

INTEGRATED ANNUAL REPORT 2016

REBOSIS
PROPERTY FUND



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REBOSIS continues to be a **PROMINENT**
LEVEL 2 BEE *property fund in*
South Africa on the **JSE. AT**

A GLANCE

Rebosis has continued to exceed

ANNUAL GROWTH

expectations by underpinning
positive outcomes with distribution

GROWTH OF 8%







About This Report



SCOPE AND BOUNDARY OF THIS REPORT

Rebosis Property Fund Limited was established in 2010 by the Billion Group. Through continued integrated thinking, Rebosis became the first black-managed and substantially black-held property fund to list on the JSE in 2011. Rebosis has continued to record annual growth that far exceeds expectations by underpinning positive outcomes with net income growth of 8% year on year. Rebosis is excited to report that as of May 2016, the company celebrated 5 years on the JSE.

This, our sixth integrated annual report, which presents the integrated performance of the group for the year 1 September 2015 to 31 August 2016, and follows our prior integrated annual report published in February 2016. It is primarily targeted at current shareholders, existing and potential institutional investors, fund and asset managers, funders and potential property vendors. Restatement of the 2015 published results due to the JSE pro-active monitoring process is outlined in the statements of financial position, statements of profit or loss and other comprehensive income, statements of changes in equity and note 35 to the annual financial statements.

We continue to report in greater detail on Ascension Properties Limited, in which Rebosis has an effective 59% controlling interest, and New Frontier Properties Limited in which the company holds 67%. Rebosis owns 100% of the Ascension Manco.

For the year ended 31 August 2016, as in prior years, Rebosis outsourced the asset and property management services to Billion Asset Managers and Billion Property Services respectively. Rebosis therefore had 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 of the group. Subsequent to reporting period end, Rebosis acquired 100% of the asset and property management services businesses. This results in all employees for both these entities now being employed by Rebosis. Refer to note 36 of the annual financial statements for further details.

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: ZAE000201687

JSE Main Board sector: Real Estate – Real Estate holdings and development

JSE share code: REB

Listing date: 17 May 2011

Shares in issue: 530 178 149 (31 August 2016)

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. The group's annual financial statements for the year ended 31 August 2015 were selected and went through a review process by the JSE Limited in terms of their ongoing proactive monitoring of the financial statements for compliance with IFRS. Arising from this review, certain items relating to the 2015 results were restated (refer to note 35 of the annual financial statements).

ASSURANCE

The company's external auditors, Grant Thornton Johannesburg Partnership, have independently audited the annual financial statements for the year ended 31 August 2016. Their unqualified audit report is set out on page 73. The scope of their audit is limited to the information set out in the annual financial statements on pages 78 to 121.

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 2016.

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.

Sisa Ngebulana
Chief Executive officer

Kameel Keshav
Chief Financial Officer





About This Report

FIVE YEAR REVIEW

	2016 R'000	2015 R'000 Restated	2014 R'000	2013 R'000	2012 R'000
Revenue					
Property portfolio	1 809 981	1 009 880	855 946	565 209	500 029
Contractual rental income	1 835 767	896 124	747 837	522 757	414 163
Listed property securities income	–	60 262	48 107	–	–
Straight-line rental income accrual	(25 786)	53 494	60 002	42 452	85 866
Net facilities management income	23 109	21 051	17 891	16 833	15 822
Management fees received	–	18 891	9 812	–	–
Sundry income	2 206	1 707	729	630	6 081
Total revenue	1 835 296	1 051 529	884 378	582 672	521 932
Operating costs	(430 688)	(226 735)	(207 290)	(132 658)	(98 494)
Administration costs	(153 115)	(111 831)	(34 138)	(20 481)	(15 961)
Net operating profit	1 251 493	712 963	642 950	429 533	407 477
Gain on bargain purchase	–	53 756	–	–	–
Changes in fair values	1 183 454	136 935	227 687	(3 065)	157 461
Investment properties	1 207 791	133 508	364 402	5 852	253 489
Listed property securities	–	59 942	(50 712)	–	–
Straight-line rental income accrual	25 786	(53 494)	(60 002)	(42 452)	(85 866)
Derivative instruments	(50 123)	(3 021)	(26 001)	33 535	(10 162)
Profit from operations	2 434 947	903 654	870 637	426 468	564 938
Net finance charges	(561 864)	(282 078)	(185 104)	(130 030)	(125 223)
Finance charges – secured loans	(606 614)	(289 587)	(186 170)	(147 883)	(126 434)
Interest received	44 750	7 509	1 066	17 853	1 211
Profit before debenture interest and taxation	1 873 083	621 576	685 533	296 438	439 715
Debenture interest	–	(346 811)	(378 984)	(262 807)	(192 966)
Profit before taxation	1 873 083	274 765	306 549	33 631	246 749
Taxation	1 104	(13 499)	–	242 305	(102 564)
Profit from continuing operations	1 874 187	261 266	306 549	275 936	144 185
Profit from discontinued operations	–	1 009	–	–	–
Profit for the year	1 874 187	262 275	306 549	275 936	144 185
Investment property at fair value (note 3)	16 996 072	14 555 401	6 856 000	5 283 500	4 540 200
Investment property held for sale	1 156 698	–	–	–	–
Distribution/dividend per share (cents)	119.45	110.41	99.45	92.00	85.50



Who We Are

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

- o Since listing in May 2011 distribution has consistently grown
- o Rebosis ensures sustainability by investing in a diversified portfolio of properties
- o Continued exposure to retail, office and industrial sectors
- o High-growth low-risk, portfolio of assets
- o Retail portfolio consists of dominant regional malls
- o High-growth, rand-hedge UK investment
- o Office portfolio offers sustainable income by being tenanted by national government with long leases and fixed escalation rates.

In 2011 Rebosis, a black-empowered, high-growth property fund, listed on the main board of the JSE becoming the first black-managed and substantially black-held property loan stock on the JSE. Rebosis holds the controlling interest in a property fund in the United Kingdom which has dominant retail shopping centres located in different areas of the country. It also owns a majority stake in a local South Africa which has a portfolio comprising of industrial and commercial buildings which results in a diverse R12.8 billion assets under management.

Rebosis has continued to:

- o invest in dominant regional shopping centres at early maturity
- o secure long-term office leases with national government tenants
- o portfolio growth through further distribution-enhancing acquisitions
- o Leveraging the company's right of first refusal to acquire properties from the significant development pipeline of the Billion Group
- o Retain retail dominance capitalising on strong development expertise

Resulting in sustainable growth, diversification as well as maintaining the high-return, low-risk the fund promises its shareholders.

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 asset management and property management of Rebosis' portfolio are outsourced to Billion Asset Managers and Billion Property Services respectively. Both of these companies have been acquired by Rebosis subsequent to the reporting period end and are now part of the Rebosis group. 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.





Highlights

During the past 12 months

Sep 2015

Acquisition of Houndshell Shopping Centre in Blackpool, UK.

May 2016

Acquisition of 11 Diagonal Street

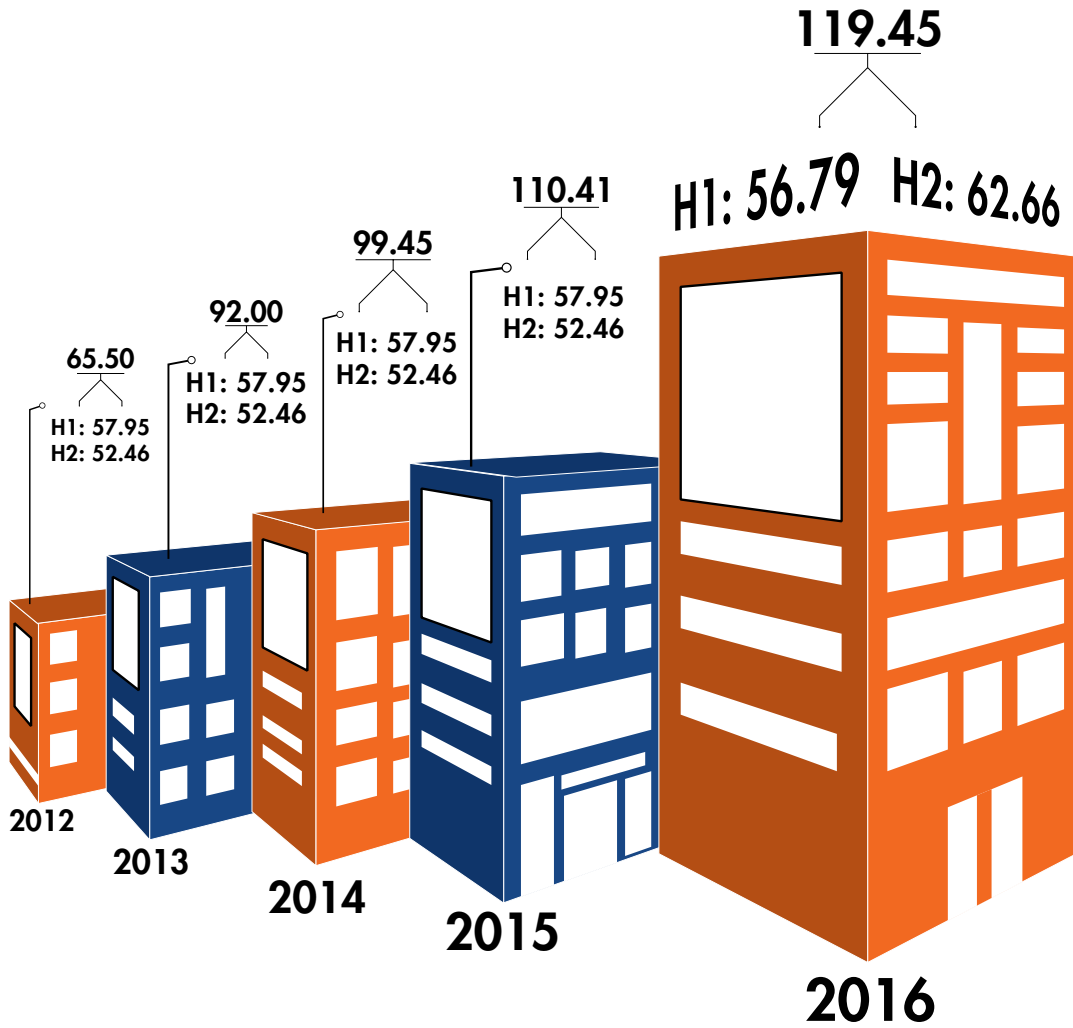
Aug 2016

Disposal of non-core commercial assets

Oct 2016

Acquisition of Billion retail assets and support services companies (R5.0bn)

Distribution growth history



Property Portfolio

South African Portfolio

Consists of Rebohis Property Fund Limited and Ascension Properties Limited



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 contractual escalation of 7.3%

Portfolio by GLA 164 110m²

Portfolio by value 21%



OFFICE

- 42 large properties well-located in nodes attractive to government tenants
- Let primarily to National Department of Public Works under long leases
- Average escalation of 8.5%
- Shielded from private sector e.g. tenant cash flow and insolvency related default

Portfolio by GLA 559 753 m²

Portfolio by value 49%



INDUSTRIAL

- 2 properties in Johannesburg and Cape Town
- Antalis (Johannesburg) warehouse acquired in March 2013 Island Centre (Cape Town) warehouse
- Specialised single tenant industrial warehouses
- Average escalation of 7.0%

Portfolio by GLA 43 149 m²

Portfolio by value 1%





Property Portfolio (continued)

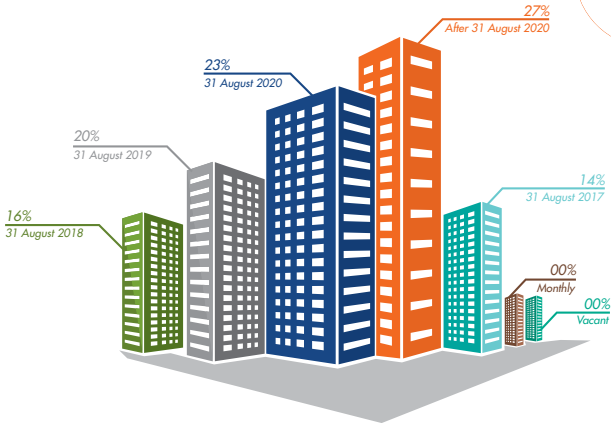
South African Portfolio (continued)

REBOSIS PROPERTY PORTFOLIO LEASE EXPIRY PROFILE

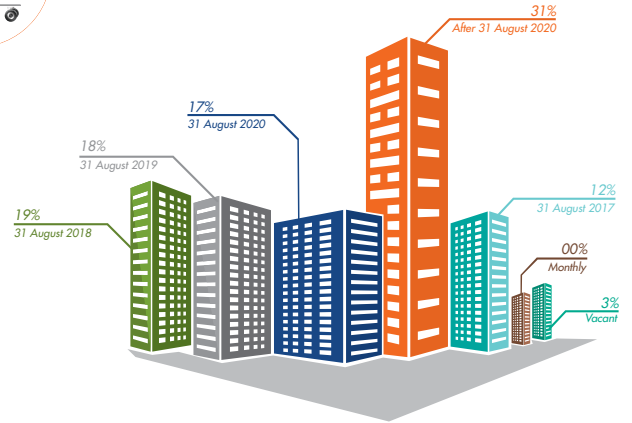
By Revenue %



Retail



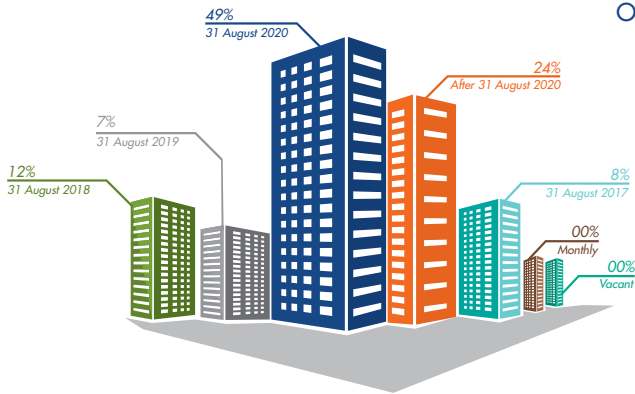
By GLA %



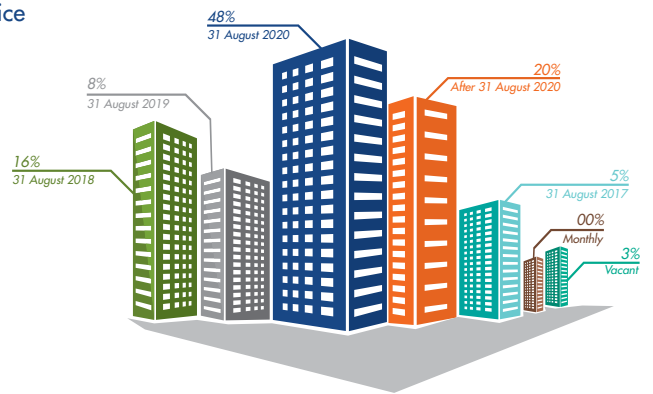
By Revenue %



Office



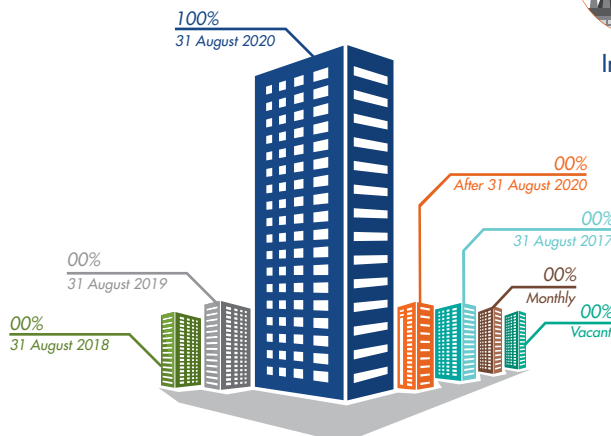
By GLA %



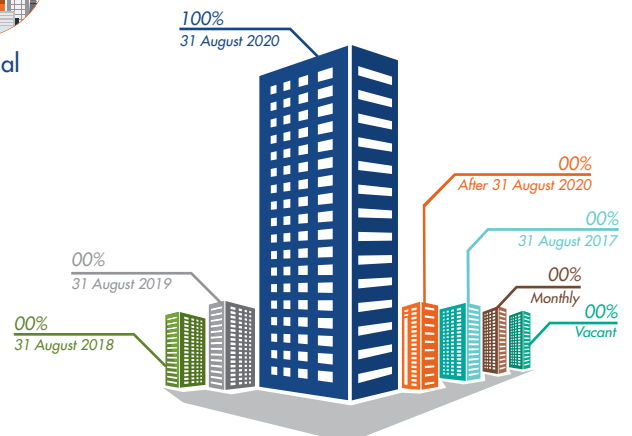
By Revenue %



Industrial



By GLA %





ASCENSION PROPERTY PORTFOLIO LEASE EXPIRY PROFILE





Property Portfolio (continued)

United Kingdom Portfolio

Consists of New Frontier Properties Limited



RETAIL

- 3 high growth mainly dominant regional malls
- Includes the following:
 - Houndshill, Blackpool (UK)
 - Coopers Square, Burton-on-Trent, Staffordshire (UK)
 - Cleveland Centre, Middlesbrough (UK)
- Strong national tenant profile

Portfolio by GLA 332 676m²

Portfolio by value 29%

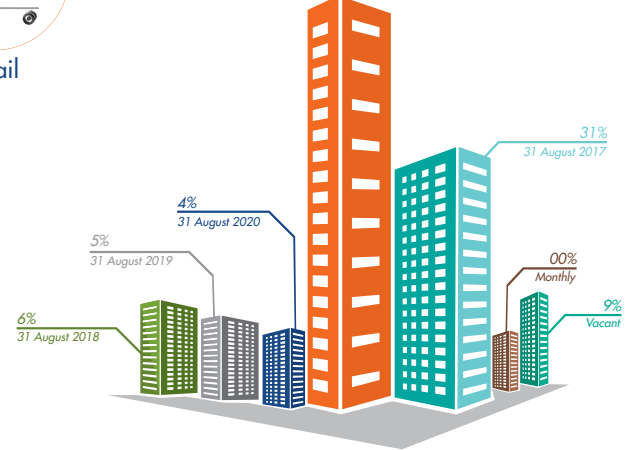
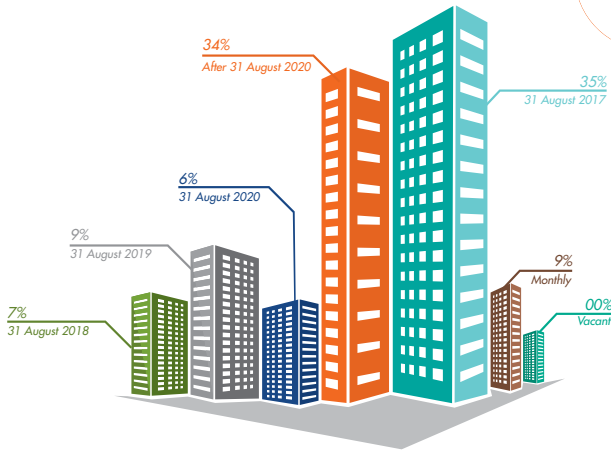
LEASE EXPIRY PROFILE

By Revenue %



Retail

By GLA %



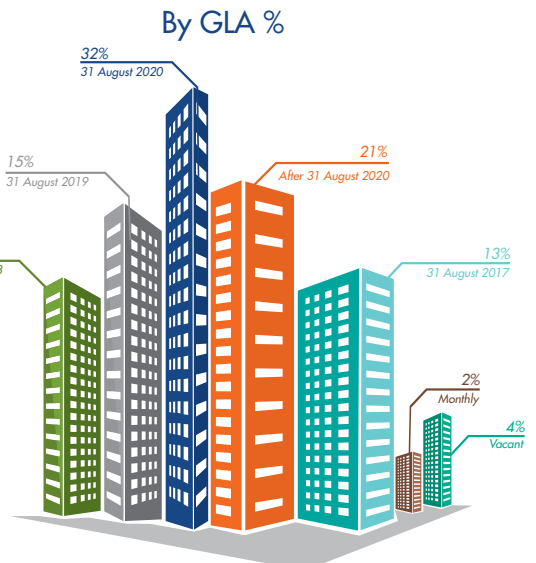
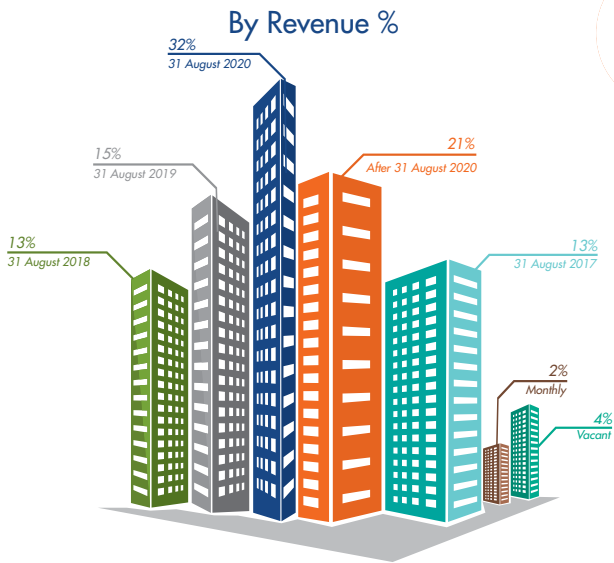
The outcome of the EU referendum has given rise to considerable uncertainty in the UK's investment markets. Whilst New Frontier considers the UK economy to be fundamentally resilient and likely to respond positively once the UK's future relationship with the EU becomes clear, the group believes it is appropriate to re-balance the group's portfolio by focusing acquisition activity on properties in mainland Europe. In executing the extension to our strategy, the company will continue to target dominant retail assets in the UK. This will include smaller centres where these match our investment criteria. New Frontier will also acquire non-retail assets, up to a maximum of 20% of aggregate portfolio value, where these present a persuasive investment case. This enhancement of our investment strategy will enable the company to exploit a much wider range of opportunities, reducing the group's overall risk profile whilst continuing to benefit from the profits contributed by the existing centres and broadening the group's Rand hedge strategy.



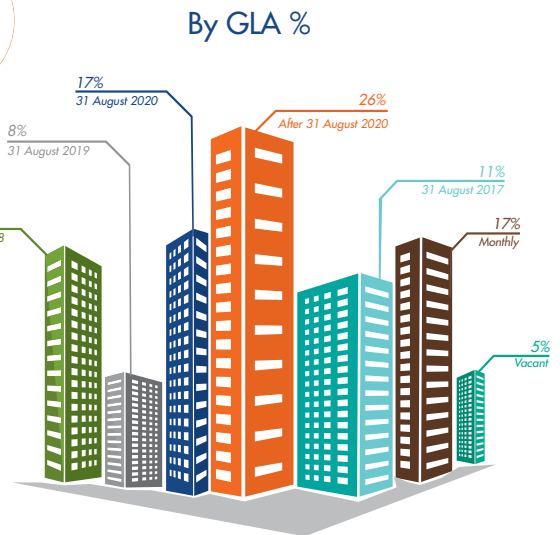
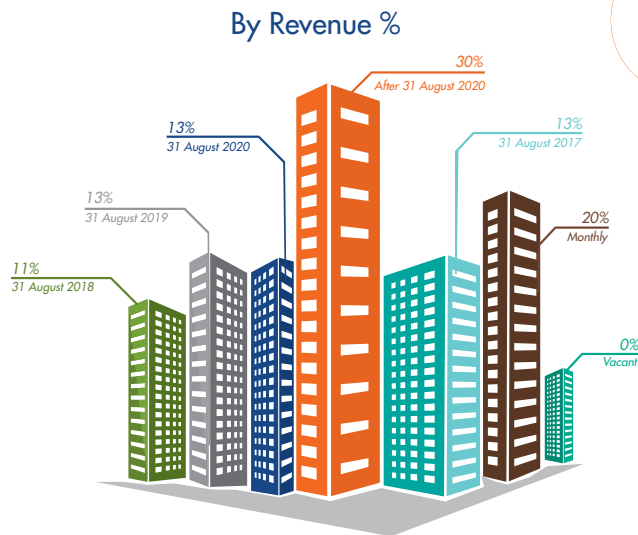
LEASE EXPIRY PROFILE - COMBINED



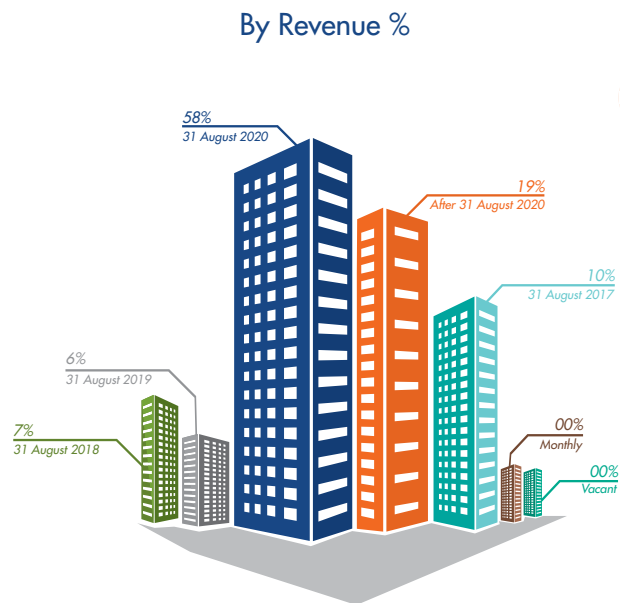
Office



Retail



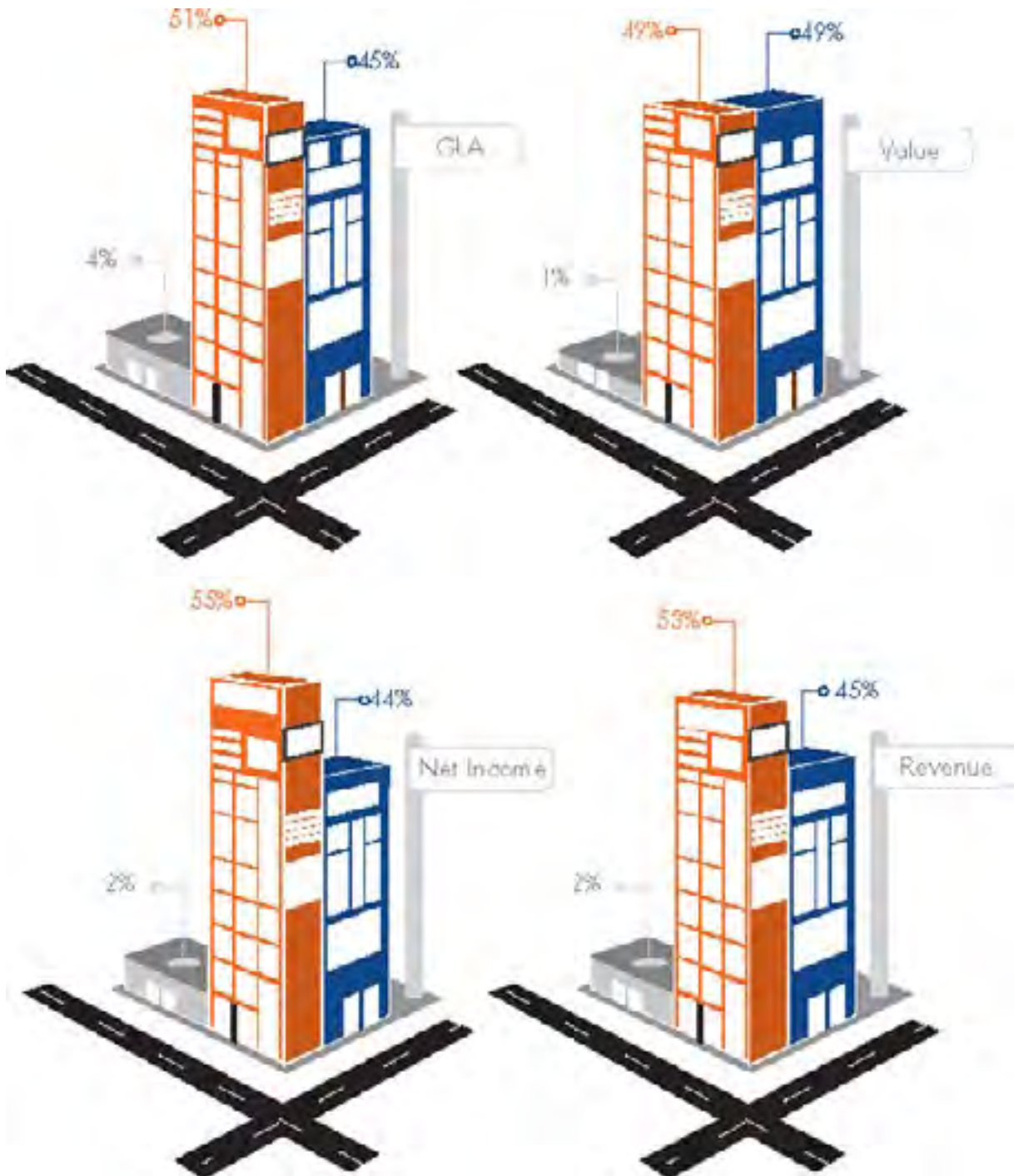
COMBINED





Group Portfolio Summary

SECTORAL SPREAD %



14



Retail



Office



Industrial

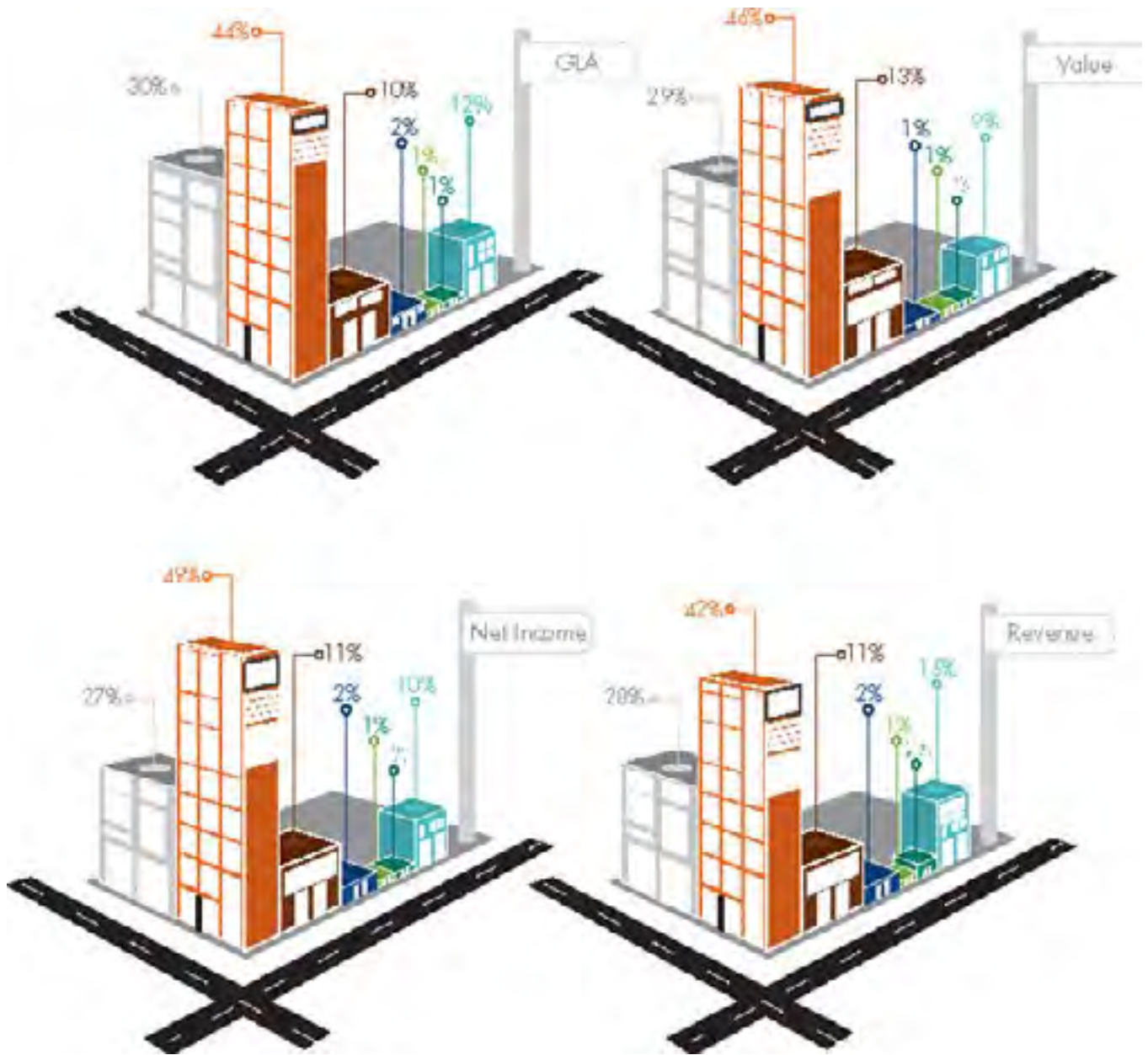
Number of properties

7

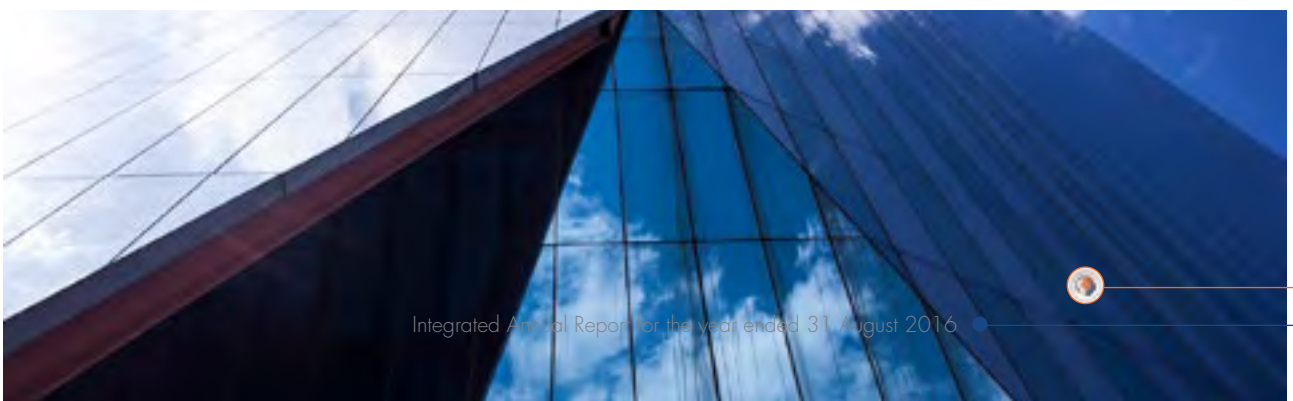
42

2

GEOGRAPHICAL SPREAD %



Region	Number of properties
Eastern Cape	2
Gauteng	30
KwaZulu Natal	2
North West	1
Mpumalanga	3
Western Cape	10
United Kingdom	3





Group Portfolio Summary (continued)

TENANT PROFILE %

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 sized companies and franchisees

C = Other small tenants

The Group's tenant profile at 31 August 2016 was as follows:

		Rebosis Property Portfolio		Ascension Property Portfolio		New Frontier Property Portfolio		Total Combined Property Portfolio	
		Gross monthly rental	GLA	Gross monthly rental	GLA	Gross monthly rental	GLA	Gross monthly rental	GLA
A	Retail	32%	29%	-	-	91%	78%	38%	36%
	Office	54%	52%	62%	67%	-	-	41%	41%
	Industrial	2%	5%	-	-	-	-	1%	2%
Total A grade		88%	86%	62%	67%	91%	78%	80%	79%
B	Retail	6%	5%	-	-	-	-	2%	2%
	Office	-	-	7%	6%	-	-	2%	2%
	Industrial	-	-	-	-	-	-	-	-
Total B grade		6%	5%	7%	6%	-	-	4%	4%
C	Retail	4%	5%	-	-	9%	13%	4%	6%
	Office	2%	2%	30%	14%	-	-	12%	5%
	Industrial	-	-	1%	8%	-	-	-	1%
Total C grade		6%	7%	31%	22%	9%	13%	16%	12%
Total portfolio excluding vacancies		100%	97%	100%	95%	100%	91%	100%	95%
Vacancy	Retail	-	1%	-	-	-	9%	-	3%
	Office	-	2%	-	5%	-	-	-	2%
	Industrial	-	-	-	0%	-	-	-	-
Total vacancy		-	3%	-	5%	-	9%	-	5%
Total portfolio		100%	100%	100%	100%	100%	100%	100%	100%
Total number of tenants in C grade		65	65	663	663	49	49	777	777



VACANCY PROFILE

By sector by rentable area

Rebosis
Property Portfolio



Ascension
Property Portfolio



New Frontier
Property Portfolio



WEIGHTED AVERAGE RENTAL PER M²

By sector by rentable area

Rebosis
Property Portfolio



Ascension
Property Portfolio



New Frontier
Property Portfolio



Retail



Office



Industrial





Group Portfolio Summary (continued)

WEIGHTED AVERAGE RENTAL ESCALATION PROFILE

By sector by rentable area

Rebosis
Property Portfolio

Ascension
Property Portfolio

New Frontier
Property Portfolio

Rentals are not escalated as the UK properties are in a low inflationary environment.



Retail



Office



Industrial

AVERAGE ANNUALISED PROPERTY YIELD

By sector by rentable area



REBOSIS
PROPERTY FUND

ASCENSION
Properties

NEW FRONTIER
PROPERTIES

INVESTMENT PROPERTY PROFILE

as at 31 August 2016

Building by Sector	Location	Total GLA m ²	Office GLA m ²	Retail GLA m ²	Valuation Rand	Value per m ² Rand	Weighted average rent per m ² Rand
Retail		496 786	1 423	489 363	8 969 371 537	18 055	119.3
Hemingways Shopping Centre	Eastern Cape	73 497	-	73 497	1 900 000 000	25 851	141.8
Mdantsane Shopping Centre	Eastern Cape	35 902	-	35 902	501 500 000	13 969	97.9
Sunnypark Shopping Centre	Gauteng	27 650	1 423	26 227	740 000 000	26 673	139.1
Bloed Street Mall	Gauteng	27 061	-	27 061	630 000 000	23 281	132.0
Coopers Square	Staffordshire, UK	120 854	-	120 854	1 798 645 695	14 883	100.3
The Cleveland Centre	Middlesbrough, UK	119 784	-	119 784	1 525 488 000	12 735	88.43
Houndshell Shopping Centre	Blackpool, UK	92 038	-	92 038	1 873 737 842	20 359	135.2
Office		559 753	520 087	39 666	8 924 398 000	15 943	100.3
Arbour Square	Gauteng	9 206	5 951	3 255	140 000 000	15 207	86.1
Bank of Lisbon	Gauteng	14 599	14 053	546	180 000 000	12 330	64.4
Liberty Building	Gauteng	33 885	33 885	-	605 000 000	17 855	99.1
SALU Building	Gauteng	30 354	30 354	-	665 000 000	21 908	99.3
Victoria Mxenge	Gauteng	24 720	24 720	-	619 000 000	25 040	80.2
124 Main Street	Gauteng	20 818	20 818	-	503 146 000	24 169	146.0
189 Schoeman Street	Gauteng	19 332	19 618	164	343 000 000	17 743	101.4
28 Harrison Street	Gauteng	20 984	20 140	844	261 352 000	12 455	93.3
18 Rissik Street	Gauteng	11 204	11 204	-	301 000 000	26 865	188.2
99 Market Street	Gauteng	11 659	11 659	-	163 000 000	13 981	90.7
64 Eloff Street	Gauteng	4 938	4 415	523	83 000 000	16 808	99.2
11 Diagonal Street	Gauteng	37 160	35 069	2 091	566 000 000	15 231	27.7
Medscheme Building	Gauteng	6 792	6 792	-	105 000 000	15 459	93.0
Infinity Office Park	Gauteng	12 681	12 681	-	258 000 000	20 345	138.9
373 Pretorius Street	Gauteng	13 340	13 340	-	238 000 000	17 841	125.9
Game Building	Gauteng	21 438	14 207	7 231	261 000 000	12 175	98.2
Schreiner Chambers	Gauteng	18 815	17 048	1 767	196 000 000	10 417	80.0
Surrey House	Gauteng	11 480	10 908	932	227 000 000	19 774	118.4
Bathopele Building	Gauteng	11 500	11 500	-	159 000 000	13 826	101.9
174 Visagie Street	Gauteng	13 537	13 537	-	223 000 000	16 473	119.7
NBC Building	Gauteng	10 000	10 000	-	160 000 000	16 000	119.5
238 Roan Crescent	Gauteng	9 035	9 035	-	98 000 000	10 847	80.2
Swiss House	Gauteng	8 008	6 902	1 106	115 000 000	14 361	93.7
Mishumo House	Gauteng	6 154	6 154	-	84 000 000	13 650	90.0
Meyersdal Office Park	Gauteng	4 957	4 957	-	46 000 000	9 280	84.9
Kingfisher Office Park	Gauteng	1 405	1 405	-	21 000 000	14 947	121.0
VWL Building	Gauteng	17 989	17 989	-	176 000 000	9 784	83.7
Jabu Ndlovu	KwaZulu-Natal	11 455	11 455	-	148 000 000	12 921	104.8
Revenue Building	KwaZulu-Natal	7 314	7 314	-	88 000 000	12 032	109.5
Sassa House	North West	11 665	11 665	-	158 000 000	13 545	123.5
Riverview	Mpumalanga	4 303	4 303	-	69 000 000	16 035	149.4
Riverpark	Mpumalanga	4 216	4 216	-	66 000 000	15 655	119.4
Prorum Building	Mpumalanga	6 431	5 474	957	80 000 000	12 440	108.7
45 on Castle	Western Cape	9 537	9 537	-	152 700 000	16 011	120.2





INVESTMENT PROPERTY PROFILE

as at 31 August 2016 (continued)

Building by Sector	Location	Total GLA m ²	Office GLA m ²	Retail GLA m ²	Valuation Rand	Value per m ² Rand	Weighted average rent per m ² Rand
Samsung House	Western Cape	26 245	23 059	3 186	342 000 000	13 031	111.1
14 Long Street	Western Cape	9 975	9 100	875	120 000 000	12 030	90.9
Spectrum House	Western Cape	7 550	7 292	258	103 000 000	13 642	93.3
Matrix House	Western Cape	9 001	8 706	925	72 000 000	7 999	83.5
Sigma House	Western Cape	3 751	3 305	446	53 000 000	14 130	131.1
Nedbank Centre	Western Cape	5 905	5 488	417	57 200 000	9 687	76.9
Bergstan House	Western Cape	2 838	2 108	730	30 000 000	10 571	96.3
Grand Central	Western Cape	33 577	20 164	13 413	589 000 000	17 542	127.5
Industrial		43 149	-	-	259 000 000	6 002	50.8
Antalis	Gauteng	18 954	-	-	150 000 000	7 914	66.4
Island Centre	Western Cape	24 195	-	-	109 000 000	4 505	38.6
Total		1 099 687	564 659	529 029	18 152 770 000	16 507	125.5



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 2016
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 Successfully concluded with Billion Group the acquisition of two dominant retail centers in South Africa subsequent to reporting period end
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 Asension acquisition has contributed to further local 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 score carding 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 Successfully concluded five year renewals of government leases during the review period Rebosis to position itself to be a retail focussed fund in the future





Material Issue	Related Risks	Challenges	Our Response	Progress 2016
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 Introduction of cross currency swap arrangements against debt obtained for investment in the UK
B-BBEE	<p>Inability to maintain appropriate level of score carding:</p> <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' score carding 	<ul style="list-style-type: none"> Rebosis continues to be rated as a level 2 BBBEE property fund

Our Stakeholders

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/Unit holder	<ul style="list-style-type: none"> • Distributions (consistency and growth) • Stable investment performance • Accessibility of executives • Timely 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 with shareholders • Conference attendance 	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





Company Structure

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

Sisa Ngebulana
Chief Executive Officer

Kameel Keshav
Chief Financial Officer

Gary Fourie
Chief Investment Officer[#]

Vuyo Njongwe
Director Corporate Affairs

Mande Ndema
Company Secretary

Nigel Adriaanse
Operations Director[#]

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

Resigned from the asset management company effective 30 November 2016



Significant Subsidiaries

ASCENSION PROPERTIES

Ascension is a JSE-listed black-managed BBBEE Level 4 real estate investment trust possessing a portfolio of 28 properties (27 office and one industrial) in Gauteng, Mpumalanga and the Western Cape. Assets under management were valued at R4.1 billion at 31 August 2016. 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 shares receive the residual net income. Distribution growth for B shares for the twelve months to 31 August 2016 was 8.8%.

In 2014 Rebosis acquired a 32% interest in Ascension's shares. In June 2015 Rebosis 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 Rebosis an effective 59% interest in the company.

Ascension returned net property income growth of 10% for the year to 31 August 2016 with vacancies decreasing from 5.8% in August 2015 to 4.6% in August 2016 and the cost to income ratio decreasing from 11.8% in August 2015 to 8.6% in August 2016. Properties are well located and of good quality with outstanding tenant retention rates.

The chief executive officer of Ascension is Rebosis' Chief Financial Officer, Kameel Keshav.

In October 2016, Ascension and Rebosis have concluded a scheme of arrangement whereby Rebosis intends to acquire the A ordinary shares of Ascension in exchange for Rebosis A ordinary shares. Rebosis has successfully received shareholder approval to amend its Memorandum of Incorporation with the creation of the Rebosis A ordinary share structure.

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 Rebosis' retail strategy. At 31 August 2016 New Frontier had assets under management valued at R3.44 billion and net property income for the year of R114.7 million. At the beginning of the year, New Frontier acquired the Houndshell Shopping Centre in Blackpool for R276.6 million. Houndshell's 28 053 m² brought the company's GLA to 101 396 m².

Tenants are largely blue-chip national brands and average lease expiries approach ten years. In the past year tenant renewals were 100%.

Rebosis acquired a 62% stake in New Frontier effective March 2015 for a cash-and-equity consideration of R1.2 billion. It further increased its overall stake in September 2015 to an overall 67.5% through participation of an equity raise for cash required to purchase Houndshell Shopping Centre in Blackpool, United Kingdom. The investment benefited shareholders as a rand hedge through an annualised yield of 7% (8.1% in rand terms).

With a primary listing on the Stock Exchange of Mauritius and on the JSE AltX, New Frontier registered as a real estate investment in September 2015.

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

The 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%.

Rebosis' New Frontier investment represents a powerful rand currency hedge.





Retail Properties Acquired (effective 01 September 2016)

FOREST HILL CITY

*BILLION PROPERTY DEVELOPMENTS PROPRIETARY LIMITED
(trading as FOREST HILL CITY)*

Forest Hill City is located in Centurion, Gauteng and opened on 29 May 2014. This A-grade regional shopping center comprises approximately 72 811 m² of retail shopping tenanted by large international brands and major national retailers, with parking for c.4 200 vehicles.

Its flagship stores include Woolworths, Checkers Hyper, Pick 'n Pay, Foschini, Truworths, Mr Price and Edgars, amongst others.

With a strong fashion line-up, it features designer boutiques and popular clothing stores. Complementing its strong retail mix, it also offers a convenient fast-food court and fine-dining restaurants. Its unparalleled entertainment includes an Olympic-size indoor ice rink, heated wave pool, ten-pin bowling alley, bumper cars and a state-of-the-art games arcade.

Forest Hill City is well connected to public infrastructure and supports quality lifestyles. It has outstanding visibility along the N14 (Krugersdorp/Pretoria) highway and superb access on the corner of the R55 and the N14 highway. The shopping center enjoys excellent proximity to the major business hubs of Pretoria and Johannesburg and quick access to the popular transportation nodes of Lanseria International Airport (c.15 minutes) and Centurion Gautrain Station (c.10 minutes). It is also a short drive away from both Loftus Versfeld Stadium and SuperSport Park Stadium.



BAYWEST MALL

BAYWEST CITY PROPRIETARY LIMITED (trading as BAYWEST MALL)

Baywest Mall is an A-grade regional shopping center offering 89 989m² of modern, safe shopping in Port Elizabeth. It opened on 21 May 2015.

The mall's retail mix includes a wide variety of international brands, major national retailers, a food court, diverse entertainment and various service offerings. Its anchor stores include Woolworths, Checkers, Pick n Pay, Game and Mr Price, amongst others. It has parking for c.3 302 vehicles.

The shopping center is equipped with cutting-edge technology including an entertainment fun factory offering the only Olympic-sized ice rink in the Eastern Cape, IMAX and Cine Prestige theatres, ten-pin bowling alley, a high-tech games arcade and superfast Wi-Fi.

Baywest Mall is located along the N2 highway. The on and off ramps from the N2 highway lead directly into the shopping center, making its accessibility effortless.







By having a **LEADERSHIP**
team that is dedicated to steer Rebosis

to new heights **AND**
to exceed shareholders expectations
by providing an excellent return on investment.

Through *Strategic*
MANAGEMENT

of the promotion and evaluation of our BEE level,
we have been able to take full
advantage of having government tenanted offices

which also contributes
to the overall sustainability of the
fund's property portfolio which branches into the
office, retail and industrial sector.



Board of Directors



DR ANNA T MOKGOKONG (59) **INDEPENDENT NON-EXECUTIVE DIRECTOR**

Chairperson, BSc, MBChB, D Comm (hc)
Honorary Consul General of Iceland in Pretoria

Dr. Mokgokong is a co-founder and Executive Chairperson of Community Investment Holdings (Pty) Ltd., a well renowned business figure in South Africa and globally with widespread experience in Healthcare, Academia and Commerce.

She is recognized as a Senior Director of Companies on the Johannesburg Stock Exchange as she serves on five listed companies namely: Non-executive Chairperson of Afrocentric Investment Corporation, Reboasis Property Fund Limited and Jasco Electronics Holdings Limited and non-executive Director of Companies and first female Director of Shoprite Holdings Limited the largest retailer in Africa as well as Adcock Ingram Holdings Limited, a leading pharmaceutical manufacturer. She also serves on numerous non-listed entities.

She has received numerous local and international accolades as a Community and Business leader, including SA Businesswoman of the Year (1999) and one of the Leading Women Entrepreneurs of the World (1998).

She has served in numerous councils of academic institutions as well as civil society commissions such as The Independent Commission for Remuneration of Public Office Bearers, where she was appointed as Deputy Chairperson by the former President Mr. Thabo Mbeki (from 2004 – 2009); She was also a Commissioner of the Interim National Defence Force Commission (SANDF) (from 2009 – 2013). She is a social activist and passionate about women empowerment transformation to bring about equality in the economy of South Africa. She was appointed Honorary Consul General of Iceland in Pretoria (2017).



SISA NGEBULANA (50) **CHIEF EXECUTIVE OFFICER**

BJuris, LLB, LLM

Sisa founded the Billion Group in 1998 and Reboasis 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 and Global Leadership Excellence (2015), 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 Atfund group, Truworths International and the Construction Industry Development Board (CIDB). Sisa has single handily 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.



KAMEEL KESHAV (37) **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 Reboasis 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.



THABO SEOPA (52)

INDEPENDENT NON-EXECUTIVE DIRECTOR

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.



NOMFUNDO QANGULE (49)

INDEPENDENT NON-EXECUTIVE DIRECTOR

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.



JACO ODENDAAL (56)

INDEPENDENT NON-EXECUTIVE DIRECTOR

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 Mooirivier Mall in Potchefstroom as well as the Matiosana Mall in Klerksdorp.



ANDILE MAZWAI (45)

INDEPENDENT NON-EXECUTIVE DIRECTOR

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.



MANDE NDEMA (43)

COMPANY SECRETARY

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.





Chairperson's Message

IT GIVES ME GREAT PLEASURE TO PRESENT OUR SIXTH INTEGRATED ANNUAL REPORT TO STAKEHOLDERS. THE COMPANY HAS PRESENTED A SET OF STRONG FINANCIAL RESULTS FOR THIS REPORTING PERIOD, WITH STRONG GROWTH RETURNS DELIVERED TO OUR SHAREHOLDERS.



During the last couple of years, a myriad of mutually influencing restrictive forces from a macro and micro economic perspective have contributed to increase the "business turbulence" in the global and local economy. Businesses are operating in markets of constant rapid technological, political, economic, legal and environmental change. Since our listing in 2011, Reboasis has evolved substantially and management's commitment to meeting the mandate from shareholders has seen the delivery of strategy increasingly gain impetus.

Reboasis is today a company that increasingly practises integrated thinking. The achievements of the group in the year under review were by no means limited to the financial capital we created for our investors. Through our corporate social investment we continue to create significant new social and human capital as an integral part of the communities we serve. As we make it clear in this report, our properties and our people continued to record exceptional performances relative to their peers and to a market that continued to experience considerable pressure.

Reboasis declared a higher final dividend of 62,66 cents per share, bringing the total dividend to 119,45 cents per share, an increase of 8.2% on the prior year and a 10.3% growth in net property income.

Board Of Directors

The increase in business complexity as a result of a number internal and external forces have made the role of directors much more critical in assisting organisations navigate through a perilous business landscape.

As a board we endeavour to achieve a balance between governance and strategic guidance that brings about innovation to ensure the Group continues to be sustainable and commercially viable so as to deliver value to shareholder while meeting its statutory, regulatory and corporate citizenship obligations.

Changes to the board

As at the date of this report, these were the changes to the board of directors. As a result of the changes, the sub-committees will be reconstituted.

Appointments

- Andile Mazwai, formerly an independent non-executive director of ReboSis, was appointed an executive director and the Chief Operating Officer of the company effective 08 February 2017.
- Maurice Mdlolo and Francois Froneman have been appointed to the board as independent non-executive directors.

The board of directors welcomes both Maurice and Francois as members of the board and looks forward to theirs and Andile's contribution to the company.

Resignations

- Non-executive director, Ken Reynolds, who was due to retire by rotation at the previous annual general meeting, 13 April 2016, did not stand for re-election.

The Board wishes to thank Ken Reynolds for his valuable contribution to the business over the past three years, and wish him well in his future endeavours.

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 pages 44 to 47.)

APPRECIATION

A sincere word of gratitude goes to 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 ReboSis 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
28 February 2017





Chief Executive Officer's Report

REBOSIS HAS ONCE AGAIN SHOWN EXCELLENT PERFORMANCE ON THE BACK OF STRONG FUNDAMENTALS UNDERPINNED BY QUALITY PROPERTY ASSETS AND TOUGH APPROACH TO COST MANAGEMENT



During the 2016 year, the company concluded a milestone and transformative transaction of R5 billion with the acquisition of two large regional malls and management companies from the Billion Group, in effect internalising its asset manager, transformed into a retail focused fund, increased its market capitalisation and its BEE ownership in a transaction that was overwhelmingly voted by 88% of shareholders.

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.

Rebosis declared a final dividend of 62.66 cents per share, in addition to an interim dividend of 56.79 declared in February 2016, amounting to a total distribution of 119.45 cents per share for the year under review, up 8.2% on the prior year. The dividend growth is mainly as a result of continued organic growth in our existing portfolio as well as the management team's containment efforts to managing the rising costs of operation.

OPERATIONAL PERFORMANCE

Rebosis continued 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 10.3%,
- disciplined cost containment (a reduction in the cost to income ratio from 13.3% to 12.5%),
- well managed vacancy rates, which is at 3.1%, and

These bear testament to the consistent focus and efforts of the management team and the asset managers in optimising asset performance.

At the close of the reporting period, Rebosis' direct assets under management were valued at R12.8 billion compared with R9.8 billion at the end of August 2015. The company's investment in Ascension Properties Limited and New Frontier Properties Limited was valued at R3.9 billion, up from R2.7 billion at the end of the corresponding period.

SIGNIFICANT MILESTONES

In May 2016, Rebosis celebrated 5 year on the JSE. Looking back over our first five years as a listed company fills me with deep satisfaction. We celebrated our collective efforts as management, the board, investors, our tenants and all our other partners who helped shape Rebosis in what it is today.

During the 2016 year Rebosis commenced and concluded a protracted yet exciting and transformative transaction of acquiring the Billion regional retail malls and management companies in a landmark R5 billion transaction. This, being a related party transaction, received overwhelming 88% vote by shareholders in a strong show of support for the direction and vision of the company. It transformed Rebosis into a retail biased fund of large dominant regional malls with internalized asset and property management companies, an aspect that removed any and all perceived potential management conflict of interest in the fund.

Rebosis Group's consolidated assets are valued over R19.1 billion and located across South Africa and the United Kingdom. We have consistently delivered growth in dividends each year above 8% and last year delivered a solid 11% return to shareholders. Our defensive portfolio remains well positioned for the tough economic cycle ahead of us. I am proud to say that the vision we set out to achieve five years ago has been delivered, and I am even more excited about the future. We are on the eve of some very exciting developments that will see further specialisation and value unlock for shareholders.





Chief Executive Officer's Report (continued)

OTHER CORPORATE ACTIVITY

During the year under review the company concluded on the purchase of 11 Diagonal Street, the iconic "diamond building" in central Johannesburg, for R495 million and the associated West Street Parkade. Whilst the company's strategy is to remain a retail focused fund, the acquisition is in line with the company's strategy of acquiring high quality yield enhancing government offices. The acquisition will increase the company's portfolio by an additional 35 347m2 at an initial yield of 9.61%.

At the beginning of the financial year we acquired the Houndshill Shopping Centre in Blackpool, a popular seaside resort, with approximately 13 million visitors a year. This was funded through a combination of debt funding from Deutsche Pfandbriefbank, together with new shareholder funds.

ACQUISITION OF BILLION ASSETS AND PROPERTY SERVICES BUSINESSES

Since listing in 2011, Rebosis has held a right of first refusal on any asset coming to market by developer Billion Property Group provided that these assets match the fund's criteria. With effect from 3 October 2016, Rebosis acquired 100% of Forest Hill City and Baywest City Mall, two large, dominant, early stage retail centres located in Centurion and Port Elizabeth respectively. As part of the transaction, Rebosis also acquired Billion's asset and property management companies, effectively internalising the group's asset management.

ASCENSION PROPERTIES SCHEME OF 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. As detailed on SENS on 27 October 2016, Ascension and Rebosis have concluded an agreement in terms of which Rebosis has given notice of its firm intention to offer to acquire all of the Ascension A ordinary shares that Rebosis does not already own in exchange for Rebosis A ordinary shares, by scheme of arrangement (the "scheme"), on a swap ratio of 19.34236 Rebosis A ordinary consideration shares for every 100 Ascension A shares held.

The proposed transaction will result in an enlarged market capitalisation for Rebosis, with economies of scale and enhanced liquidity. The terms of the Rebosis A ordinary shares effectively mirror the terms of the Ascension A ordinary shares. In addition, the cash-cover ratio applicable to the Rebosis A ordinary shares will be significantly higher than the cash-cover ratio applicable to Ascension A shares. Full details of the scheme will be set out in a joint circular which will be distributed by Rebosis and Ascension to each of the Ascension A shareholders in due course and which will include an independent expert report on the scheme, a notice of the general meeting of Ascension A shareholders to approve the scheme and the salient dates and times applicable to the scheme.

BBBEE

Rebosis is a thought leader and a pioneer in black economic empowerment. Our external asset and property managers are 100% black-owned and black managed. As a listed fund we are rated as a Level 2 contributor, with particular emphasis on the empowerment of women and SMMEs.

At year-end, Rebosis let approximately half a million square meters of office space to government clients, making us the third largest landlord in this market segment. While our BBBEE credentials are understandably central to the value proposition, our differentiator is the quality of our buildings. They are bold, beautiful workspaces which are well maintained and environmentally friendly.



STRATEGIC OUTLOOK

Management is cognisant of the economic headwinds in South Africa. Its focus will be on improving the quality of the group's portfolio and balance sheet through targeted disposals of commercial assets. This will reduce gearing and furthermore, the group will take the opportunity to extend the duration and hedging on debt falling due for refinancing. 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 20 000 m² that are dominant in strategic catchment areas, and on large single-tenanted long-lease large offices of approximately 10 000 m².

Despite low economic growth, lower retail sales and high interest rates, Rebosis will continue to focus on the retail sector as its biggest source of income and growth.

With regards to Ascension, the board is optimistic in being able to consummate the recently announced firm intention to acquire the remaining Ascension A shares. This will simplify the group structure and deliver on the promise of scale benefits.

Operationally, Rebosis will focus on realising the full benefit of the recently acquired Billion assets of Forest Hill City, Baywest Mall and the internalisation of the management and property companies. This will have a full year financial effect on the 2017 financial results.

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.



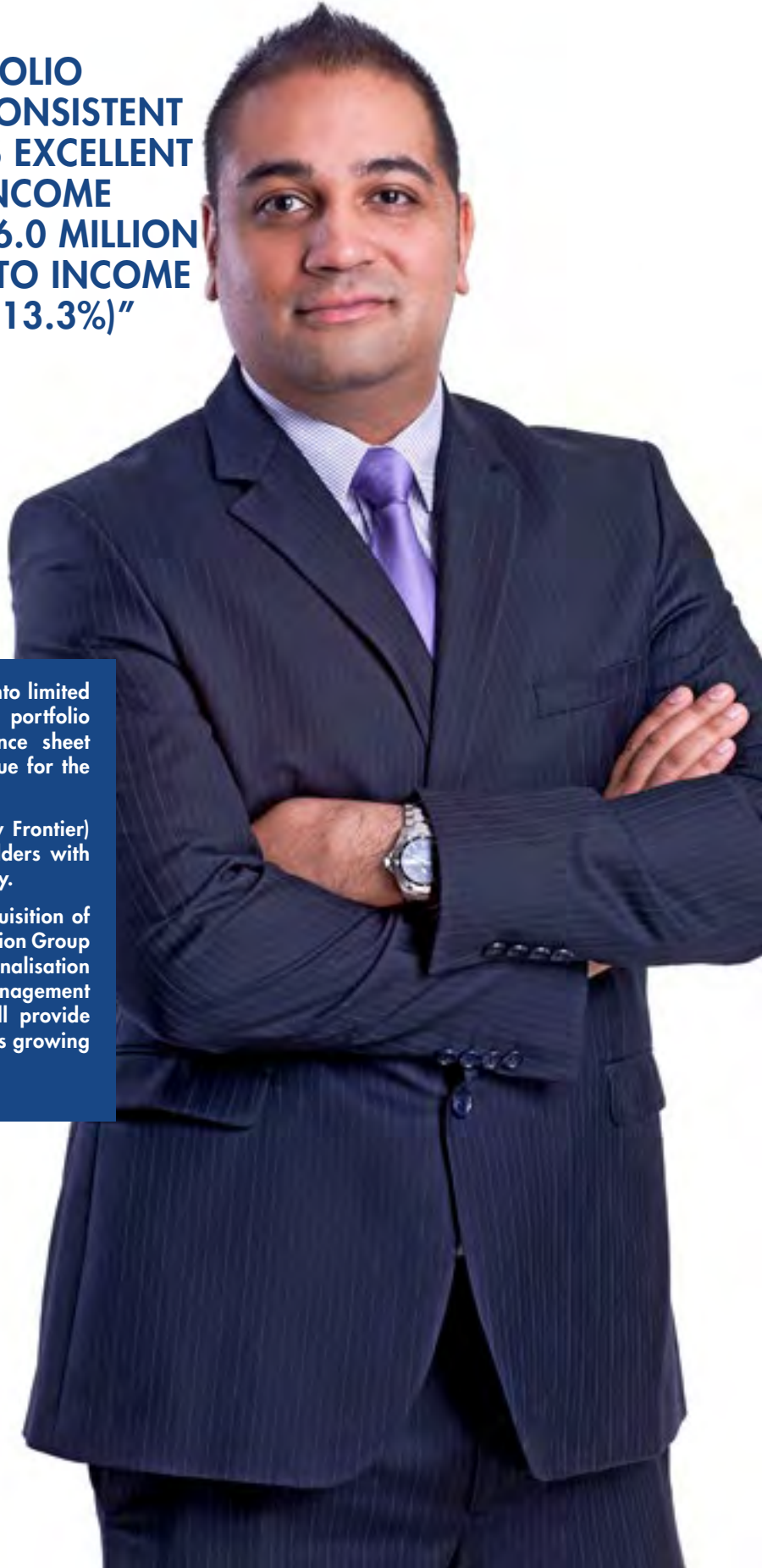
Sisa Ngebulana
Chief Executive Officer
28 February 2017





Chief Financial Officer's Review

“UNDERLYING PORTFOLIO PERFORMANCE IN 2016, CONSISTENT WITH PREVIOUS YEAR, WAS EXCELLENT WITH NET PROPERTY INCOME INCREASING 10.3% TO R666.0 MILLION WITH AN IMPROVED COST TO INCOME RATIO OF 12.5% (2015: 13.3%)”



During the year under review, Rebosis entered into limited acquisitions and rather focussed on the core portfolio growth for shareholders. Key focus on balance sheet metrics remained a priority with the loan-to-value for the company being at 34,7% (48,8% for the group).

The subsidiaries of Rebosis (Ascension and New Frontier) both delivered strong performance for shareholders with 8,8% and 7,0% growth in distribution respectively.

Subsequent to the reporting period end, the acquisition of the two shopping centres previously owned by Billion Group (Baywest Mall and Forest Hill City) as well as internalisation of the property management and asset management businesses was concluded. This transaction will provide great shareholder value with the respective assets growing positively for the fund.

FINANCIAL PERFORMANCE

The Rebosis portfolio performance in 2016, consistent with previous year, was excellent with net property income increasing 10.3% to R666.0 million and operating costs rising by 5.2% to R225.8 million, resulted in an improved cost to income ratio of 12.5% (2015: 13.3%). Weighted yield for the full retail, office and industrial investment portfolio stood at an impressive 8.8% (Ascension and New Frontier were at 9.2% and 6.5% respectively).

At year end, the assets under management were valued at R12.8 billion (2015: R9.8 billion). The value of the group's investment property portfolio was R18.1 billion (2015: 14.5 billion). The effective investment in Ascension and New Frontier was valued at R3.9 billion (2015: R2.7 billion). Vacancies within the Rebosis retail portfolio continued to stabilise during the year under review, ending at 3.1% at year-end (2015: 3.1%) despite adverse impact of the tough macroeconomic environment on key tenants. The Ascension and New Frontier portfolios closed the year with vacancies of 4.6% (2015: 5.8%) and 6.5% (2015: 5.1%) respectively.

AQUISITIONS

During the 2016 financial year, Rebosis only acquired one commercial asset, being the iconic building in Johannesburg CBD, 11 Diagonal Street, for a purchase price of R495 million. The effective date of transfer for this acquisition was May 2016.

The broader group saw New Frontier acquire its third shopping centre in the UK in Blackpool.

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.



Chief Financial Officer's Review (continued)

FUNDING

At year-end the group's borrowings had increased to R9.3 billion (from R7.3 billion a year previously) – an increase that was mostly ascribable to the acquisition of 11 Diagonal Street and the participation of Reboasis in the equity raise by New Frontier to acquire Houndshill Shopping Centre, Blackpool UK.

The weighted average cost of borrowings for the group is 7.2% (8.9% for Reboasis Company). At 31 August 2016 80.7% of the total debt book was hedged. The group's loan-to-value is 48.8% (company 34.7%), calculated as total debt/total assets.

The company has embarked on a number of initiatives that are lined to the secured debt and related hedge profile and currently has an R500 million cross currency swap with Standard Bank. The company continues to focus on efficient debt and related hedge structures in the new financial year.

RISK MANAGEMENT

Management continues to focus its attention on risk management of the investment portfolio profile and effective balance sheet control.

Management consistently reviews risks identified to the business and more so the related financial exposure. This is further reviewed by the internal auditors for consideration to the audit and risk committee. Management introduces a new online risk management tool which has been widely adopted by other REITS in South Africa. This new online capability allows all areas of the business to consistently evaluate risks identified and appropriate mitigating action taken.

The debt expiry position showed improvement in 2016 with the company applying the rule to term all new debt taken out or debt being restructured for a minimum of 3 years, with appropriate debt cover through hedges of 75%.

While the national Department of Public Works accounted for 30% of total rental exposure, no single retail tenant represented more than 3% of total rental income. This year the company's top 10 properties by value accounted for 75% of portfolio net income, down from 80% in the previous year. At an average escalation of 8,0% (7,3% for retail and 8,5% 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.

OUTLOOK

The financial year ending 2016 has delivered strong financial results for shareholders across all three companies that make up the broader group.

Efficient balance sheet management with particular focus on debt levels, cash flow management and investment property remain a priority for us in our day-to-day operations.

The year ahead is certainly set to be an exciting one when considering the subsequent period end acquisitions that took place, of which should contribute in delivering high shareholder value.

Kameel Keshav
Chief Financial Officer
28 February 2017







Transparency & Accountability

ETHICAL LEADERSHIP

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 whistle-blowing 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	<p>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:</p> <ul style="list-style-type: none"> • Assessing and approving strategic plans. • Monitoring operational performance and management. • Determining policies and processes for the group's risk management and internal controls. <p>(The responsibilities of the board are set out in full in this charter, which is set out at www.rebosis.co.za)</p>	
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 (resigned 13 April 2016)	4(3)
	Independent non-executive directors	
	Anna Mokgokong (Chairperson)	4(4)
	Andile Mazwai	4(4)
	Jaco Odendaal	4(4)
	Nomfundo Qangule	4(4)
Thabo Seopa	4(4)	
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 2015	





Corporate Governance

The Reboasis 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 Reboasis, we follow King III in explaining the reasons for our alternative approach.

Reboasis 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 & risk committee	Investment committee	Social & ethics committee	Remuneration committee	Nomination 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 	<p>Assisting the board in setting the company's investment policy</p> <ul style="list-style-type: none"> • 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 	<p>Overseeing the good corporate citizenship of the group on behalf of the board</p>	<p>Recommending to the board executive remuneration packages and policies, as well as the Remuneration Policy for the group as a whole</p>	<p>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</p>



Members And Number Of Meetings/Attendance

Audit and risk committee		Investment committee		Social and ethics committee		Remuneration committee		Nomination* committee	
Thabo Seopa (Acting chair)	6(6)	Andile Mazwai (Chair)	4(4)	Thabo Seopa (Chair)	4(4)	Nomfundo Qangule (Chair)	2(2)	Anna Mokgokong (Chair)	2(2)
Andile Mazwai	6(6)	Sisa Ngebulana (CEO)	4(4)	Sisa Ngebulana (CEO)	4(4)	Andile Mazwai	2(2)		
Nomfundo Qangule	6(6)	Jaco Odendaal	4(4)	Ken Reynolds#	4(3)	Jaco Odendaal	2(2)		
Ken Reynolds#	6(2)	Ken Reynolds#	4(3)			Thabo Seopa	2(2)		

* As at the date of this report, the board has appointed two additional non-executive directors, one of which will also be a member of the Nomination Committee and the other will be appointed as a member of the Audit and Risk Committee. Andile Mazwai has now been appointed as an executive director and Chief Operating Officer.

Ken Reynolds resigned as a director of the company on 13 April 2016

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 (who resigned 13 April 2016), 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.

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, Dr Anna Mokgokong, Andile Mazwai and Thabo Seopa will retire at the upcoming annual general meeting and being eligible, Dr Anna Mokgokong and Thabo Seopa will stand for re-election. Andile Mazwai has now been appointed as executive director and Chief Operating Officer of the company (effective 8 February 2017) and will not 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





Corporate Governance (continued)

BOARD DIVERSITY POLICY

Rebosis recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

The Board's Nomination Committee ('the Committee') reviews and assesses Board composition on an ongoing basis on behalf of the Board and recommends the appointment of new Directors. The Committee also oversees the conduct of the annual review of Board effectiveness.

- In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.
- In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.
- As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, the Committee will consider the balance of skills, experience, independence and knowledge of the company on the Board and the diversity representation of the Board, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness.

The Board will proactively monitor Company performance in meeting the standards and policies outlined in this Policy. At the date of adoption of this Policy, the Board's aim was to ensure that at least 30 per cent of the Board was made up of women by the end of 2017 and for that position to have exceeded to 50 per cent by the end of 2019.

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 unit holder 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, Rebosis 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.





Compliance Framework

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.
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.

Chapter 2: Board And Directors			
	King III principle	Compliance	Comments
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	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. 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.
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.





Compliance Framework (continued)

Chapter 2: Board And Directors			
	King III principle	Compliance	Comments
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 comprised a majority of non-executive directors. A majority of the non-executive directors on the board are independent. Six of the eight directors were non-executive directors, namely Honorary Consul. Dr Anna Mkgokong, Thabo Seopa, Andile Mazwai, Jaco Odendaal, Ken Reynolds (resigned 13 April 2016) and Nomfundo Gangule. All of the above directors are independent non-executive directors with the exception of Ken Reynolds. As at the date of this report, there were two additional independent non-executive directors appointed to the board, effective 8 February 2017. As of that date, Andile Mazwai is an executive director and Chief Operating Officer of the company.
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 and the group.
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. The company has a remuneration policy in place, which includes the review of remuneration, bonuses and increases for the chief executive and employees.





Compliance Framework (continued)

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 unit holders 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 unit holders 	<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



REMUNERATION REPORT

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

Whilst 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 and policies.

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 for a period of two years. The remuneration committee reviews these fees annually and proposes fees to the board for approval.

The Remuneration policy ensures that the remuneration of executive management is fair and responsible in the context of overall employee remuneration and taking into account the wage gap ratio. The board looks beyond financial indicators when identifying performance. This takes into account the different types of capital it uses or affects, and the triple context of the economy, society and the environment.

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

	2016 R'000	2015 R'000	2014 R'000
AM Mazwai	1 132	628	330
ATM Mokgokong	550	555	440
J Odendaal	205	265	230
KL Reynolds ¹	225	295	270
NV Qangule	325	300	270
TSM Seopa	435	370	290
SV Zilwa ²	-	175	370
	2 872	2 345	2 200

¹ Resigned effective 13 April 2016

² Resigned effective 18 March 2015

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

	2016 R'000	2015 R'000	2014 R'000
S M Ngebulana	6 451	6 329	5 856
K Keshav	4 385	3 153	-
JA Finn*	-	628	2 875
	10 836	10 110	8 731

* Resigned effective 30 November 2014

The executive directors' remuneration was paid by Billion Asset Managers, the company's asset manager.



As a **CORPORATE** citizen, Reboasis' has a responsibility *to deliver* value to our stakeholders by not only developing a sustainable property portfolio but also through

SOCIAL

investment programs that have been developed to benefit the **local communities** surrounding our business activities.

By developing sustainable programs *we are able to* ensure

continued sustainable **INVESTMENT**

in various projects and programs *focused on* community development.







Social & Ethics Committee Report

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 comprised of three non-executive directors: Thabo Seopa (Chairman), Nomfundo Quangule and Ken Reynolds (resigned 13 April 2016). Sisa Ngebulana, the Chief Executive, and members of management are invitees. Details of meetings attendance are set out on pages 43 and 45.

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

B-BBEE codes and has an ongoing responsibility to monitor and review all aspects of the company's

B-BBEE 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 60 to 64.

Thabo Seopa
Social and ethics committee chairman



Transformation

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 26.8% BLACK-OWNED, OF WHICH 4.5% 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 13 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:

	Black	White	Total
Male	5	2	7
Female	5	1	6
Total	10	3	13

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 2016, 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”





Health & Safety

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. THE COMPANY IS COMMITTED TO MAINTAINING A WORKING ENVIRONMENT THAT IS FREE FROM ANY DANGER OR HAZARD TO THEIR EMPLOYEES AND THE PUBLIC AND AT ALL TIMES CONSIDERING THE POSSIBLE IMPACT ON THE ENVIRONMENT.

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 Rebosis' executives, has policies in place which accordingly govern health and safety at Rebosis' 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.

The following initiatives which were in progress in 2015, have all been concluded and now deliver value to the company:

- 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. This project includes 11 000 m² of photovoltaic cells and related equipment. The 140kWp (kilowatt peak) produced has consistently provided up to 38% 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.

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.





Social & Human

CONSCIOUS CAPITALISM - REBOSIS PROPERTY FUND AIMS TO BE A BUSINESS THAT FOCUSES ON ITS DEEPER PURPOSE, A BUSINESS THAT INSPIRES, ENGAGES AND ENERGISES ITS STAKEHOLDERS. THIS YEAR, CORPORATE SOCIAL INVESTMENT (CSI) DISBURSED R1.5MILLION (DIRECT AND INDIRECT) TO DESERVING CAUSES.

The Rebosis CSI strategy for 2016 continued to focus on education, infrastructure and skills development.

As part of the Social and Ethics Committee mandate, Rebosis has recognised an overwhelming need to contribute positively to communities surrounding its shopping centres. Rebosis will continue to support education as a key objective to contribute towards a sustainable future for South Africa which is central in the fight to eradicate poverty and to promote economic development in South Africa.

In 2016 our shopping centres were actively engaged in various projects serving our local communities. These projects included, 67 Minutes, winter blanket drives, Stop Hunger S.A., in-centre fund raisers, and donations bringing the Rebosis CSI contribution to just under R1.5million



BURSARIES

In 2016 Rebosis funded four historically disadvantaged undergraduate students studying accounting, property management, entrepreneurship and business science at the universities of Cape Town, Stellenbosch and the Nelson Mandela Metropolitan University. Bursary support amounted varies 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.

COMMUNITY PROJECTS

Projects supported by the group for the reporting year

Name:	Community:	Type:	Summary:
Kidzpositive	Cape Town	Health	Health care services for improving the lives of children and families affected by HIV/AIDS and other chronic diseases.
Stop Hunger SA	Eastern Cape	Distribution of Food	Transformation through education and eradicating child hunger



Operation Hope	Greater Gauteng	Community	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.
Reach for A Dream Foundation	National	Fulfilling Dream	Continue giving hope to children fighting life- threatening illnesses through the fulfilment of their dreams, and to further help as many children facing these illnesses though
Christway	Greater Gauteng	Special Projects	Safe house housing 18 children and destitute children, community centre and other outreach projects.
Scripture Union	Greater Gauteng	Special Projects	Lifeskills and community outreach programs for children and the youth
Field of Dreams	Tshwane	Community	Childrens centre that provides a safe and learner friendly space for children, includes a weekly clinic





Social & Human (continued)

COMMUNITY PROJECTS (continued)

Name:	Community:	Type:	Summary:
Eesterust Association for Community Health	Tshwane	Hospice	Support and palliative care allowing individuals to die with dignity
National Council for Persons with Physical Disabilities	Northern Gauteng	Community	Support and enhance the lives of people with physical disabilities

“TOTAL REBOIS CSI CONTRIBUTIONS OF JUST UNDER R1.5 MILLION TO ORGANISATIONS SUPPORTING EDUCATION, HEALTH, LEADERSHIP AND DEVELOPMENT”



PROJECTS SUPPORTED BY SHOPPING CENTRES

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

HEMINGWAYS MALL LENT ITS SUPPORT TO CHARITABLE PROJECTS AND FUNDRAISING DRIVES TO THE VALUE OF R1 58 735 AS WELL AS PACKING AND DISTRIBUTING R307 000 WORTH OF MEALS FOR STOP HUNGER NOW S.A.



BLOED STREET MALL

BLOED STREET MALL AGAIN LENT ITS SUPPORT TO THE SA NATIONAL BLOOD SERVICE WITH PROMOTIONAL SPACE AND THE LOCAL ORPHANGE DURING MANDELA DAY





Social & Human (continued)

PROJECTS SUPPORTED BY SHOPPING CENTRES (continued)



MDANTSANE CITY

THE MALL SUPPORTED A VARIETY OF CAUSES AIMED AT PROVIDING UPLIFTMENT AND POVERTY RELIEF IN THE LOCAL TOWNSHIP COMMUNITY. SUPPORT WAS IN EXCESS OF R35 000



SUNNYPARK MALL

DESERVING INITIATIVES WITH A VALUE IN BOTH CASH AND KIND. IN EXCESS OF R130 000 IN MONETARY VALUE AND R56 000 IN SPONSORSHIP







During the

ANNUAL

reporting period the following

FINANCIAL

milestones were

recorded in the financial

STATEMENTS

of Reboasis. Further highlighting Reboasis' commitment to ensuring a

low-risk high growth

fund that is sustainable.

DANTSAN
CITY



Directors' Responsibility and Approval

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 company, 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 and company's cash flow forecast for the 12 months to 31 August 2017 and, in the light of this review and the current financial position, they are satisfied that the group and company 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 and company's financial statements. The financial statements have been examined by the group's external auditors and their report is presented on page 73.

Approval of the Annual Financial Statements

The annual financial statements were approved by the board on 28 February 2017 and are signed on its behalf by:

Dr Anna Mokgokong
Chairperson

Sisa Ngebulana
Chief Executive Officer

28 February 2017

Certificate by Company Secretary

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 2016, Rebois 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

28 February 2017





Audit and Risk Committee Report

The information below constitutes the report of the Audit and Risk Committee ("the 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 45.

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 2016.

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 2016.

The Committee has nominated, for election at the annual general meeting, Grant Thornton Johannesburg Partnership as the external audit firm and Michelle da Costa as the designated auditor responsible for performing the functions of auditor for the 2017 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.





Audit and Risk Committee Report

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.

The group's annual financial statements for the year ended 31 August 2015 were selected and went through a review process by the JSE Limited in terms of their ongoing pro-active monitoring of the financial statements for compliance with IFRS. Arising from this review, certain items relating to the 2015 results were restated (refer to note 35). The Committee remains committed to principles of effective and efficient corporate governance including overseeing responsibilities in relation to the company's financial reporting processes. This extends to the general principles of the JSE Limited Listings Requirements and to the reports issued by the JSE Limited on pro-active monitoring of financial statements. The board and executive management is committed to observing the highest standard of care in processes involving the dissemination of information. The Committee intends on putting in place additional processes to strengthen the financial reporting processes of the group.

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 Chairperson of the Audit and Risk Committee

28 February 2017

Independent auditor's report

To the Shareholders of Reboxis Property Fund Limited

Report on the Financial Statements

We have audited the consolidated and separate financial statements of Reboxis Property Fund Limited set out on pages 78 to 121, which comprise the statements of financial position as at 31 August 2016, 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 Reboxis Property Fund Limited as at 31 August 2016, 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.

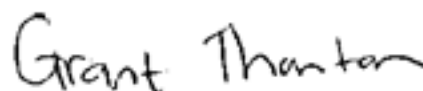
Other Reports Required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 31 August 2016, we have read the Directors' Report, Audit and Risk Committee's Report and Company Secretary's Certificate 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.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Grant Thornton Johannesburg Partnership has been the auditor of Reboxis Property Fund Limited for 6 years.



GRANT THORNTON JOHANNESBURG PARTNERSHIP

Registered Auditors
Practice Number: 903485E

MA da Costa

Partner
Registered Auditor
Chartered Accountant (SA)

28 February 2017

@Grant Thornton
Wanderers Office Park
52 Corlett Drive
Illovo, 2196





Directors' report

for the year ended 31 August 2016

The board has pleasure in submitting their directors' report for the year ended 31 August 2016.

Nature of Business

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

The company's portfolio, valued at R8,745 billion, comprises 20 quality grade retail, commercial and industrial properties located in Gauteng, the Eastern Cape, KwaZulu-Natal and Northwest Province. 4 of these properties were classified as investment property held for sale as at 31 August 2016 and these were valued at R997 million as of this date.

The group portfolio, valued at R18,153 billion, comprises 51 properties located across South Africa, with three properties in the UK. 7 of these properties were classified as investment property held for sale as at 31 August 2016 and these were valued at R1,156 billion as of this date.

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 78 to 121.

Share Capital (Shares in Issue)

During the year under review, Rebosis issued the following shares (under the general authority to issue shares for cash):

- 19 323 671 shares issued on 15 September 2015 for R10.35 per share
- 5 482 647 shares issued on 21 September 2015 for R10.65 per share
- 13 611 366 shares issued on 20 May 2016 for R10.91 per share

The company's authorised share capital comprises of 5 000 000 000 ordinary shares of no par value. Refer to note 13 for a reconciliation of the shares issued during the 2016 financial year.

Dividends and Interest Distributions

The following dividends were paid during the year under review:

- Dividend number 11 of 56,79 cents per share for the six months ended 29 February 2016
- Dividend number 12 of 62,66 cents per share for the six months ended 31 August 2016

The total dividend/distribution per share for the year ended 31 August 2016, is 119,45 cents per share. Refer to note 30 for the detailed analysis.

Rebosis uses dividend per share as the key measure of financial performance for trading statement purposes.

Directorate

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

K Keshav (CFO)[^]

AM Mazwai*

ATM Mokgokong (Chairperson)

SM Ngebulana (CEO)[^]

WJ Odendaal

NV Qangule

KL Reynolds+

GFvL Froneman#

MM Mdlolo#

TSM Seopa

[^] Executive

* Appointed as Chief Operating Officer and executive director of Rebosis effective 8 February 2017

Appointed as independent non-executive directors effective 8 February 2017

+ Resigned effective 13 April 2016

The number of board and committee meetings attended by each of the directors during the year is tabled in the Corporate Governance Report pages 44 to 47.

Directors' Interests

The interests of the directors in the shares of the company at 31 August 2016 were as follows:

	Beneficial		Total
	Direct	Indirect	
Executive directors			
SM Ngebulana	–	22 529 268	22 529 268
K Keshav	–	–	–
Non-executive directors			
AM Mazwai	–	428 115	428 115
ATM Mokgokong	–	–	–
WJ Odendaal	–	–	–
NV Qangule	–	–	–
KL Reynolds*	37 238	–	37 238
TSM Seopa	–	–	–
	37 238	22 957 383	22 994 621

* Resigned effective 13 April 2016

The following changes to the interest of directors took place between year-end and the date of approval of the annual financial statements:

- Billion Group (Pty) Ltd, an associate of SM Ngebulana, acquired 17 940 854 shares in Rebosis.
- MCM Veritas (Pty) Ltd, an associate of AM Mazwai, sold its 428 115 shares held in Rebosis.

As at 31 August 2015 the interests of the directors in the shares of the company 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

* Appointed effective 1 December 2014

** Resigned effective 30 November 2014

*** Resigned effective 18 March 2015





Directors' report

for the year ended 31 August 2016

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 Reboasis. The fee payable by Reboasis 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 Reboasis.

SM Ngebulana is a beneficiary of The Amatolo Family Trust which owns 3,46% of the shares in Reboasis.

Property management

Billion Property Services Proprietary Limited ("BPS"), a company owned by The Amatolo Family Trust, are appointed as property managers of Reboasis. The fee payable by Reboasis 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.

Development services

Billion Group Proprietary Limited ("BPG"), a company owned by The Amatolo Family Trust, are responsible for the development of Reboasis and Ascension properties. The agreements in place provide for a fee due where development projects are not completed on time.

Subsequent Events

Acquisition of Shopping Centres and Property Businesses

With effect from 3 October 2016, Reboasis acquired 100% of Billion Property Developments (Pty) Ltd ("BPD" which owns Forest Hill City Mall (Centurion)), Baywest City Mall (Pty) Ltd ("Baywest" which owns Baywest City Mall), Billion Asset Managers (Pty) Ltd (the asset management business) and Billion Property Services (Pty) Ltd (the property services business) for a total consideration of R4,9 billion. The transaction as further detailed in the circular posted to Reboasis shareholders on 2 September 2016, has been successfully consummated with Reboasis receiving 88% of the vote in favour of all resolutions proposed for the transaction. The acquisition price of R4,9 billion will be settled by new debt facilities of R3,7 billion and an equity raise of R1,2 billion (of which R700 million is deferred over the next two years at R350 million each year). R1,5 billion of this debt will be settled through the disposals of non-core commercial assets. On 15 December 2016, Reboasis issued 49 840 696 shares at a price of R10.71 per share, pursuant to the claw-back agreement entered into.

Refer to note 36 for additional disclosures.

Firm intention by Reboasis to make an offer to acquire 100% shares of Ascension that it does not already own

As detailed on SENS on 27 October 2016 and 6 February 2017, Ascension and Reboasis have concluded an agreement in terms of which Reboasis has given notice of its firm intention to offer to acquire all of the Ascension A ordinary shares in exchange for Reboasis A ordinary shares, by scheme of arrangement (the "scheme"), on a swap ratio of 19.34236 Reboasis A ordinary consideration shares for every 100 Ascension A shares held.

On 7 February 2017, Reboasis disposed of 28 001 628 Ascension A ordinary shares, being all of the Ascension A shares Reboasis owns ("the disposed shares") to Meago Asset Managers Proprietary Limited at R4.05 per share, payable in cash, for an aggregate consideration of R1 13.4 million. Upon the implementation of the A share scheme, the Ascension A shares will be delisted and Reboasis, as offeror, will not receive any Reboasis A ordinary shares but will instead acquire all of Ascension A shares.

Full details of the scheme will be set out in a joint circular which will be distributed by Reboasis and Ascension to each of the Ascension A shareholders in due course and which will include an independent expert report on the scheme, a notice of the general meeting of Ascension A shareholders to approve the scheme and the salient dates and times applicable to the scheme.

Disposal of Assets

Disposal of assets continue for the R1.5 billion indicated to shareholders of which R1.156 billion (this includes Ascension disposals) has been formally committed to and announced on SENS. Further offers have been received and are being considered and negotiated with the potential buyers on the remaining R0.5bn by management. The R1.156 billion of assets committed through sale agreements have been classified as assets held for sale on the statement of financial position.

Dividend Declared

The company declared a dividend amounting to R339 555 999 (62,66 cents per share) on 7 November 2016.

Shares Issued

On 20 October 2016, Rebosis issued 14 270 270 shares, under general authority to issue shares for cash, for R11.10 per share.

On 13 December 2016, Rebosis issued 49 840 696 shares for R10.71 per share pursuant to the claw-back offer for shares, following the conclusion of the Billion transaction.

On 19 January 2017, Rebosis issued 9 897 292 shares for R10.71 per share pursuant to the compulsory reinvestment requirement of shares, following the conclusion of the Billion transaction.

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 will have 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 122 of the annual report.

Executive Directors' Service Contracts

The executive directors' did not have service contracts with the company. With effect from 1 November 2016, the executive directors' service contracts were transferred to Rebosis. A three month notice period is required by the Chief Executive Officer, Sisa Ngebulana while the Chief Financial Officer, 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. With effect from 1 November 2016, Mande Ndema is an employee of Rebosis, previously an employee of Billion Asset Managers Proprietary Limited.

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

Restatement of Annual Financial Statements

The annual financial statements of the group and company have been restated in accordance with the outcome of the JSE Limited pro-active monitoring review. Refer to note 35 for details of the restatements.

By order of the board



Sisa Ngebulana

Fourways
28 February 2017



Kameel Keshav





Statements of Financial Position

As at 31 August 2016

	Note	GROUP		COMPANY	
		2016 R000	2015 R000 Restated	2016 R000	2015 R000 Restated
ASSETS					
Non-current assets		17 383 410	14 905 355	11 937 055	9 968 630
Investment property		16 996 072	14 555 401	7 747 500	7 038 700
Fair value of property portfolio for accounting purposes	3	16 658 903	14 192 446	7 531 074	6 792 149
Straight line rental income accrual	4	337 169	362 955	216 426	246 551
Loans to group companies	6	-	-	1 946 001	1 179 999
Investment in subsidiaries	7	-	-	2 076 785	1 643 730
Goodwill	8	315 906	331 775	95 703	95 703
Derivative instruments	9	70 852	17 671	70 852	10 071
Property, plant and equipment	10	580	508	214	427
Current assets		561 798	337 196	278 718	113 890
Short-term portion of derivatives	9	23 486	-	21 822	-
Trade and other receivables	11	309 233	162 373	125 538	57 619
Cash and cash equivalents	12	229 079	174 823	131 358	56 271
Investment properties held for sale	5	1 156 698	-	997 498	-
Total assets		19 101 906	15 242 551	13 213 271	10 082 520
EQUITY AND LIABILITIES					
Equity		9 462 284	7 777 196	8 539 748	6 400 083
Stated capital	13	5 590 410	5 219 879	5 615 055	5 219 879
Retained income		2 179 569	870 206	2 924 693	1 180 204
Foreign currency translation reserve		(73 805)	109 757	-	-
Total equity attributable to equity holders of the Parent		7 696 174	6 199 842	8 539 748	6 400 083
Non-controlling interests		1 766 110	1 577 354	-	-
Liabilities		8 170 604	5 372 421	3 907 273	1 840 171
Interest bearing borrowings	14	8 052 484	5 370 741	3 907 273	1 839 015
Derivative instruments	9	118 120	1 156	-	1 156
Deferred taxation	15	-	524	-	-
Current liabilities		1 469 018	2 092 934	766 250	1 842 266
Short term portion of interest bearing borrowings	14	1 223 203	1 893 700	670 241	1 757 152
Trade and other payables	16	244 347	191 371	96 009	85 114
Tax payable		1 468	7 863	-	-
Total equity and liabilities		19 101 906	15 242 551	13 213 271	10 082 520

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 August 2016

	Note	GROUP		COMPANY	
		Year ended 31 Aug 2016 R000	Year ended 31 Aug 2015 R000 Restated	Year ended 31 Aug 2016 R000	Year ended 31 Aug 2015 R000 Restated
REVENUE					
Property portfolio		1 809 981	1 009 880	1 040 971	910 256
Contractual rental income		1 835 767	896 124	867 646	796 500
Listed property securities and related income		-	60 262	203 450	60 262
Straight line rental income accrual		(25 786)	53 494	(30 125)	53 494
Net income from facilities management		23 109	21 051	23 109	21 051
Asset management fee income		-	18 891	16 609	14 679
Sundry income		2 206	1 707	1 123	941
Total revenue		1 835 296	1 051 529	1 081 812	946 927
Operating costs		(430 688)	(226 735)	(225 805)	(214 680)
Administration costs		(153 115)	(111 831)	(46 452)	(33 405)
Net operating profit	17	1 251 493	712 963	809 555	698 842
Gain on bargain purchase		-	53 756	-	-
Changes in fair values	19	1 183 454	136 935	1 647 129	442 810
Profit from operations		2 434 947	903 654	2 456 684	1 141 652
Net finance charges	20	(561 864)	(282 078)	(314 611)	(222 304)
Finance charges - secured loans		(606 614)	(289 587)	(357 403)	(265 208)
Interest received - other		44 750	7 509	42 792	42 904
Profit before debenture interest and taxation		1 873 083	621 576	2 142 073	919 348
Debenture interest		-	(346 811)	-	(346 811)
Profit before taxation		1 873 083	274 765	2 142 073	572 537
Taxation	21	1 104	(13 499)	-	-
Profit for the year		1 874 187	261 266	2 142 073	572 537
Profit from discontinued operations		-	1 009	-	-
Profit for the year		1 874 187	262 275	2 142 073	572 537
Other comprehensive income					
Items that may be recycled to profit and loss					
Foreign currency translation reserve		(217 000)	177 226	-	-
Total comprehensive income		1 657 187	439 501	2 142 073	572 537
Profit attributable to:					
Owners of the parent		1 706 946	262 539	2 142 073	572 537
Non-controlling interests		167 241	(264)	-	-
Profit for the year		1 874 187	262 275	2 142 073	572 537
Total comprehensive income attributable to:					
Owners of the parent		1 523 384	372 296	2 142 073	572 537
Non-controlling interests		133 803	67 205	-	-
Total comprehensive income for the year		1 657 187	439 501	2 142 073	572 537
Basic and diluted earnings per share (cents)	22	329.68	61.92		
Dividend per share (cents)	30	119.45	110.4		





Statements of Cash Flows

for the year ended 31 August 2016

	Note	GROUP		COMPANY	
		Year ended 31 Aug 2016 R000	Year ended 31 Aug 2015 Restated R000	Year ended 31 Aug 2016 R000	Year ended 31 Aug 2015 Restated R000
Net cash generated from/(utilised in) operating activities		47 077	(163 643)	66 626	(121 547)
Cash generated from operations	23	1 187 234	715 917	786 467	698 239
Debt interest paid		-	(432 567)	-	(432 567)
Dividend paid		(547 610)	(171 155)	(397 584)	(171 155)
Taxation paid		(23 767)	-	-	-
Net finance charges paid		(568 780)	(275 838)	(322 257)	(216 064)
Net cash utilised in investing activities		(965 201)	(850 332)	(1 373 550)	(1 255 214)
Acquisition of investment property		(502 604)	-	(495 000)	-
Capital expenditure, tenant installations and lease commissions		(203 800)	(74 726)	(112 549)	(74 726)
Acquisition of businesses, net of cash acquired	31	(238 728)	(775 117)	-	-
Acquisition of listed securities and investments		(24 644)	-	-	-
Loan to subsidiaries		-	-	(766 001)	(1 179 999)
Proceeds from disposal of investment property		5 000	-	-	-
Acquisition of property, plant and equipment		(425)	(489)	-	(489)
Net cash generated from financing activities		917 164	1 127 453	1 382 011	1 384 420
Proceeds from issue of shares		518 949	752 791	406 205	752 791
Share buy back program		(11 029)	-	(11 029)	-
Increase in secured financial liabilities		409 244	79 313	986 835	631 629
Proceeds from non-controlling shareholders		-	295 349	-	-
Net movement in cash and cash equivalents		(960)	113 478	75 087	7 659
Effect of translation		55 216	12 495	-	-
Cash and cash equivalents at the beginning of the year		174 823	48 850	56 271	48 612
Cash and cash equivalents at the end of the year	12	229 079	174 823	131 358	56 271

Statements of Changes in Equity

for the year ended 31 August 2016

Attributable to equity holders of the Parent							
GROUP	Note	Stated capital R'000	Retained income R'000	Foreign currency translation reserve R'000	Total R'000	Non-controlling interests R'000	Total R'000
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*	35	3 251 209			3 251 209		3 251 209
Acquisition of New Frontier Limited*				-	-	566 367	566 367
Acquisition of Ascension Properties Limited						943 782	943 782
Dividend paid*	35		(171 155)		(171 155)		(171 155)
Total comprehensive income for the year		-	262 539	109 757	372 296	67 205	439 501
Profit for the year*	35		262 539		262 539	(264)	262 275
Other comprehensive income							-
Foreign currency translation reserve				109 757	109 757	67 469	177 226
Balance at 31 August 2015 (Restated)		5 219 879	870 206	109 757	6 199 842	1 577 354	7 777 196
Issue of shares		406 205			406 205		406 205
Shares bought back		(11 029)			(11 029)		(11 029)
Acquisition of additional New Frontier shares						186 513	186 513
Treasury shares		(24 645)			(24 645)		(24 645)
Dividend paid			(397 584)		(397 584)	(131 560)	(529 144)
Total comprehensive income for the year		-	1 706 946	(183 562)	1 523 384	133 803	1 657 188
Profit for the year			1 706 946		1 706 946	167 241	1 874 188
Other comprehensive income							-
Foreign currency translation reserve				(183 562)	(183 562)	(33 438)	(217 000)
Balance at 31 August 2016		5 590 410	2 179 568	(73 805)	7 696 173	1 766 110	9 462 284

COMPANY	Note	Stated capital R000	Retained income R000	Total R000
Balance at 31 August 2014		1 053 732	778 822	1 832 554
Issue of shares		914 938		914 938
Capital structure conversion*	35	3 251 209		3 251 209
Dividend paid*	35		(171 155)	(171 155)
Total comprehensive income for the year*	35		572 537	572 537
Balance at 31 August 2015 (Restated)		5 219 879	1 180 204	6 400 083
Issue of shares		406 205		406 205
Shares bought back		(11 029)		(11 029)
Dividend paid			(397 584)	(397 584)
Total comprehensive income for the year			2 142 073	2 142 073
Balance at 31 August 2016		5 615 055	2 924 693	8 539 748

* Restated - refer to note 35 for details.



Accounting Policies

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 under the supervision of K Keshav CA (SA) in his capacity as Chief Financial Officer.

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.

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 1.14

The prior year financial statements have been restated. Refer to note 35.

1.1 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 2016. 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 measures the NCI in the acquiree at the fair value 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 the ability to control the financial and operating activities so as to obtain benefit from the activities. 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 through profit and loss.

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.

1.2 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 costs. 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.

- **Trade and other receivables**

Trade and other receivable 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 allowance is 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.

- **Loans to/(from) group companies**

These include loans to and from subsidiaries and related parties. Loans to Group companies are classified as loans and receivables. Loans from Group companies are classified as financial liabilities measured at amortised cost.

Financial liabilities

- **Interest-bearing borrowings**

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

- **Trade and other payables**

Trade and other payables are 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 group 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, interest rate cap and cross currency swap instruments. The fair value of each instrument is the estimated amount that the entity would receive or pay to terminate the swap or cap at the reporting date, taking into account current interest rates, exchange rates and the current creditworthiness of the counterparties.





Accounting Policies

1.3 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.

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 is 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, 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.

1.4 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 profit and loss in period to which it relates.

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

1.5 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies.

Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

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 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.

1.8 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.

(e) Asset management income

Asset management income is recognised on the rendering of services.

1.9 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.

1.10 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.

1.11 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.

1.12 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. Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker.

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





Accounting Policies

1.13 Foreign currency

1.13.1 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.

1.13.2 Foreign operations

Exchange differences arising from the translation of the net investment in foreign operations are taken to the foreign currency translation reserve ("FCTR"). They are released 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.

1.14 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 1.3, 1.4, 1.6 and 1.7
- Investment property valuation – note 3
- Fair value of investment in subsidiaries – note 7
- Goodwill – note 8
- Impairment of receivables – note 11

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

1.14.1 Acquisition of investment properties

Properties can be acquired through the corporate acquisition of a subsidiary company or an outright acquisition of the asset. At the time of the acquisition, the group considers whether the acquisition represents the acquisition of an asset or a group of assets or a business combination within the scope of IFRS 3: Business Combinations.

The group accounts for the acquisition via a business combination where an integrated set of activities are acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and the extent of ancillary services provided by the subsidiary. Where the acquisition does not represent a business, it accounts for it as an acquisition of a group of assets and liabilities. The costs of acquisition are allocated to the assets and liabilities acquired based on their relative fair value and no goodwill or deferred tax is recognised.

On 23 September 2015 the group acquired Houdshell Shopping Centre in Blackpool, UK by acquiring the whole of the issued share capital in BCC Eiffel S.a.r.l Based on management's judgement this was determined to be a business combination within the scope of IFR 3: Business Combinations.

On 20 May 2016 the group acquired 11 Diagonal Street building and its parkade. This was treated as an asset acquisition in terms of IAS 40: Investment Property, as the directors believe that there were no adequate processes identified with this property to warrant classification as businesses.

1.14.2 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.

On 21 October 2016 the subsidiary, New Frontiers Properties Limited, converted to a REIT for UK tax purposes and as such the group was no longer required to pay tax provided the group continues to fulfil the conditions of being a REIT. No further deferred tax was raised.

1.14.3 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arms length basis. The quoted market price used for financial assets held by the group is the current bid price. The instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group or similar financial instruments.

Investment property is carried at fair value which is categorised as level 3. Specific valuation techniques used to value the investment property have been disclosed in note 3.

Investment in subsidiaries is carried at fair and is categorised as level 1 and level 2 depending on the whether there is a direct investment in a quoted instrument. The specific valuation techniques has been disclosed in note 7.

Refer to note 29 for the fair value heirarchy.

1.14.4 Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the group's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the group's view of possible near-term market changes that cannot be predicted with any certainty.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

There were no new standards and interpretations which had a material impact to the group, which became effective and were adopted in the current year.

2.2 Standards and interpretations 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 7 – Financial Instruments: Disclosures (Amendments)

The objective of the amendments was to provide additional guidance to help entities identify the circumstances under which a servicing contract is considered to be "continuing involvement" for the purposes of applying the disclosure requirements in paragraphs 42E to 42H of IFRS 7. Such circumstances commonly arise when, for example, the servicing fee is dependent on the amount or timing of the cash flows collected from the transferred financial asset or when a fixed fee is not paid in full due to non-performance of that asset.

The amendments also seek to clarify that the additional disclosure required by the recent amendments to IFRS 7 – Disclosure – Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with IAS 34 – Interim Financial Reporting when its inclusion would be necessary in order to meet the general principles of IAS 34.

The effective date of the standard is for years beginning on or after 1 July 2016.

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

No material effect of adoption is anticipated.





Accounting Policies

2.1 Standards and interpretations not yet effective (continued)

IFRS 9 – Financial Instruments

IFRS 9 – Financial Instruments (2014) replaces IAS 39 – Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment Hedge Accounting and Derecognition.

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

The standard will be adopted by the group for the first time for its financial reporting period ending 31 August 2019.

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

IFRS 15 – Revenue from Contracts with Customers

The standard provides new 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 those goods or services.

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

The standard will be adopted by the group for the first time for its financial reporting period ending 31 August 2019.

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

IFRS 16 – Leases

IFRS 16 will require lessees to account for leases “on-balance sheet” by recognising a “right-of-use” asset and a lease liability. IFRS 16 also:

- Changes the definition of a lease.
- Sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods.
- Provides exemptions for short-term leases and leases of low value assets.
- Changes the accounting for sale and leaseback arrangements.
- Largely retains IAS 17’s approach to lessor accounting.
- Introduces new disclosure requirements.

The effective date of the standard is for years beginning on or after 1 January 2019.

The standard will be adopted by the group for the first time for its financial reporting period ending 31 August 2020.

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

2.1 Standards and interpretations not yet effective (continued)

IAS 1 – Presentation of Financial Statements

The amendments seek to clarify IAS 1's specified line items on the statements of profit and loss and other comprehensive income and the statement of financial position can be disaggregated.

The amendments contain additional requirements of how entities should present subtotals in the statements of profit or loss and other comprehensive income and the statement of financial position.

The amendments also provide clarity that entities have flexibility as to the order in which they present their notes to the financial statements, but also emphasising the need to consider fundamental principles of comparability and understandability in determining the order.

The effective date of the standard is for years beginning on or after 1 January 2016.

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

The standard is not expected to have a material impact on the results of the group.

IAS 7 – Statement of Cash Flows

The amendment requires entities to disclose information about changes in their financing liabilities. The additional disclosures will help investors to evaluate changes in liabilities arising from financing activities, including changes from cash flows and noncash changes (such as foreign exchange gains or losses).

The effective date of the standard is for years beginning on or after 1 January 2017.

The standard will be adopted by the group for the first time for its financial reporting period ending 31 August 2018.

The standard is not expected to have a material impact on the results of the group.

IAS 34 – Interim Financial Reporting

The amendments to the standard seek to clarify the meaning of disclosure of information elsewhere in the interim financial report and require the inclusion of a cross-reference from the interim financial statements to the location of this information. The amendments specify that this information must be available to users of the interim financial statements on the same terms as the interim financial statements and at the same time, or the interim financial statements will be incomplete.

The effective date of the standard is for years beginning on or after 1 July 2016.

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

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





Notes to the Annual Financial Statements

for the year ended 31 August 2016

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
3. Investment property				
Net carrying value				
Cost	14 132 643	12 895 729	5 625 787	6 019 331
Fair value surplus	2 526 260	1 296 717	1 905 287	772 818
	16 658 903	14 192 446	7 531 074	6 792 149
Movement for the year				
Investment properties at the beginning of year	14 192 446	6 662 943	6 792 149	6 662 943
Acquisitions	502 604	-	495 000	-
Disposal	(5 000)	-	-	-
Acquired through business combination (refer note 31)	2 081 868	6 942 113	-	-
Disposed of on disposal of subsidiary	-	(21 054)	-	-
Change in fair value	1 207 791	133 508	1 102 344	110 626
Effect of translation	(395 200)	455 845	-	-
Tenant incentives within receivables	5 034	511	-	-
Transferred to Non-current assets held for sale	(1 156 698)	-	(997 498)	-
Straight line rental income accrual	25 786	(53 494)	30 125	(53 494)
Borrowing costs capitalised	23 911	-	7 778	-
Capital expenditure, tenant installations and lease commissions	176 361	72 074	101 176	72 074
- Capitalised	184 150	74 726	104 771	74 726
- Amortised	(7 789)	(2 652)	(3 595)	(2 652)
Balance at the end of the year	16 658 903	14 192 446	7 531 074	6 792 149
Reconciliation to independent valuation				
Investment properties at valuation	16 658 903	14 192 446	7 531 074	6 792 149
Straight line lease accrual	337 169	362 955	216 426	246 551
	16 996 072	14 555 401	7 747 500	7 038 700

Full details of investment properties owned by the group are disclosed on pages 9 to 20 of the annual report.

3.1 Investment property valuation

Valuation process

In terms of company policy, the portfolio is valued annually by independent valuers. More than one independent valuer may be used to provide the valuation. As at 31 August, all properties are reflected at fair value.

The portfolio was valued at R16,996 billion (2015: R14,555 billion) for the group and R7,747 billion (2015: R7,038 billion) for the company at 31 August 2016.

Valuer and qualifications

Mills Fitchet, led by Mike Gibbons, was responsible for the valuation of the South African retail portfolio. Mr Yusuf Vahed (Professional Associated Valuer) of LDM Valuers valued 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 valuers work independently of each other and their valuations are combined to arrive at the value of the full portfolio.

The significant inputs and assumptions in respect of the valuation process are developed in close consultation with management. The valuation process and fair value changes are reviewed by the audit committee and the board of directors at each reporting date. The directors confirm that there have been no material changes to the assumptions applied by the registered valuers.

3.1 Investment property valuation (continued)

The most significant inputs to the valuation process, all of which are unobservable, are the estimated rentals at the end of the lease, assumptions regarding vacancy levels (based on current and expected future market conditions), the discount rate, the capitalisation rate and terminal value taking into account rental and maintenance projections. The estimated fair value increases if: the estimated rental increases, vacancy levels decline or if discount rates (market yields) and reversionary capitalisation rates decline.

The valuations were based on the discounted cash flow methodology applying appropriate capitalisation rates of between 6% to 11% to the properties resulting in an average capitalisation rate of 8,7% for the South African portfolio and 6.22% for the UK portfolio.

As at 31 August 2016, investment properties and related information have been ranked as per the fair value hierarchy set out in note 29.

Capital commitments are set out in note 24.

Changes in discount rates attributable to changes in market conditions can have a significant impact on property valuations.

3.2 Key judgements on measurement

Whilst the outcome of the UK referendum vote on 23 June 2016 has created a period of uncertainty in relation to many factors that impact the property investment and letting markets, its timing was such that it has not been possible for the valuers to gauge its impact on values at 31 August 2016 by reference to transactions in the market. Consequently, Colliers International Valuation UK LLP has advised that the probability that the valuation would exactly coincide with the price achieved, were there to be a sale, has reduced. This situation is likely to remain until the number and consistency of comparable transactions in the market increases, particularly in the UK. Having consulted with Colliers International Valuation UK LLP subsequent to the period end, the Directors believe it is appropriate to adopt the valuations when preparing these financial statements.

3.3 Investment property pledged as security

Investment property valued at R17,153 billion (including investment property held for sale) has been pledged as security for facilities of R9,275 billion from Nedbank Corporate (a division of Nedbank Limited), Investec Bank Limited, Standard Bank Limited, HSBC Bank Plc and Deutsche Pfandbriefbank AG.

3.4 Sensitivity Analysis

Changes to the rates attributable to changes in market conditions can have a significant impact on property valuations. A 50 basis point increase in the capitalisation rate will decrease the value of the investment property by R714.9 million for the South African portfolio and R398.7 million for UK portfolio. A 50 basis point decrease in the capitalisation rate will increase the value of the investment property by R805.2 million for the South African portfolio and R470.1 million for the UK portfolio.

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
4. Straight line rental income accrual				
Balance at the beginning of the year	362 955	193 057	246 551	193 057
Movement for the year	(25 786)	53 494	(30 125)	53 494
Acquired through business combination	-	116 404	-	-
Balance at the end of the year	337 169	362 955	216 426	246 551
5. Investment properties held for sale				
At 31 August 2016, Property held for sale	1 156 698	-	997 498	-

Subject to certain conditions precedent, management concluded agreements of sale to dispose the followings properties: 28 Harisson (Rebosis), 124 Main (Rebosis), 64 Eloff (Rebosis), Antalis (Rebosis), Nedbank (Ascension), Matrix (Ascension), and Bergstan (Ascension).

It is expected that the purchasers will take transfer of the properties within the next 12 months.

At 31 August 2016 these properties are held at a fair value of R1,16 billion (group) and R997 million (company). The disposals are part of the Rebosis long-term strategy to become a more retail focused fund.





Notes to the Annual Financial Statements

for the year ended 31 August 2016

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
6. Loans to group companies				
Subsidiaries				
Clyroplex Proprietary Limited	-	-	264 407	149 999
Delficraft Proprietary Limited	-	-	278 051	170 000
Delfiflo Proprietary Limited	-	-	278 051	170 000
Delfisat Proprietary Limited	-	-	278 051	170 000
Delfiwiz Proprietary Limited	-	-	278 051	170 000
Delfitime Proprietary Limited	-	-	275 339	180 000
Lesasign Proprietary Limited	-	-	278 051	170 000
Dalolex Proprietary Limited	-	-	8 000	-
Ascension Properties Limited	-	-	8 000	-
	-	-	1 946 001	1 179 999
Movement in loans to group companies:				
Balance at beginning of year	-	-	1 179 999	-
Loans advanced	-	-	766 002	1 179 999
Balance at end of year	-	-	1 946 001	1 179 999

The loans are unsecured, bear no 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 as all distributable income earned by the subsidiaries are distributed to the holding company by way of dividends in lieu of interest income.

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
7. Investment in subsidiaries				
100% interest in Clyroplex Proprietary Limited*	-	-	101 827	39 856
100% interest in Delficraft Proprietary Limited*	-	-	108 200	45 170
100% interest in Delfiflo Proprietary Limited*	-	-	108 200	45 170
100% interest in Delfisat Proprietary Limited*	-	-	108 200	45 170
100% interest in Delfiwiz Proprietary Limited*	-	-	108 197	45 167
100% interest in Delfitime Proprietary Limited*	-	-	108 208	47 827
100% interest in Lesasign Proprietary Limited*	-	-	108 200	45 169
59% interest in Ascension Properties Limited	-	-	1 138 237	1 164 973
100% interest in Ascension Property Management Company Proprietary Limited**	-	-	187 516	165 228
100% interest in Dalolex Proprietary Limited*	-	-	-	-
	-	-	2 076 785	1 643 730
Movement in investment in subsidiaries				
Balance at beginning of year	-	-	1 643 730	150 000
Additional investment	-	-	882	1 164 980
Fair value increase in investments	-	-	432 173	328 750
Balance at end of year	-	-	2 076 785	1 643 730

The investments in subsidiaries are carried at fair value.

* The fair value of the unlisted subsidiaries is determined in relation to their investment in New Frontier Limited (a listed company on the Mauritius Stock Exchange and JSE AltX).

** The fair value of Ascension Property Management Company Proprietary Limited is determined by discounting the expected free cash flows at a capitalisation rate of 9,44%.

Refer to note 32 for details of the group companies.

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
8. Goodwill				
Arising on business combination	315 906	331 775	95 703	95 703
Movement in goodwill				
Balance at beginning of year	331 775	95 703	95 703	95 703
Cost	331 775	95 703	95 703	95 703
Accumulated impairment	-	-	-	-
Acquisition of businesses	-	208 128	-	-
Effect of translation	(15 869)	27 944	-	-
Balance at end of year	315 906	331 775	95 703	95 703
Cost	315 906	331 775	95 703	95 703
Accumulated impairment	-	-	-	-
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 following financial year capitalised at a rate of 7,98% (2015: 8.49%) for the South African ("RSA") CGU and 5.29% (2015: 5.29%) for the UK CGU.				
RSA CGU	95 703	95 703	95 703	95 703
UK CGU	220 203	236 072	-	-
	315 906	331 775	95 703	95 703

The following key assumptions were applied by management in calculating the RSA forecast dividend:

Vacancy rates of 1.5%

Average rental increases in respect of renewals of 5%

Average increase in operating costs of 6%

Goodwill for SA CGU

The following key assumptions were applied by management in calculating the UK forecast dividend:

Forecast exchange rate ZAR/GBP R19.0686

Average rental increases in respect of renewals of 1%

Average increase in operating costs of 5%

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

Based on these calculations, no impairment is required.





Notes to the Annual Financial Statements

for the year ended 31 August 2016

	Nominal value 31 August 2016 R000	Nominal value 31 August 2015 R000	Maturity	Rate %	GROUP		COMPANY	
					2016 R000	2015 R000	2016 R000	2015 R000
9. Derivative instruments								
Assets								
Interest rate caps	1 700 000	1 700 000			12 478	17 671	10 814	10 071
Rebois	800 000	800 000	06 Feb 2017		3 648	5 727	3 648	5 727
Rebois	400 000	400 000	29 May 2017		2 985	4 345	2 985	4 344
Ascension	500 000	500 000	13 Jan 2017		1 664	2 421	-	-
Long term cancellable interest rate swaps	1 982 500	2 200 195						
Rebois	125 000	-	29 May 2019	7.55	780	-	780	-
Rebois	125 000	-	06 Jun 2017	7.18	381	-	381	-
Rebois	122 500	-	15 Aug 2018	7.29	917	-	917	-
Rebois	300 000	-	28 Aug 2017	7.17	1 220	-	1 220	-
Rebois	900 000	-	19 Oct 2017	6.91	7 461	-	7 461	-
Rebois	410 000	-	14 Apr 2020	8.36	(6 578)	-	(6 578)	-
Ascension	-	483 000	01 Dec 2015	5.55	-	1 600	-	-
New Frontier	-	1 717 195	07 Mar 2020	1.33	-	3 578	-	-
Cross currency swaps	499 998	-			81 860	-	81 860	-
Rebois	83 333	-	16 Mar 2017		13 588	-	13 588	-
Rebois	83 333	-	16 Sept 2016		14 088	-	14 088	-
Rebois	83 333	-	18 Sept 2017		13 803	-	13 803	-
Rebois	83 333	-	18 Mar 2019		13 385	-	13 385	-
Rebois	83 333	-	17 Sept 2018		13 368	-	13 368	-
Rebois	83 333	-	16 Mar 2018		13 628	-	13 628	-
Liabilities								
Long term cancellable interest rate swaps	3 363 883	1 045 000			118 120	1 156	-	1 156
Rebois	-	250 000	29 May 2019	7.55	-	(257)	-	(257)
Rebois	-	250 000	06 Jun 2017	7.18	-	1 325	-	1 325
Rebois	-	245 000	15 Aug 2018	7.29	-	(462)	-	(462)
Rebois	-	300 000	28 Aug 2017	7.17	-	550	-	550
Ascension	700 000	-	12 Apr 2020	8.35	11 069	-	-	-
New Frontier	2 663 883	-	07 Mar 2020	1.38	107 051	-	-	-
	7 546 381	4 945 195			(23 782)	16 515	92 674	8 915

The interest rate caps and swaps 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.

The currency swap instruments were valued by the Standard Bank of South Africa using mid-market rates

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
10. Property, plant and equipment				
Computer equipment	-	18	-	18
Cost	263	263	263	263
Accumulated depreciation	(263)	(245)	(263)	(245)
Computer software	-	4	-	4
Cost	8	8	8	8
Accumulated depreciation	(8)	(4)	(8)	(4)
Furniture, fittings and equipment	425	176	59	95
Cost	1 581	1 224	1 138	1 138
Accumulated depreciation	(1 156)	(1 048)	(1 079)	(1 043)
Motor vehicles	155	310	155	310
Cost	393	393	393	393
Accumulated depreciation	(238)	(83)	(238)	(83)
	580	508	214	427
Movement for the year				
Balance at beginning of year	508	540	427	534
Acquisitions	425	607	-	489
Computer equipment	-	83	-	92
Computer software	-	-	-	-
Furniture, fittings and equipment	425	524	-	397
Motor vehicles	-	-	-	-
Depreciation	(241)	(639)	(213)	(596)
Computer equipment	(18)	(88)	(18)	(91)
Computer software	(4)	-	(4)	-
Furniture, fittings and equipment	(63)	(511)	(36)	(465)
Motor vehicles	(156)	(40)	(155)	(40)
Effect of translation	(46)	-	-	-
Re-classified to building improvements	(66)	-	-	-
	580	508	214	427

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the Company.





Notes to the Annual Financial Statements

for the year ended 31 August 2016

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
11. Trade and other receivables				
Trade receivables	138 585	65 450	81 855	30 636
Allowance for doubtful debts	(14 682)	(10 488)	(11 593)	(8 735)
	123 903	54 962	70 262	21 901
Amounts due from vendors	-	4 039	-	4 039
Accrued recoveries	42 095	-	10 856	-
Asset management fee accrued	4 837	2 528	8 103	3 000
Municipal deposits	4 114	3 968	2 514	2 497
Prepayments	3 165	3 299	760	537
Interest receivable - Cross Currency Swap	25 588	-	25 588	-
Sundry receivables and accrued income*	105 531	93 577	7 455	25 645
	309 233	162 373	125 538	57 619
* Sundry receivables and accrued income include taxes refundable (foreign), rent stabilization and capital contributions/lease incentives				
Movement in allowance for doubtful debts				
Balance at beginning of the year	10 488	7 653	8 735	7 653
Increase in allowance	5 468	3 100	4 132	3 100
Receivables written off during the year	(1 274)	(2 018)	(1 274)	(2 018)
Acquired through business combination	-	1 753	-	-
	14 682	10 488	11 593	8 735
Ageing of receivables past due but not impaired				
30 days	15 764	4 359	6 049	1 962
60 days	8 398	2 956	2 060	1 259
90 days	17 065	4 241	1 497	1 112
120+ days	19 108	17 648	19 108	17 648
Total	60 335	29 204	28 714	21 981
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. Where required, a deposit in the form of cash or bank guarantee is obtained from the tenant in terms of Reboasis' deposit policy. There are no significant trade receivables that are doubtful that have not been provided for as doubtful debts or written off.				
Ageing of impaired receivables				
Current	111	923	40	900
30 days	592	1 005	47	974
60 days	68	919	68	919
90 days	43	1 128	43	1 128
120+ days	13 868	6 513	11 395	4 814
Total	14 682	10 488	11 593	8 735

The allowance for doubtful debts has been determined on a tenant by tenant basis, taking into account the circumstances of each tenant. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable disclosed above.

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
12. Cash and cash equivalents				
For purposes of the statement of cash flows, cash and cash equivalents comprise:				
Bank balances	229 079	174 823	131 358	56 271
Cash is invested with reputable banks.				
13. Stated capital				
Authorised				
5 000 000 000 ordinary no par value shares				
54 330 000 A class no par value shares				
Issued				
530 178 149 (2015: 493 363 078) ordinary shares	5 590 410	5 219 879	5 615 055	5 219 879
Movement for the year				
Balance at the beginning of the year	5 219 879	1 053 732	5 219 879	1 053 732
Shares issued during the year	406 890	917 545	406 890	917 545
Share issue expenses	(685)	(2 607)	(685)	(2 607)
Shares bought back*	(11 029)	-	(11 029)	-
Treasury shares	(24 645)	-	-	-
Capital structure conversion	-	3 251 209	-	3 251 209
Balance at the end of the year	5 590 410	5 219 879	5 615 055	5 219 879
			2016	2015
Reconciliation of number of shares in issue:				
Balance at the beginning of the year			493 363 078	386 531 577
Shares issued in the year			38 417 684	106 831 501
Share bought back			(1 602 613)	-
Balance at the end of the year			530 178 149	493 363 078

The unissued shares are under the control of the directors in terms of the Companies Act, 71 of 2008, as amended.

* Average price - R11.14 per share





Notes to the Annual Financial Statements

for the year ended 31 August 2016

Facility	Nature	Rate	Maturity	GROUP		COMPANY	
				2016 R000	2015 R000	2016 R000	2015 R000

14. Interest bearing borrowings

Nedbank Corporate (a division of Nedbank Limited)

Details of the facility, which bears interest at an average rate of 9,09% per annum, are as follows:

				4 641 792	3 087 629	4 155 446	2 602 061
Rebosis	Floating	3 month JIBAR plus 1,85%	23 May 2019	201 100	201 100	201 100	201 100
Rebosis	Floating	3 month JIBAR plus 1,8%	15 February 2019	151 700	151 700	151 700	151 700
Rebosis	Floating	3 month JIBAR plus 1,8%	31 July 2019	150 000	150 000	150 000	150 000
Rebosis	Floating	3 month JIBAR plus 1,74%	17 July 2017	175 000	175 000	175 000	175 000
Rebosis	Floating	3 month JIBAR plus 1,6%	23 May 2017	247 500	247 500	247 500	247 500
Rebosis	Floating	1 month JIBAR plus 1,6%	7 August 2020	24 917	24 917	24 917	24 917
Rebosis	Floating	3 month JIBAR plus 1,72%	7 December 2017	200 000	200 000	200 000	200 000
Rebosis	Floating	1 month JIBAR plus 1,9%	13 March 2016	-	48 185	-	48 185
Rebosis	Fixed	8,80%	13 March 2016	-	72 500	-	72 500
Rebosis	Floating	3 month JIBAR plus 1,0%	7 August 2020	480 000	480 000	480 000	480 000
Rebosis	Floating	3 month JIBAR plus 1,0%	7 August 2020	260 000	260 000	260 000	260 000
Rebosis	Floating	1 month JIBAR plus 1,9%	30 November 2016	147 741	147 741	147 741	147 741
Rebosis	Floating	1 month JIBAR plus 1,72%	2 October 2017	363 418	363 418	363 418	363 418
Rebosis	Floating	1 month JIBAR plus 1,9%	30 September 2015	-	80 000	-	80 000
Rebosis	Floating	3 month JIBAR plus 2,36%	9 March 2020	120 685	-	120 685	-
Rebosis	Floating	3 month JIBAR plus 1,0%	7 May 2020	347 885	-	347 885	-
Rebosis	Floating	3 month JIBAR plus 1,0%	8 June 2018	150 000	-	150 000	-
Rebosis	Floating	3 month JIBAR plus 1,73%	2 October 2017	1 135 500	-	1 135 500	-
Ascension	Floating	Prime minus 1,50%	7 March 2019	152 968	152 901	-	-
Ascension	Floating	Prime minus 1,50%	12 September 2018	151 114	151 034	-	-
Ascension	Floating	1 month JIBAR plus 2,07%	18 July 2018	26 421	26 216	-	-
Ascension	Floating	Prime minus 0,85%	23 April 2018	45 107	45 085	-	-
Ascension	Floating	1 month JIBAR plus 2,07%	28 June 2018	50 558	50 169	-	-
Ascension	Floating	Prime minus 1,50%	30 August 2018	34 195	34 187	-	-
Ascension	Floating	Prime minus 1,50%	31 August 2018	25 983	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	-	566 550
Rebosis*	Floating	3 month JIBAR plus 1,75%	17 July 2017	-	175 000	-	175 000
Rebosis*	Floating	1 month JIBAR plus 1,9%	17 May 2016	-	148 726	-	148 726
Rebosis*	Floating	3 month JIBAR plus 1,25%	25 September 2015	-	242 824	-	242 824

* These facilities were settled in the current year, prior to maturity, and the debt was refinanced with Nedbank loans

DMTN Programme

Details of the facility, which bears interest at an average rate of 9,10% per annum, are as follows:

				430 874	430 874	430 874	430 874
REBC01	Floating	3 month JIBAR plus 0,68%	20 November 2015	-	100 000	-	100 000
REBC03	Floating	3 month JIBAR plus 1,25%	21 November 2016	100 000	-	100 000	-
REBO1	Floating	3 month JIBAR plus 1,85%	21 May 2018	130 000	130 000	130 000	130 000
REBC02	Floating	3 month JIBAR plus 1,85%	21 May 2018	100 874	100 874	100 874	100 874
REBO1 (tap)	Floating	3 month JIBAR plus 1,40%	20 July 2016	-	100 000	-	100 000
REBO2	Floating	3 month JIBAR plus 2,00%	31 May 2018	100 000	-	100 000	-

Facility	Nature	Rate	Maturity	GROUP		COMPANY	
				2016 R000	2015 R000	2016 R000	2015 R000
14. Interest bearing borrowings (continued)							
Investec Private Bank Limited							
Ascension	Floating	Prime less 0,50%	13 March 2018	552 971	526 805	-	-
Standard Bank of South Africa							
Ascension	Floating	Prime less 1,50%	31 August 2017	552 962	552 946	-	-
Ascension	Floating	3 month JIBAR plus 1,80%	31 August 2017	160 039	160 035	-	-
				392 923	392 911	-	-
HSBC Bank Plc							
New Frontier	Floating	3 month LIBOR plus 1,7%	7 March 2020	1 996 482	2 130 140	-	-
Deutsche Pfandbriefbank AG							
New Frontier	Floating	3 month LIBOR plus 2,2%	28 July 2020	1 138 395	-	-	-
Total debt				9 313 477	7 294 944	4 586 320	3 599 485
Less: deferred finance costs				(37 790)	(30 503)	(8 806)	(3 318)
Balance at beginning of the year				(30 503)	(4 770)	(3 318)	(4 770)
Incurred during the year				(17 342)	(29 859)	(12 265)	(4 789)
Acquired through business combination				-	(2 115)	-	-
Effect of translation				2 212	-	-	-
Amortisation for the year				7 843	6 241	6 777	6 241
				9 275 687	7 264 441	4 577 514	3 596 167
Less short term portion				(1 223 203)	(1 893 700)	(670 241)	(1 757 152)
Long term portion				8 052 484	5 370 741	3 907 273	1 839 015

At year end, the group's unutilised loan facilities amounted to R28,9 million (company: R2,3 million), the gearing ratio was 50,2% (2015: 48,4%) (group: 35,6% (2015: 36,5%)) and the average all inclusive rate of interest for the year under review was 7,2% (2015: 8,4%) (company: 8,9% (2015: 8,2%)).

Facilities of R4,155 billion from Nedbank are secured by mortgage bonds over investment properties valued at R7,747 billion (note 3).

Facilities of R1,591 billion from Nedbank, Investec and Standard Bank are secured by mortgage bonds over investment properties valued at R4,209 billion (note 3).

Facilities of R3,134 billion from HSBC Bank Plc and Deutsche Pfandbriefbank AG are secured by mortgage bonds over investment properties valued at R5,197 billion (note 3).



Notes to the Annual Financial Statements

for the year ended 31 August 2016

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
15. Deferred taxation				
Balance at beginning of year	524	-		
Acquired through business combination	-	(6 522)	-	-
Charge for the period	(552)	7 379	-	-
Effects of translation	28	(334)	-	-
	-	524	-	-
The closing deferred tax balance relates to accelerated capital allowances which relate to the following:				
Investment property	-	524	-	-
16. Trade and other payables				
Income received in advance	33 282	29 360	21 383	25 018
Trade payables	62 765	52 871	3 015	12 597
Value added taxation	11 178	9 768	8 294	7 148
Asset, property and facility management fees	3 440	8 255	3 440	5 393
Tenant deposits	20 503	17 812	9 961	8 265
Accrued interest	37 222	25 087	37 222	25 087
Accrued expenses	75 957	48 218	12 694	1 606
	244 347	191 371	96 009	85 114
17. Net operating profit				
Net operating profit includes the following charges:				
Amortisation of structuring fee	7 843	6 241	6 777	6 241
Asset management fees	54 188	25 810	33 588	25 810
Profit on sale of listed securities	60	-	-	-
Audit fees				
Paid to external auditors	6 688	5 297	699	380
For the attest function - current year	2 971	1 985	699	380
For other services	3 717	3 312	-	-
Paid to internal auditors	240	350	240	350
Current year	240	350	240	350
Depreciation	241	639	213	596
Property management fees	30 327	21 120	22 084	21 120

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
18 Directors' emoluments				
Fees paid to executive directors				
SM Ngebulana	6 451	6 329	5 856	6 086
Salary and allowances	3 496	3 726	3 496	3 726
Other benefits and payments	257	360	257	360
Performance bonus	2 103	2 000	2 103	2 000
Paid by subsidiary				
For services as Director of Ascension Properties Limited	145	-	-	-
For services as Director of New Frontier Properties Limited	450	243	-	-
K Keshav	4 385	3 153	3 007	2 910
Salary and allowances	1 724	1 381	1 724	1 381
Other benefits and payments	183	179	183	179
Performance bonus	1 100	1 350	1 100	1 350
Paid by subsidiary				
For services as Director of Ascension Properties Limited	635	-	-	-
For services as Director of New Frontier Properties Limited	743	243	-	-
JA Finn	-	509	-	509
Salary and allowances	-	453	-	453
Other benefits and payments	-	43	-	43
Performance bonus	-	13	-	13
	10 836	9 991	8 863	9 505
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	1 132	628	410	385
ATM Mokgokong	550	555	550	555
J Odendaal	205	265	205	265
KL Reynolds ¹	225	295	225	295
NV Qangule	325	300	325	300
TSM Seopa	435	370	435	370
SV Zilwa	-	175	-	175
	2 872	2 588	2 150	2 345
¹ Resigned effective 13 April 2016				
19. Changes in fair values				
Unrealised gain on revaluation of investment property	1 207 791	133 508	1 102 344	110 626
Listed property securities	-	59 942	-	59 942
Investment in subsidiaries	-	-	432 173	328 757
Straight line rental income accrual	25 786	(53 494)	30 125	(53 494)
Derivative instruments	(50 123)	(3 021)	82 487	(3 021)
	1 183 454	136 935	1 647 129	442 810





Notes to the Annual Financial Statements

for the year ended 31 August 2016

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
20. Net finance charges				
Interest paid - secured financial liabilities	630 214	289 587	365 181	265 208
Unrealised exchange loss	311	-	-	-
Capitalised borrowing cost	(23 911)	-	(7 778)	-
Interest received - bank	(44 750)	(7 509)	(42 792)	(42 904)
	561 864	282 078	314 611	222 304

The average interest rate used for the capitalisation of borrowing costs for the Group was 8.9% (Company 8.7%).

21. Taxation

As the company is a REIT, it is not liable for capital gains tax in terms of Section 25BB of the income Tax Act. Deferred tax on investment properties and the related straight line rental adjustments was reduced to Rnil in 2013 as capital gains tax no longer applies. Consequently, no deferred tax was raised on deferred capital gains of investment property.

The group's subsidiary, New Frontier Properties Limited ("NFP") was subject to UK tax rates in the previous year. The NFP group's closing 2015 deferred tax balance related to accelerated capital allowances claimed on their investment property. On 21 October 2015 NFP converted to a REIT for UK tax purposes and as such the NFP group is no longer required to pay tax provided the group continues to fulfil the condition of being a UK REIT.

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
Current (foreign)	(764)	6 120	-	-
Underprovision in prior year (foreign)	212	-	-	-
Deferred (foreign)	(552)	7 379	-	-
	(1 104)	13 499	-	-

No provision for normal taxation has been made as the company has an estimated loss for tax purposes of R33,1 million (2015: 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.

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
Reconciliation of taxation charge				
Profit before tax at 28%	524 463	68 292	599 780	151 668
Adjusted for:				
Fair value adjustments (tax exempt) *	(321 862)	(38 342)	(461 196)	(123 987)
Straight line rental income adjustment (tax exempt) *	7 220	(14 978)	8 435	(14 978)
Dividend declared	(211 789)	(1 670)	(145 219)	(14 541)
Permanent differences	45 487	10 996	(1 800)	1 838
Gain on bargain purchase	-	(15 052)	-	-
UK REIT tax relief	(44 623)	-	-	-
Difference in tax rate	-	4 252	-	-
	(1 104)	13 499	-	-

* No taxation charge recognised on amounts as not liable for capital gains tax due to REIT status.

	GROUP	
	2016 R000	2015 R000
22. Earnings and headline earnings		
Number of shares in issue at year end	530 178 149	493 363 078
Weighted average number of shares in issue used for the calculation of earnings and headline earnings per share	517 765 320	424 011 545
Reconciliation of earnings and headline earnings		
Profit attributable to equity holders of the parent entity	1 706 946	262 539
Adjusted for:		
Change in fair value of investment properties	(1 148 887)	(133 508)
Gain on bargain purchase	-	(53 756)
Headline profit attributable to shareholders	558 059	75 275
Debt interest	-	346 811
Headline earnings attributable to shareholders	558 059	422 086
Basic and diluted earnings per share (cents)	329.68	61.92
Headline and diluted headline earnings per share (cents)	107.78	85.55

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
23. Note to the statement of cash flows				
Cash generated by operations				
Profit before taxation	1 873 083	274 765	2 142 073	572 537
Adjusted for:				
Non cash items	(1 145 990)	(237 306)	(1 606 419)	(489 468)
Changes in fair values	(1 183 454)	(136 935)	(1 647 129)	(442 810)
Straight line rental income accrual	25 786	(53 494)	30 125	(53 494)
Depreciation	240	639	213	596
Tenant installation amortisation	1 700	-	1 700	-
Lease commission amortisation	1 895	-	1 895	-
Gain on bargain purchase	-	(53 756)	-	-
Amortisation of structuring fee	7 843	6 240	6 777	6 240
Net finance charges (excluding amortisation of structuring fee)	554 021	275 838	307 834	216 063
Debt interest	-	346 811	-	346 811
Operating profit before working capital changes	1 281 114	660 108	843 488	645 943
Working capital changes	(93 880)	55 809	(57 021)	52 295
Trade and other receivables	(146 860)	90 544	(67 919)	30 900
Trade and other payables	52 980	(34 735)	10 898	21 395
Cash generated from operations	1 187 234	715 917	786 467	698 239





Notes to the Annual Financial Statements

for the year ended 31 August 2016

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
24. Commitments				
24.1 Capital commitments				
Capital improvements in respect of investment properties				
- Approved and committed	34 847	143 272	5 625	66 200
- Approved not yet committed	20 700	54 232	20 700	54 232
	55 547	197 504	26 325	120 432
24.2 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	24 651	23 038	17 215	16 089
- Due two to five years	31 472	29 413	14 768	13 802
	56 123	52 451	31 983	29 891
25. 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	1 286 729	554 720	645 863	554 720
- Receivable two to five years	2 682 755	1 797 084	1 231 935	1 797 084
- Receivable beyond five years	2 273 645	446 872	233 496	446 872
	6 243 129	2 798 676	2 111 294	2 798 676
26. Related parties and related party transactions				
Billion Property Management Services Proprietary Limited	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. SM Ngebulana is a beneficiary of The Amatolo Family Trust which owns 3,46% of the shares in Rebosis.			
Billion Asset Managers Proprietary Limited	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 3,46% of the shares in Rebosis.			
Billion Group Proprietary Limited	Billion Group Proprietary Limited ("Billion Group"), a company owned by The Amatolo Family Trust, are responsible for the development of Rebosis and Ascension properties. The agreements in place provide for a fee due where development projects are not completed on time. SM Ngebulana is a beneficiary of The Amatolo Family Trust which owns 3,46% of the shares in Rebosis.			
Nedbank Limited	Nedbank is the company's major debt financier. Ken Reynolds, a non-executive director of the company, is the Regional Executive for Nedbank Corporate Property Finance. He resigned from the Rebosis board of directors on 13 April 2016.			
Ascension Property Management Company Proprietary Limited	Ascension Property Management Company Proprietary Limited is a 100% owned subsidiary of Rebosis.			

	GROUP		COMPANY	
	2016 R000	2015 R000	2016 R000	2015 R000
26. Related parties and related party transactions (continued)				
Related parties with whom the company transacted during the year were:				
Billion Property Management Services Proprietary Limited				
Nature of relationship: Directorial - SM Ngebulana				
Transactions				
Property management fees	30 327	21 120	22 084	21 120
Facility management fee				
Leasing commission	2 887	922	2 171	922
Balances at year end				
Amount owing at year end (included in trade and other payables)	-	-	-	-
Billion Asset Managers Proprietary Limited				
Nature of relationship: Directorial - SM Ngebulana				
Transactions				
Asset management fees	33 588	25 810	33 588	25 810
Balances at year end				
Amount owing at year end (included in trade and other payables)	3 440	5 393	3 440	5 393
Billion Group Proprietary Limited				
Nature of relationship: Directorial - SM Ngebulana				
Transactions				
Developer guarantee income	42 316	17 763	24 353	17 763
Salaries paid for Ascension staff	-	-	4 905	2 955
Balances at year end				
Amount owing at year end (included in trade and other receivable)	17 963	17 763	(235)	17 763
Nedbank Limited				
Nature of relationship: Directorial - K Reynolds (until 13 April 2016)				
Transactions				
Director's emoluments	225	270	225	270
Balances at year end				
Amount owing at year end (included in trade and other payables)	-	-	-	-
Amount owing at year end (included in interest-bearing borrowings)	4 641 792	3 087 629	4 155 446	2 602 061
Ascension Property Management Company Proprietary Limited				
Nature of relationship: Shareholding				
Transactions				
Asset management fee income	-	-	16 609	17 634
Balance at year end				
Amount owing at year end (including in trade and other payable)	-	-	-	-





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27. Financial risk management

The company's financial instruments consists mainly of deposits with banks, interest bearing liabilities, derivative instruments, trade and other receivables and trade and other payables. 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:

As at 31 August 2016	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	
GROUP					
Financial assets					
Derivative instruments		94 338			94 338
Trade and other receivables*	306 068				306 068
Cash and cash equivalents	229 079				229 079
Total financial assets	535 147	94 338	-	-	629 485
Financial liabilities					
Interest-bearing borrowings			9 275 687		9 275 687
Derivative instruments				118 120	118 120
Trade and other payables**			199 886		199 886
Total financial liabilities	-	-	9 475 573	118 120	9 593 693
COMPANY					
Financial assets					
Investment in subsidiaries		2 076 785			2 076 785
Loan to group companies	1 946 001				1 946 001
Derivative instruments		92 674			92 674
Trade and other receivables*	124 778				124 778
Cash and cash equivalents	131 358				131 358
Total financial assets	2 202 137	2 169 459	-	-	4 371 596
Financial liabilities					
Interest-bearing borrowings			4 577 514		4 577 514
Trade and other payables**			66 332		66 332
Total financial liabilities	-	-	4 643 846	-	4 643 846

* Excludes pre-payments

** Excludes income received in advance and VAT payable

27 Financial risk management (continued)

As at 31 August 2015	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	
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**			152 243		152 243
Total financial liabilities	-	-	7 416 684	1 156	7 417 840
COMPANY					
Financial assets					
Investment in subsidiaries		1 643 730			1 643 730
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	1 653 801	-	-	2 947 153
Financial liabilities					
Interest-bearing borrowings			3 596 167		3 596 167
Derivative instruments				1 156	1 156
Trade and other payables**			52 948		52 948
Total financial liabilities	-	-	3 649 115	1 156	3 650 271

* Excludes pre-payments

** Excludes income received in advance and VAT payable

Interest rate risk

The group 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 69,4% (2015: 73,7%)(group: 80,7% (2015:75,1%)) of borrowings were hedged in terms of interest rate swap and interest rate cap arrangements.

The weighted average cost of borrowings for the company was 8,9% (2015: 8.2%) (group: 7,2% (2015: 8,1%).

An increase of 1% in the prime interest rate will result in an increased interest cost of R91,7 million(2015: R16.3 million) (group: R110.0 million (2015: R31.9 million)) per annum in respect of the floating portion of the debt.





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27. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the 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 company's financial assets and liabilities and its exposure to interest rate risk at year end are set out in the table below:

As at 31 August 2016	Weighted average effective interest rate %	Less than one year R	One to five years R	More than five years R	Total R
GROUP					
Financial assets					
Derivative instruments		21 822	70 852		94 338
Trade and other receivables		306 068			306 068
Cash and cash equivalents	5.40	229 079			229 079
Total financial assets		556 969	70 852	-	672 821
Financial liabilities					
Interest-bearing borrowings	7.20	1 223 203	8 052 484		9 275 687
Derivative instruments			118 120		118 120
Trade and other payables		199 886			199 886
Total financial liabilities		1 423 090	8 170 604	-	9 593 694
Interest payments relating to interest bearing borrowings above		637 444	706 756		1 344 201
COMPANY					
Financial assets					
Derivative instruments			70 852		70 852
Trade and other receivables		124 778			124 778
Cash and cash equivalents	5.40	131 358			131 358
Total financial assets		256 136	70 852	-	326 988
Financial liabilities					
Debentures				-	-
Interest bearing borrowings	8.90	670 241	3 907 273		4 577 514
Trade and other payables		66 333			66 333
Total financial liabilities		736 574	3 907 273	-	4 643 847
Interest payments relating to interest bearing borrowings above		391 219	446 766		837 985

27 Financial risk management (continued)

As at 31 August 2015	Weighted average effective interest rate %	Less than one year R	One to five years R	More than five years R	Total R
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	8.10	1 893 700	5 370 741		7 264 441
Derivative instruments			1 156		1 156
Trade and other payables		152 243			152 243
Total financial liabilities		2 045 943	5 371 897	-	7 417 840
Interest payments relating to interest bearing borrowings above		381 545	348 881		730 426
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	4.15	56 271			56 271
Total financial assets		113 353	1 190 070	-	1 303 423
Financial liabilities					
Interest bearing borrowings	8.20	1 757 152	1 839 015		3 596 167
Derivative instruments			1 156		1 156
Trade and other payables		52 948			52 948
Total financial liabilities		1 810 100	1 840 171	-	3 650 271
Interest payments relating to interest bearing borrowings above		228 953	198 534		427 487

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 2016 of R14,6 million (2015: R10,5 million) (company: R11,6 million (2015: R8,7 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 the risk that changes in foreign exchange rates which can affect the company's income or the fair value of its holdings of financial instruments. This is currently rated as moderate risk due to the strength of the pound (GBP) against the Rand. Currency exchange contracts are used to manage the exposure to foreign exchange rate risks for the group. This is in the form of cross currency swap arrangements.

Following the UK referendum vote on 23 June 2016, there are a number of risks and uncertainties that may affect the South African investor, namely:

- a possible currency instability (the Rand/GBP relationship),
- Economic instability in UK markets

The group continuously assesses foreign currency exposure and if required will take out adequate cover to mitigate the risk. Subsequent to the reporting period end, the group has considered additional forward cover contracts which hedge the future cash flow value of distributions payable by the UK subsidiary.



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28 Capital management

The company's borrowings, excluding debentures, are limited to 50% of the valuation of the assets under management in terms of the existing debt covenants and to 65% in terms of the articles of the company.

As at 31 August 2016, the unutilised borrowing capacity of the company was as follows:

	COMPANY	
	2016 R000	2015 R000
Assets under management	9 824 285	8 682 430
50% thereof	4 912 143	4 341 215
Total borrowings	4 577 514	3 599 485
Unutilised borrowing capacity	334 629	741 730

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

29. 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. Refer to note 1.14.3 for the fair value estimation techniques used.

GROUP Assets	Assets carried at fair value through profit and loss R000	Level 1 R000	Level 2 R000	level 3 R000
31 August 2016				
RECURRING				
Investment property	16 996 072			16 996 072
Derivative instruments	94 338		94 338	
NON-RECURRING				
Investment properties held for sale	1 156 698			1 156 698
31 August 2015				
RECURRING				
Investment property	14 555 401			14 555 401
Derivative instruments	17 671		17 671	
Liabilities	Liabilities designated at fair value through profit and loss R000	Level 1 R000	Level 2 R000	level 3 R000
RECURRING				
31 August 2016				
Derivative instruments	118 120		118 120	
31 August 2015				
Derivative instruments	1 156		1 156	

29. Fair value hierarchy (continued)

COMPANY Assets	Assets carried at fair value through profit and loss R000	Level 1 R000	Level 2 R000	level 3 R000
31 August 2016				
RECURRING				
Investment property	7 747 500			7 747 500
Investment in subsidiaries	2 076 785	1 889 268	187 517	
Derivative instruments	92 674		92 674	
NON-RECURRING				
Investment properties held for sale	997 498	997 498		
31 August 2015				
RECURRING				
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		

30. 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.

2016	Property portfolio				Admin and corporate costs R000	Total R000
	Retail R000	Office R000	Industrial R000	Total R000		
Property portfolio	816 779	964 960	28 242	1 809 981	-	1 809 981
Contractual rental income	820 280	987 972	27 515	1 835 767	-	1 835 767
Straight line rental income accrual	(3 501)	(23 012)	727	(25 786)	-	(25 786)
Net income from facilities management	-	23 109	-	23 109	-	23 109
Sundry income	1 103	46	-	1 149	1 057	2 206
Total revenue	817 882	988 115	28 242	1 834 239	1 057	1 835 296
Operating costs	(195 389)	(231 889)	(3 410)	(430 688)	-	(430 688)
Administration and corporate costs	-	-	-	-	(153 115)	(153 115)
Changes in fair values	471 084	487 384	38 764	997 232	186 222	1 183 454
Finance charges	-	-	-	-	(561 864)	(561 864)
Segment profit before taxation	1 093 577	1 243 610	63 596	2 400 783	(527 700)	1 873 083
Investment property	8 952 372	7 934 700	109 000	16 996 072	-	16 996 072
Investment property held for sale	-	1 006 698	150 000	1 156 698	-	1 156 698
Other assets	304 001	236 390	29 940	570 331	378 805	949 136
Total assets	9 256 373	9 177 788	288 940	18 723 101	378 805	19 101 906
Total liabilities	70 776	95 268	5 278	171 322	9 468 300	9 639 622





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30. Segmental report (continued)

	Property portfolio				Admin and corporate costs	Total
	Retail	Office	Industrial	Total		
2015	R000	R000	R000	R000	R000	R000
Property portfolio	378 506	455 816	15 672	949 618	60 262	1 009 880
Contractual rental income	364 587	417 808	14 105	896 124	-	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	379 463	476 852	15 672	971 610	79 919	1 051 529
Operating costs	(126 061)	(85 217)	(402)	(226 735)	-	(226 735)
Administration and corporate costs	-	-	-	-	(111 831)	(111 831)
Changes in fair values	(70 353)	119 789	5 021	77 342	59 592	136 935
Gain on bargain purchase	-	-	-	-	53 756	53 756
Finance charges	-	-	-	-	(282 078)	(282 078)
Segment profit before taxation	183 049	511 424	20 291	822 217	(200 642)	621 576
Investment property	3 051 000	3 842 200	145 500	7 038 700	7 516 701	14 555 401
Other assets	296 616	29 887	36 688	363 192	323 958	687 150
Total assets	3 347 616	3 872 087	182 188	7 401 892	7 840 659	15 242 551
Total liabilities	10 174	10 297	-	20 471	7 444 884	7 465 355

Non-IFRS information	2016	2015
Reconciliation of profit before tax to distributable earnings:	R000	R000
Total segment profit before taxation (as per above)	1 873 083	621 576
Debt interest	-	(346 811)
Taxation	1 104	(13 499)
Profit from discontinued operations	-	1 009
Profit for the year	1 874 187	262 275
Less: Portion attributable to non-controlling interests	(167 241)	264
Adjusted for:		
Debt interest	-	346 811
Changes in fair value	(1 183 454)	(136 935)
Gain on bargain purchase	-	(53 756)
Straight line rental accrual	25 786	(53 494)
Amortisation of structuring fees	7 843	6 241
Corporate transaction costs	74 789	323
Antecedent interest	43 694	29 112
Dividend income distributed in previous periods	(78 970)	-
Anticipated distribution from listed REIT subsidiaries	136 479	79 714
Antecedent dividend on anticipated distribution	-	33 696
Consolidation adjustments between group entities:	(100 293)	57 879
Reversal of underwriting fee income	-	35 400
Transaction cost arising on Ascension acquisition	-	10 568
Non-controlling interests	-	6 813
Effects of translation	(100 293)	5 098
Distributable earnings attributable to shareholders/owners of the parent	632 821	572 130
Dividend per share	119.45	110.41

30. Segmental report (continued)

Major customers by segment:

Retail (South Africa and UK)

Top retail tenants for the South African portfolio include Foschini, Mr Price, Edcon, Truworths, Pepkor, Shoprite, Pick 'n Pay, Woolworths, Game Massmart and Spar. Top tenants for the UK portfolio include New Look, Boots UK Ltd, Debenhams, H&M, Marks & Spencer, Top Shop and WH Smith Retail. No single customer contributes more than 10% to rental income.

Office (South Africa)

Top office tenants for the office portfolio include the South African national government, provincial government and others (private sector clients, local government and government agencies). These contribute 37.5%, 19.9% and 42.8% contribution to office rental income respectively.

Industrial (South Africa)

Top industrial tenants include Antalis, Vee Craft Marine and the national Department of Environmental Affairs.

Refer to group portfolio summary for more information on the geographical and sectoral spread of the operating segments (pages 9 to 19).

31 Business combinations

On 23 September 2015 the group acquired Houndshill Shopping Centre in Blackpool by acquiring the whole of the issued share capital in BCC Eiffel S.a.r.l.

Management assessed the acquisition and concluded the acquisition was a business combination in terms of IFRS 3 Business Combinations and was therefore accounted for in terms of that standard. In the opinion of management, the property acquired constitutes a business as defined in terms of this IFRS. The costs of acquisition which have been recognised in the consolidated statement of profit and loss and other comprehensive income (part of administration costs) amount to R54,4 million.

The following table summarises the consideration paid for BCC Eifel S.a.r.l. and fair values of the assets acquired and liabilities assumed recognised at acquisition date.

Investment property	2 081 868
Trade and other receivables	3 843
Cash and cash equivalents	37 877
Trade and other payables	(54 883)
Borrowings	(1 792 101)
Fair value of net assets	276 604
Cash consideration paid	(276 604)
Goodwill arising on acquisition	-
Amounts recognised in the profit and loss since acquisition	
Revenue	154 196
Profit after tax	18 075

Had BCC Eiffel been consolidated from 1 September 2015, revenue for the year would have been higher by R9,86 million and profit would have been higher by R7,26 million respectively.

Net cash outflow on acquisition of subsidiaries

Consideration paid in cash	276 604
Less cash and cash equivalents balances acquired	(37 877)
Total consideration	238 727

The group is continuing to pursue dominant retail assets in towns in the UK. However, following the decision of the UK to vote to leave the European Union (EU) new acquisitions have been delayed. The UK now faces a period of uncertainty before exit (if indeed it actually occurs) whilst negotiations between the UK and the other EU member countries begin. The Board has decided to proceed with caution until the uncertainty in the UK economy has reduced and there is more clarity on the state of the property investment market.





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31 Business combinations (continued)

Acquisitions in the previous period

On 31 August 2015 Rebois 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:

	Acquiree's carrying amount R000	Fair value of assets acquired R000 Restated
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		(658 067)
Intangible asset transferred		(149 983)
Gain on bargain purchase*		(53 756)
Purchase consideration funded by issue of shares		495 959
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 Rebois 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 Frontier Properties Limited. The following summarises the amounts of assets acquired and liabilities assumed at the acquisition date:

Fair value of assets acquired		
	Acquiree's carrying amount	Fair value of assets acquired
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 bearing 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		791 240
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 flows on acquisitions		775 117



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33. Non-controlling interests

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

Name	Country of incorporation	Principal place of business	Nature of business	Ownership interest held by NCI	
				2016 R000	2015 R000
Ascension Properties Group (NCI: 41%)	South Africa	South Africa	Office and Industrial	1 091 965	943 782
New Frontier Group (NCI: 32,5%)	Mauritius	United Kingdom	Retail	674 145	633 572
Total				1 766 110	1 577 354
Movement during the year					
Balance beginning of year				1 577 354	-
Acquisition of shares in New Frontier Group				-	566 367
Acquisition of shares in Ascension Properties Group				-	943 782
Shares issued on acquisition of Blackpool				186 512	
Dividends paid				(131 560)	-
Profit/(loss) for the year				167 241	(264)
Other comprehensive income				(33 438)	67 469
Balance at end of year				1 766 110	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	
	2016 R000	2015 R000	2016 R000	2015 R000
Current assets	180 866	156 190	102 759	67 333
Non-current assets	5 198 234	3 687 879	4 229 019	3 836 497
Current liabilities	(91 453)	(75 550)	(611 110)	(175 267)
Non-current liabilities	(3 213 993)	(2 105 074)	(1 057 338)	(1 426 656)
Net assets	2 073 653	1 663 445	2 663 331	2 301 907
Net assets attributable to NCI Revenue	674 145	633 572	1 091 966	943 782
NCI Revenue	218 774	100 390	142 675	83 369
Profit	211 232	17 520	(5 227)	22 920
Cash flows from operating activities	(109 303)	12 061	78 829	34 960
Cash flows from investing activities	(246 756)	(900 096)	(102 895)	(16 223)
Cash flows from financing activities	258 193	990 004	34 960	(52 633)
Net increase in cash and cash equivalents	(97 866)	101 969	10 894	(33 896)

34 Discontinued operations

There were no discontinued operations in the current year.

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:

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	11 569
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	9 852

The loss on disposal was 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 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)
Profit/(loss) attributable to:		
	1 009	-
	486	(448)
	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)





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35 Restatements in the comparative statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows

Following a review of the Group's annual financial statements for the year ended 31 August 2015 by the JSE in terms of their pro-active monitoring of financial statements process, the Group has restated the following items in the 2015 statement of financial position, statement of profit or loss and comprehensive income, statement of cash flows and statement of changes in equity:

(a) The Group converted its linked unit structure to an all share capital structure on 8 June 2015. A distribution was declared on 30 June 2015 amounting to R171.2 million, which was accounted for as debenture interest in the statement of comprehensive income.

However, as the debentures were carried at amortised cost using the effective interest rate method, debenture interest of R140.3 million should have accrued in profit or loss until the date of capital conversion on 8 June 2015. This gives rise to an error of R30.9 million on the debenture interest line in the statement of comprehensive income. Due to this, the carrying value of the debentures at date of conversion to share capital would have been R3.25 billion, and not the R3.11 billion as previously reported. In addition, the actual payment to shareholders of R171.2 million should have been accounted for as a dividend in the statement of changes in equity.

(b) The Group acquired a controlling interest of 61.9 % in New Frontier Properties Limited ("NFP") during March 2015. As the Group's share in the net assets (mainly cash) was lower than the purchase price paid for the controlling stake, a control premium of R236 million was recognized on consolidation of NFP. Management incorrectly concluded that as NFP did not have a business on date of acquisition (as NFP had mainly cash and no other assets), that the control premium should be accounted for as a day one transaction with the non-controlling shareholders, and this was therefore debited directly to reserves in the statement of changes in equity. However, whilst NFP's only substantial asset at the time of acquisition was cash, NFP was a fully functioning company with a business plan, with certain acquisitions in the pipeline, which were executed in the month after the Group acquired their controlling stake. NFP was also at the date of acquisition of the controlling stake listed primarily on the Mauritian Stock Exchange, with a secondary listing on the JSE. Therefore, this control premium should have been allocated to goodwill on date of acquisition.

Set out below is the impact of these changes based on (a) and (b) above on the comparative statement of financial position, the comparative statement of profit or loss and other comprehensive income, statement of cash flows and the comparative statement of changes in equity for the year ended 31 August 2015. No other financial periods were affected by the restatement and accordingly, only the 2015 statement of financial position is presented.

	Restated comparative 2015 R 000's	Published 2015 R 000's	Difference R 000's
Statement of profit or loss and comprehensive income			
GROUP IMPACT			
Profit before debenture interest and taxation	621 576	621 576	-
Debenture interest	(346 811)	(377 675)	30 864
Profit before taxation	274 765	243 901	30 864
Taxation	(13 499)	(13 499)	-
Total profit for the year before discontinued operations	261 266	230 402	30 864
Discontinued operations	1 009	1 009	-
Total profit for the year	262 275	231 411	30 864
Earnings per share (cents)	61.92	54.64	7.28

35 Restatements in the comparative statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows (continued)

	Restated comparative 2015 R 000's	Published 2015 R 000's	Difference R 000's
Statement of changes in equity			
GROUP IMPACT			
Balance at 31 August 2014	1 832 554	1 832 554	-
Issue of shares	914 938	914 938	-
Conversion of capital structure	3 251 209	3 110 918	140 291*
Dividend paid	(171 155)	-	(171 155)*
Profit for the year	262 275	231 411	30 864*
Arising on investment in New Frontier Limited	566 367	330 295	236 072
Arising on acquisition of Ascension Properties Limited	943 782	943 782	-
Foreign currency translation reserve	177 226	177 226	-
Balance at 31 August 2015	7 777 196	7 541 124	236 072
* Net difference amounts to R Nil.			
Statement of cash flows			
GROUP IMPACT			
Cash generated from operations	715 917	715 917	-
Debenture interest paid	(432 567)	(603 722)	171 155
Dividend paid	(171 155)	-	(171 155)
Net finance charges paid	(275 838)	(275 838)	-
Net cash utilised in operating activities	(163 643)	(163 643)	-
Statement of financial position			
GROUP IMPACT			
Assets			
Non current assets			
Investment property	14 555 401	14 555 401	-
Goodwill	331 775	95 703	236 072
Derivative instruments	17 671	17 671	-
Property, plant and equipment	508	508	-
Current assets	337 196	337 196	-
Total assets	15 242 551	15 006 479	236 072
Equity and liabilities			
Equity			
Stated capital	5 219 879	5 079 588	140 291
Reserves	870 206	774 425	95 781
Foreign currency translation reserve	109 757	109 757	-
Non controlling interests	1 577 354	1 577 354	-
Total equity	7 777 196	7 541 124	236 072
Long term liabilities	5 372 421	5 372 421	-
Current liabilities	2 092 934	2 092 934	-
Total equity and liabilities	15 242 551	15 006 479	236 072

The goodwill recognised is attributable to the retail segment and is allocated to retail assets under the segment report.





Notes to the Annual Financial Statements

for the year ended 31 August 2016

35 Restatements in the comparative statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows (continued)

	Restated comparative 2015 R 000's	Published 2015 R 000's	Difference R 000's
Statement of profit or loss and comprehensive income			
COMPANY IMPACT			
Profit before debenture interest and taxation	919 348	919 348	-
Debenture interest	(346 811)	(377 675)	30 864
Profit before taxation	572 537	541 673	30 864
Total profit for the year	572 537	541 673	30 864
Statement of changes in equity			
COMPANY IMPACT			
Balance at 31 August 2014	1 832 554	1 832 554	-
Issue of shares	914 938	914 938	-
Conversion of capital structure	3 251 209	3 110 918	140 291*
Dividend paid	(171 155)	-	(171 155)*
Profit for the year	572 537	541 673	30 864*
Balance at 31 August 2015	6 400 083	6 400 083	-
* Net difference amounts to R Nil.			
Statement of cash flows			
COMPANY IMPACT			
Cash generated from operations	698 239	698 239	-
Debenture interest paid	(432 567)	(603 722)	171 155
Dividend paid	(171 155)	-	(171 155)
Net finance charges paid	(216 064)	(216 064)	-
Net cash utilised in operating activities	(121 547)	(121 547)	-
Statement of financial position			
COMPANY IMPACT			
Assets			
Non current assets	9 968 630	9 968 630	-
Current assets	113 890	113 890	-
Total assets	10 082 520	10 082 520	-
Equity and liabilities			
Equity			
Stated capital	5 219 879	5 079 588	140 291
Reserves	1 180 204	1 320 495	(140 291)
Total equity	6 400 083	6 400 083	-
Long term liabilities	1 840 171	1 840 171	-
Current liabilities	1 842 266	1 842 266	-
Total equity and liabilities	10 082 520	10 082 520	-

36. Subsequent events

The following events occurred after the reporting date and up to the date of this report:

Acquisition of shopping centres, property and asset management businesses ("the Billion transaction")

With effect from 3 October 2016, Rebosis acquired 100% of Billion Property Developments (Pty) Ltd ("BPD") which owns Forest Hill City Mall (Centurion)), Baywest City Mall (Pty) Ltd ("Baywest" which owns Baywest City Mall), Billion Asset Managers (Pty) Ltd (the asset management business) and Billion Property Services (Pty) Ltd (the property services business) for a total consideration of R4.9 billion. The transaction as further detailed in the circular posted to Rebosis shareholders on 2 September 2016, has been successfully consummated with Rebosis receiving 88% of the vote in favour of all resolutions proposed for the transaction. The acquisition price of R4.9 billion will be settled by new debt facilities of R3.7 billion and an equity raise of R1.2 billion (of which R700 million is deferred over the next two years at R350 million each year). R1.5 billion of this debt will be settled through the disposals of non-core commercial assets as detailed below.

The transaction will be accounted for in terms of IFRS3 Business Combinations and a full purchase price allocation will be performed within twelve months as allowed by the standard. Due to the fact that the release of these results is so close to the effective date of the transactions, it is not possible to make the required IFRS 3 disclosures as the initial accounting is still incomplete. This acquisition is part of the Rebosis long-term strategy to become a more retail focused fund.

Firm intention by Rebosis to acquire 100% Ascension A shares

As detailed on SENS on 27 October 2016, Ascension and Rebosis have concluded an agreement in terms of which Rebosis has given notice of its firm intention to offer to acquire all of the Ascension A ordinary shares that Rebosis does not already own in exchange for Rebosis A ordinary shares, by scheme of arrangement (the "scheme"), on a swap ratio of 19.34236 Rebosis A ordinary consideration shares for every 100 Ascension A shares held.

As further detailed on SENS on 6 February 2017, Rebosis subsequently disposed 28 001 628 Ascension A ordinary shares, being all of the Ascension A shares Rebosis owns ("the disposed shares") to Meago Asset Managers Proprietary Limited at R4.05 per share, payable in cash, for an aggregate consideration of R1 13.4 million. Upon the implementation of the A share scheme, the Ascension A shares will be delisted and Rebosis, as offeror, will not receive any Rebosis A ordinary shares but will instead acquire all of Ascension A shares.

The proposed transaction will result in an enlarged market capitalisation for Rebosis, with economies of scale and enhanced liquidity. The terms of the Rebosis A ordinary shares effectively mirror the terms of the Ascension A ordinary shares. In addition, the cash-cover ratio applicable to the Rebosis A ordinary shares will be significantly higher than the cash-cover ratio applicable to Ascension A shares. Full details of the scheme will be set out in a joint circular which will be distributed by Rebosis and Ascension to each of the Ascension A shareholders in due course and which will include an independent expert report on the scheme, a notice of the general meeting of Ascension A shareholders to approve the scheme and the salient dates and times applicable to the scheme.

Disposal of Assets

Disposal of assets continue for the R1.5 billion indicated to shareholders of which R1.156 billion (this includes Ascension disposals) has been formally committed to and announced on SENS. Further offers have been received and are being considered and negotiated with the potential buyers on the remaining R0.5bn by management. The R1.156 billion of assets committed through sale agreements have been classified as assets held for sale on the statement of financial position.

Dividend Declared

The company declared a dividend amounting to R339 555 999 (62.66 cents per share) on 7 November 2016.

Shares issued

The following shares were issued:

- 14 270 270 shares on 20 October 2016 for R11.10 per share under general authority to issue shares for cash
- 49 840 696 shares on 13 December 2016 for R10.71 per share pursuant to the claw-back offer for shares, following the conclusion of the Billion transaction.
- 9 897 292 shares on 19 January 2017 for R10.71 per share pursuant to the compulsory reinvestment requirement of shares, following the conclusion of the Billion transaction.



Rebosis is dedicated to our
SHAREHOLDERS

by providing them with *high quality*
property fund that is
retail biased in order to ensure
that the fund will have continued sustainable
low-risk and high growth.

We ask our *shareholders to please*
familiarise themselves with the following dates

found in **DIARY.**
the shareholders







Shareholder's Diary

Financial year-end	31 August
Integrated report	posted Tuesday, 28 February 2017
Annual general meeting	Wednesday, 19 April 2017
Announcement of interim results	April 2017
Announcement of annual results	November 2017

Dividend Details

FOR THE YEAR ENDED 31 AUGUST 2016

Dividend	Distribution number	Cents
Six months ended 29 February 2016	11	56.79
Six months ended 31 August 2016	12	62.66
Total		119.45

Shareholder Analysis

SHAREHOLDER SPREAD	No of Shareholders	%	No of Shares	%
1 - 1 000 shares	1 462	50,09	223 597	0,04
1 001- 10 000 shares	726	24,87	3 209 905	0,61
10 001- 100 000 shares	527	18,05	16 888 259	3,19
100 001- 1 000 000 shares	150	5,14	47 424 707	8,95
1 000 001 shares and over	54	1,85	462 431 681	87,22
Totals	2 919	100,00	530 178 149	100,00

DISTRIBUTION OF SHAREHOLDERS	No of Shareholders	%	No of Shares	%
Banks/Brokers	44	1,51	10 532 223	1,99
Close Corporations	37	1,27	1 834 697	0,35
Endowment Funds	20	0,69	1 360 699	0,26
Individuals	2 169	74,31	10 413 016	1,96
Insurance Companies	33	1,13	11 846 022	2,23
Investment Companies	8	0,27	1 425 515	0,27
Medical Schemes	4	0,14	489 364	0,09
Mutual Funds	154	5,28	147 815 677	27,88
Other Corporations	16	0,55	147 956	0,03
Private Companies	72	2,47	46 718 321	8,81
Public Company	1	0,03	1 618 654	0,31
Retirement Funds	104	3,56	167 923 145	31,67
Strategic Investor	1	0,03	100 828 529	19,02
Own Holdings	2	0,07	964 467	0,18
Trusts	254	8,70	26 259 864	4,95
Totals	2 919	100,00	530 178 149	100,00

PUBLIC / NON - PUBLIC SHAREHOLDERS	No of Shareholders	%	No of Shares	%
Non - Public Shareholders	13	0,45	124 787 617	23,54
Directors and Associates of the Company holdings	10	0,34	22 994 621	4,34
Strategic Holdings more than 10%	1	0,03	100 828 529	19,02
Own Holdings / Treasury Stock	2	0,07	964 467	0,18
Public Shareholders	2 906	99,55	405 390 532	76,46
Totals	2 919	100,00	530 178 149	100,00

Beneficial shareholders holding 5% or more	No of Shares	%
Government Employees Pension Fund	118 810 133	22,41
Arrowhead Properties Ltd	100 828 529	19,02
Coronation Fund Managers	48 063 347	9,07
STANLIB	36 188 506	6,83
Sanlam	27 552 802	5,20
Totals	331 443 317	62,52





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, 19 April 2017, 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 2016 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	2017
Record date to receive this notice of annual general meeting	Friday, 17 February
Last day to trade in order to be eligible to participate in and vote at the annual general meeting	Tuesday, 4 April
Record date for voting purposes ("voting record date")	Friday, 7 April
Last day to lodge forms of proxy by 10:00 on	Tuesday, 18 April
Annual general meeting held at 10:00 on	Wednesday, 19 April
Results of AGM released on SENS	Wednesday, 19 April

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

- 1.1. 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;
- 1.2. the company (or any subsidiary) must be authorised to do so in terms of its MOI;
- 1.3. the number of shares which may be acquired pursuant to this authority in any financial year (which commenced 1 September 2016 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;
- 1.4. 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;
- 1.5. 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;
- 1.6. 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;
- 1.7. the company (or any subsidiary) shall appoint only one agent to effect repurchases on its behalf; and
- 1.8. 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, 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."

1. SPECIAL RESOLUTION 1: SHARE REPURCHASES (Continued)

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 125; and
- Capital structure of the company – page 97

Directors' responsibility statement

The directors whose names appear on pages 30 to 31 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, 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 2016 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, 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, as amended, ("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.





Notice of Annual General Meeting (continued)

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

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. SPECIAL RESOLUTION 3: APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THEIR SERVICES AS DIRECTORS

"Resolved that the fees payable by the company to the non-executive directors for their services as directors (in terms of section 66 of the Companies Act 71 of 2008, as amended) for a period of two years from the passing of this resolution, or until its renewal, whichever is the earliest as follows:

Board fee (per meeting)	R10 700
Sub-Committee fee (per meeting)	R16 050
Basic Annual Fee (Board)	R128 400
Board Chair (Annual fee)	R374 500
Audit Committee Chair (per meeting)	R16 050
Other Sub-Committee Chair (per meeting)*	R10 700

*with the exception of Nomination Committee chair

The reason for and effect of special resolution number 3:

In terms of section 66(8) of the Companies Act the company may pay remuneration to its directors for their service as directors. Section 66(9) requires the remuneration to be paid in accordance with a special resolution approved by shareholders within the previous two years. The effect of the special resolution is that the directors will be entitled to the fees to be paid for a period of two years from the passing of this resolution or until its renewal, whichever is the earliest, in the amount/(s) set out above. All non-executive directors who attend committee meetings by invitation at the request of the board shall be eligible to receive the same fee for such attendance as if they were a member of the committee.

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.

4. ORDINARY RESOLUTION 1: RE-ELECTION OF DIRECTOR

"Resolved that TS Seopa 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 TS Seopa's past performance and contribution to the company and recommends that TS Seopa 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 2: RE-ELECTION OF DIRECTOR

"Resolved that Dr A Mokgokong 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 Dr A Mokgokong's past performance and contribution to the company and recommends that Dr A Mokgokong 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 3: ELECTION OF DIRECTORS

To elect by separate resolutions the following directors: GFvL Froneman and MM Mdlolo to the board of directors.

Abridged CV: GFvL Froneman

Gabriel Francois v L Froneman, B Com (Hons), CA (SA), RA

Francois Froneman, is a founding partner, chartered accountant and registered auditor with Middel & Partners and has 22 years' experience in auditing with in-depth expertise in the property sector, imports and exports, manufacturing, mine contracting and software development. He has also advised clients on implementing proper financial management and controls, setting up internal audit procedures and processes, performed numerous business analysis and valuations and assisted clients in the preparation of IFRS financial statements.

Abridged CV: MM Mdlolo

Maurice M. Mdlolo, BA Econ Bus Man

Maurice Mdlolo, CEO of Umthombo Property Investments (Pty) Ltd, has a comprehensive track record of delivery in the property sector. Maurice is the former managing director of Liberty Group Properties (Pty) Ltd, former CEO of Akhona Broll Properties and the former CEO of Motseng Marriot Property Services (Pty) Ltd. His other roles included senior manager of real estate for Woolworths Limited and senior manager of properties at Eskom Holdings Limited and Caltex Oil SA (Pty) Ltd. He has over 20 years of experience in property developments, property investment, property management, leasing, acquisitions, disposals and project management. Maurice holds a degree from the University of South Africa and various management courses from various Business Schools. He also served as a non-executive director at South African Council of Shopping Centres and at Synergy Income Fund Limited.

The board has assessed the performance of the directors standing for election and has found them suitable for appointment.

ORDINARY RESOLUTION 3.1

"Resolved that GFvL Froneman be and is hereby appointed as a director of the company with effect from 8 February 2017."

ORDINARY RESOLUTION 3.2

"Resolved that MM Mdlolo be and is hereby appointed as a director of the company with effect from 8 February 2017."

These resolutions (3.1 and 3.2) 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 4

Re-appointment and 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 appointed and/or 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:

- 4.1. GFvL Froneman (chairperson);
- 4.2. TS Seopa; and
- 4.3. 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.

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.





Notice of Annual General Meeting (continued)

8. 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 2017."

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.

9. ORDINARY RESOLUTION 6: 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, as amend, on the following basis:

- (a) 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;
- (b) the total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 30 209 320 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 30 209 320 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;
- (c) 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;
- (d) 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;
- (e) 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
- (f) 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 7: SPECIFIC AUTHORITY TO ISSUE SHARES PURSUANT TO A REINVESTMENT OPTION

"Resolved that, subject to the provisions of the Companies Act, 71 of 2008 as amended, the company's Memorandum of Incorporation and the Listings Requirements of the JSE, the directors be and are hereby authorised, by way of a specific standing authority, to issue shares, as and when they deem appropriate, for the exclusive purpose of affording shareholders opportunities from time to time to elect to reinvest their dividends in new shares of the company pursuant to a reinvestment option."

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.

11. 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, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (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.





Notice of Annual General Meeting (continued)

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 (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196), for the purposes of being entitled to attend, participate in and vote at the annual general meeting is Friday, 7 April 2017.

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 Tuesday, 18 April 2017 by submitting an email to the company secretary at mande@rebosis.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
Rosebank Towers
15 Biermann Avenue
Rosebank 2196

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: ZAE000201687
 (Approved as a REIT by the JSE)
 ("Rebosis" or "the company" or "the Group")



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, 19 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 _____ or failing him/her,
 _____ 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 Special resolution 1: General authority to enable the company (or any subsidiary) to repurchase shares of the company			
2 Special resolution 2: Authority to grant financial assistance to related and inter-related companies			
3 Special resolution 3: Approval of non-executive directors' remuneration for their services as directors			
4 Ordinary resolution 1: To re-elect TS Seopa as a director of the company			
5 Ordinary resolution 2: To re-elect Dr A Mokgokong as a director of the company			
6 Ordinary resolution 3.1: To elect GFvL Froneman as a director of the company			
7 Ordinary resolution 3.2: To elect MM Mdlolo as a director of the company			
8 Ordinary resolution 4: To re-appoint and appoint members of the audit and risk committee			
Resolution 4.1 GFvL Froneman (chairperson)			
Resolution 4.2 TS Seopa			
Resolution 4.3 NV Qangule			
9 Ordinary resolution 5: To reappoint Grant Thornton Johannesburg Partnership as auditors of the company			
10 Ordinary resolution 6: General authority to issue of shares for cash			
11 Ordinary resolution 7: Specific authority to issue shares pursuant to a reinvestment option			
12 Ordinary resolution 8: To authorise the signature of documentation			

Signed this _____ day of _____ 2017
 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 sub register 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, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (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: ZAE000201687
JSE sector: Real Estate – Real Estate holdings and development
Listing date: 17 May 2011
Units in issue: 530 178 149 (31 August 2016)
Company registration number: 2010/003468/06
Country of incorporation: South Africa
Website: www.rebosis.co.za

DIRECTORS

SM Ngebulana (Chief Executive Officer)
K Keshav (Chief Financial Officer)
AM Mazwai (Chief Operating Officer)
ATM Mokgokong* (Chairperson)
WJ Odendaal*
NV Qangule*
TSM Seopa*
MM Mdlolo*
GFvL Froneman*

**Independent 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
Wanderers Office Park
52 Corlett Drive
Johannesburg
2196
(Private Bag X10046, Sandton, 2146)

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
Rosebank Towers,
15 Biermann Avenue,
Rosebank, 2196
(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



