2107)

SPONSOR

Java Capital Trustees and Sponsors Proprietary Limited

2nd Floor, 6A Sandown Valley Crescent

Sandton, 2196

(PO Box 2087, Parklands, 2121)

LEGAL ADVISERS

Bowman Gilfillan

165 West Street

Sandton, 2146

(PO Box 785812, Sandton 2146)

Cliffe Dekker Hofmeyer Inc

11 Buitengracht Street

Cape Town, 8001

(PO Box 695, Cape Town, 8000)

QUERIES RELATING TO INTEGRATED REPORT

Kameel Keshav

CFO

kameel@rebosis.co.za



Green & Richards
Wetherlys

TRUWORTHS
BEAUTY
the Hub

EVEREADY
@home

www.rebosis.co.za

REBOSIS
PROPERTY FUND