

20
14

INTEGRATED
REPORT

REBOSIS PROPERTY FUND_ INTEGRATED ANNUAL REPORT 2014

CONTENTS

< IFC	Contents Definitions	
< FACING PAGE	Investment case Timeline	
< 2014 SNAPSHOT	Highlights Share performance	1
< ABOUT THIS REPORT		3
< REBOSIS AT A GLANCE	Four year review Our portfolio	4 6 7
< HOW WE OPERATE	Our team Our growth strategy Material issues and risk Our stakeholders Governance structure Directorate	14 16 16 18 19 21 22
< PERFORMANCE REVIEW	Chairperson's report Chief Executive's report and portfolio review CFO's report	24 26 28 32
< TRANSPARENCY AND ACCOUNTABILITY	Ethical leadership Corporate governance Compliance framework Risk report Remuneration report	34 36 38 40 44 45
< OUR IMPACTS	Value added statement Social and ethics committee report Transformation Skills development Safety, health and environment Socio-economic development	46 48 49 50 51 51 52
< ANNUAL FINANCIAL STATEMENTS	Directors' responsibility and approval Certificate by company secretary Audit and risk committee report Independent auditor's report Directors' report Statement of financial position Statement of comprehensive income Statement of changes in equity Statement of cash flows Notes to the financial statements	54 56 57 58 59 60 62 63 64 65 66
< UNITHOLDERS' INFORMATION	Unitholder analysis Unitholders' diary Distribution details Notice of annual general meeting Form of proxy	90 92 93 93 94 99
< CORPORATE INFORMATION		IBC

TAKE NOTE OF THESE ICONS



This icon prompts you to read more on the website www.rebosis.co.za



Read more about this on the indicated page of this integrated report



This integrated report is available for download on the website

www.rebosis.co.za

INVESTMENT CASE__

- First black-managed and substantially black-held PLS on the JSE
- Consistent distribution growth since listing in May 2011
- Diversified portfolio
- Balanced exposure to retail, office and industrial
- High growth, low risk portfolio of assets
- Dominant regional malls in the retail portfolio
- Office portfolio offers long-term visibility (tenanted by national government with long leases and fixed escalation rates)

TIMELINE__

2010

ESTABLISHED BY THE
BILLION GROUP.

2011

LISTED ON THE JSE WITH
7 PROPERTIES VALUED AT
R3.3BILLION, GLA 223 000M².

2012

VENDOR PLACEMENT
29.4 MILLION SHARES RAISED
R295.5 MILLION.
ACQUIRED 4 OFFICE
PROPERTIES VALUED AT
R523 MILLION, GLA 51 418M².

2013

RIGHTS OFFER 58 MILLION
SHARES RAISED
R650 MILLION.
ACQUIRED ANTALIS FOR
R120 MILLION, GLA 18 954M².
RAISED R475 MILLION
THROUGH THE ISSUE OF
40.9 MILLION UNITS IN
TERMS OF BOOKBUILD FOR
SUNNYPARK AND ANTALIS.
CONCLUDED AGREEMENTS
FOR THE ACQUISITION OF THE
NTHWESE PORTFOLIO FOR
R1.06 BILLION, GLA 67 952M².
REIT STATUS APPROVED.

2014

TOOK TRANSFER OF THE
NTHWESE PORTFOLIO.
ACQUIRED ENTIRE SHARE
CAPITAL OF ASCENSION
PROPERTIES LIMITED
MANAGEMENT COMPANY,
THE ASSET MANAGER OF
ASCENSION.
ACQUIRED A 32% INTEREST
IN THE LINKED UNITS OF
ASCENSION .

1 2014 SNAPSHOT

HIGHLIGHTS

FINANCIAL

48,50c

FINAL DISTRIBUTION

48.50 CENTS PER LINKED UNIT

99,45c

FULL YEAR DISTRIBUTION

99.45 CENTS PER LINKED UNIT

7.9%

COST OF DEBT
FOR THE YEAR

13.7%

NET OPERATING RATIO
FOR THE YEAR

SUSTAINABILITY

TOTAL ASSETS UNDER
MANAGEMENT R7,603 BILLION

ACQUIRED 100% OF
ASCENSION MANCO

ACQUIRED A TOTAL OF 32% OF ASCENSION
PROPERTIES IN TWO TRANSACTIONS

2014 SNAPSHOT_ CONTINUED

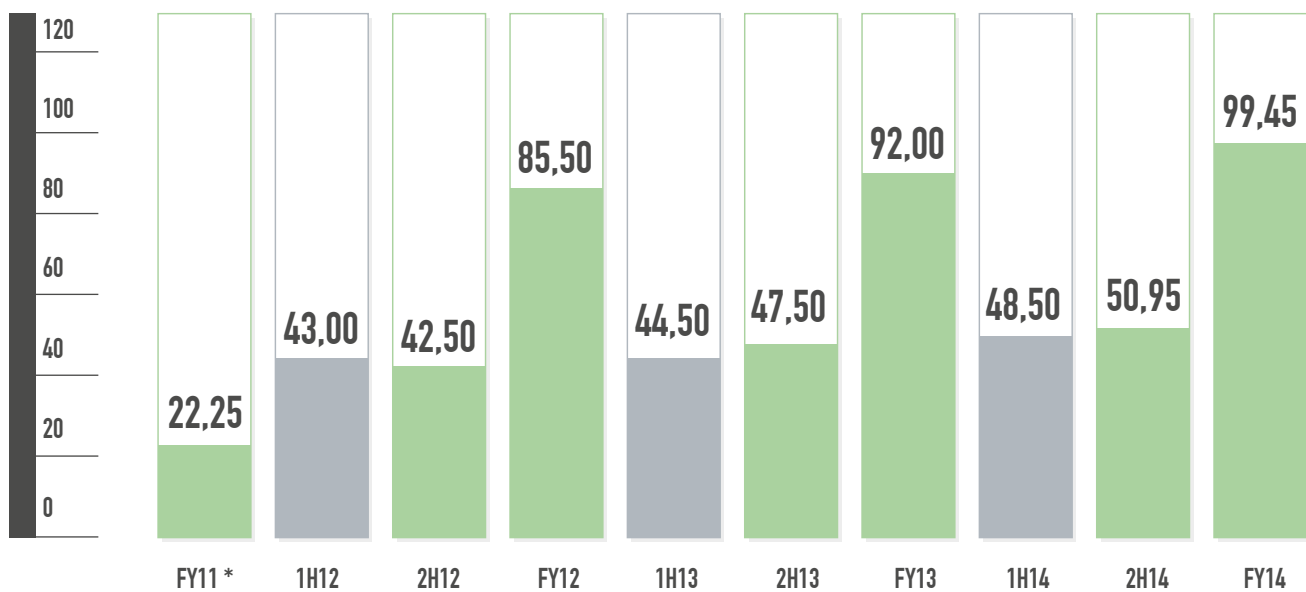
BEE SCORECARD

Code	August 2014
Ownership	19.38
Management control	8.88
Employment equity	n/a*
Skills development	n/a*
Preferential procurement	17.0
Enterprise development	10.0
Socio-economic development	0.0
Level	2

*Externally managed

DISTRIBUTION HISTORY

CENTS



*For the period 17 May 2011 (date of listing) to 31 August 2011

DEFINITIONS_

“Ascension A linked units”

A linked units in Ascension

“Ascension B linked units”

B linked units in Ascension

“Ascension”

Ascension Properties Limited, a REIT listed on the Main Board JSE in the ‘Property: Real Estate’ sector

“Ascension Manco”

Ascension Property Management Company Proprietary Limited, the asset manager of Ascension

“Billion Asset Managers”

Billion Asset Managers Proprietary Limited, the company to which Rebosis outsources its asset management function

“Billion Group”

Billion Group Proprietary Limited, a property development and investment group of companies

“Billion Property Services”

Billion Property Services Proprietary Limited, the company to which Rebosis outsources its property management function. The services performed by Billion Property Services include property and facilities management.

“the board”

The board of directors of Rebosis Property Fund Limited

“CEO” OR “CHIEF EXECUTIVE”

Chief Executive Officer. Rebosis' CEO is Sisa Ngebulana

“CFO”

Chief Financial Officer. Rebosis' CFO for the year under review was Janys Finn

“Companies Act”

The South African Companies Act 71 of 2008, as amended

“ESG”

Environment, social and governance, the central factors in measuring the sustainability and ethical impact of an investment in a company

“GLA”

Gross lettable area, measured in square metres

“GRI”

Global Reporting Initiative

“IBC”

Inside back cover of this report

“JSE”

JSE Limited, the South African securities exchange on which Rebosis is listed in the ‘Property: Real Estate’ sector

“King III Report”

King Report on Corporate Governance for South Africa 2009

“MOI”

Memorandum of Incorporation of Rebosis Property Fund Limited

“prior year”

The year-ended 31 August 2013

“plu”

Per linked unit

“PLS”

Property Loan Stock, a former JSE property investment vehicle (replaced by REIT)

“Rebosis” or “the company”

Rebosis Properties Limited, a REIT listed on the Main Board JSE in the ‘Property: Real Estate’ sector

“REIT”

Real Estate Investment Trust

“SAPOA”

South African Property Owners Association

“SENS”

The news dissemination service of the JSE Limited

“the year” or “the year under review”

The year ended 31 August 2014

FINANCIAL_ DEFINITIONS

“HEPS”

Headline earnings per share

“IFRS”

International Financial Reporting Standards

“NAV”

Net asset value which is calculated as the net assets of the entity less its liabilities. On the basis that the debentures are irrevocably linked to the shares of the entity, for the purposes of this definition, debentures have been treated as equity.

“NTAV”

Net tangible asset value which is calculated as the net tangible assets of the entity less its liabilities. On the basis that the debentures are irrevocably linked to the shares of the entity, for the purposes of this definition, debentures have been treated as equity.



28 HARRISON STREET

ABOUT THIS REPORT

REBOSIS IS A BLACK-EMPOWERED REIT LISTED ON THE MAIN BOARD JSE IN THE 'PROPERTY: REAL ESTATE' SECTOR. THE COMPANY OWNS A DIVERSIFIED R7,6 BILLION PROPERTY PORTFOLIO COMPRISING RETAIL, OFFICE AND INDUSTRIAL PROPERTIES ACROSS SOUTH AFRICA IN THE GAUTENG, EASTERN CAPE, KWAZULU-NATAL AND NORTH WEST PROVINCES. THE COMPANY FURTHER OWNS 100% OF THE ASCENSION MANCO AND HAS A STRATEGIC 32,1% HOLDING IN ASCENSION.

SCOPE OF THIS REPORT

This, our second integrated annual report, presents the financial results and the ESG performance of the group for the year 1 September 2013 to 31 August 2014, and follows our prior integrated annual report published in February 2014. It is primarily targeted at current unitholders, existing and potential institutional investors, fund and asset managers, funders and potential property vendors. There was no change to the boundary or any measurement techniques. Restatement for 2013 is outlined on page 63.

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

Reboasis 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 materially impacts in the course of business. The report therefore comprises an honest, measured account of the group's approach to sustainability that should enable stakeholders to accurately evaluate Reboasis' ability to create and sustain value over the short, medium and long-term.

In February 2014, Reboasis acquired 100% of Ascension Manco and 109 363 661

Ascension B linked units, equating to 29% of the Ascension B linked units in issue and 15,9% of Ascension's total issued linked unit capital. In July 2014, Reboasis acquired Delta Property Fund Limited's entire holding in Ascension, being 28 001 628 Ascension A linked units and 82 575 341 Ascension B linked units thereby increasing the company's holding to 9,1% in Ascension A linked units, 51,0% in Ascension B linked units and 32,1% in the total issued linked capital of Ascension.

CORPORATE INFORMATION

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

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

**Kameel was appointed effective 1 December 2014. Prior to this the CFO was Janys Finn.*

KEY DATA

(Registration number: 2010/003468/06)
ISIN: ZAE000156147
JSE Main Board sector: Real Estate – Real Estate holdings and development
JSE share code: REB
Listing date: 17 May 2011
Units in issue: 386 531 577
(31 August 2014)

A hard copy of this integrated annual report is available on request from the CFO, and is also posted online at www.reboasis.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. Reboasis 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 applied, are explained.

Reboasis has considered and applied many of the recommendations contained in the International Integrated Reporting Framework issued in December 2013 as well as in the Discussion Paper on the Framework for Integrated Annual Reporting and the Integrated Annual Report issued by the Integrated Annual Reporting Committee of South Africa. The board acknowledges that integrated reporting is a journey and is continuing to improve reporting with the ultimate aim of a fully integrated report.

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

ASSURANCE

The company's external auditors, Grant Thornton (Jhb) Inc., have independently audited the annual financial statements for the year-ended 31 August 2014. Their unqualified audit report is set out on page 59. The scope of their audit is limited to the information set out in the annual financial statements on pages 62 to 88.

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 2014. Actual results may differ materially from the company's expectations if known and unknown risks or uncertainties affect its business, or if estimates or assumptions prove inaccurate. The company cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these forward-looking statements. The company disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available as a result of future events or for any other reason, save as required to do so by legislation and/or regulation.

RESPONSIBILITY STATEMENT AND REVIEW

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



SM Ngebulana
Chief Executive



JA Finn
Outgoing
CFO

2 REBOSIS_ AT A_ GLANCE

- 1 FOUR YEAR REVIEW
- 2 OUR PORTFOLIO



INTEGRATED
ANNUAL REPORT
2014



REBOSIS AT A GLANCE

- ESTABLISHED IN 2010
- LISTED ON JSE IN 2011
- HEADQUARTERED IN FOURWAYS, JOHANNESBURG
- 19 QUALITY PROPERTIES
- GLA OF 415 048M²
- FOOTPRINT SPANNING GAUTENG, EASTERN CAPE, KWAZULU-NATAL AND NORTH WEST
- LEVEL 2 BBBEE

Rebosis is a black empowered, high growth property fund holding a diverse R7.6 billion portfolio of retail, industrial and commercial buildings. The group was the first black-managed and substantially black-owned property fund to join the JSE and remains differentiated by its exceptionally strong BEE platform.

Rebosis' retail portfolio consists entirely of shopping centres which are dominant in their respective catchment areas. The office portfolio is predominantly government-tenanted for long-term sustainability, capitalising on the group's strategic BEE advantage. Rebosis has grown its property portfolio significantly since inception and has diligently adhered to its strategy of only distribution-enhancing acquisitions.

FOUR YEAR REVIEW

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

*For the period 17 May 2011, date of listing, to 31 August 2011

UNITHOLDER PROFILE*

Government Employees Pension Fund	17,29%
STANLIB	9,59%
Amatolo Trust (SM Ngebulana)	9,46%
Coronation Fund Managers	6,66%
Sanlam	6,34%
Dreamfair Properties 26 (Pty) Ltd (sellers of Nthwese portfolio)	5,64%
Investec	4,19%
Eskom Pension & Provident Fund	3,66%
Investment Solutions	3,15%
MMI Holdings Ltd	2,53%
Other	<2,5%

*Based on beneficial holdings

OUR PORTFOLIO



KEY INDICATORS

At 31 August 2014

	Retail	Office	Industrial	Total
Number of properties	4	14	1	19
Portfolio valuation (R000)	3 048 000	3 672 000	136 000	6 856 000
Gross lettable area (m ²)	163 961	232 133	18 954	415 048
Value per m ² (R)	18 590	15 819	7 175	16 519
Vacancy (%)	4.1	1.3	0	2.4
Average monthly gross rental per m ²	129.7	120,74	59.3	121.9
Average escalation (%) by rentable area	7.5	8.6	7.0	
Weighted average lease period (years)	4.0	4.2	5.3	4.1
Net cost to income ratio (%)	15,5	12,8	2,9	13,7

INVESTMENT PROPERTY

Existing portfolio	Location	GLA m ²	Valuation R	Value/m ² R	Average rent/m ² R
Retail		163 961	3 048 000 000	18 590	129,49
Hemingways Shopping Centre	Eastern Cape	74 668	1 601 000 000	21 442	139,59
Mdantsane Shopping Centre	Eastern Cape	36 021	399 000 000	11 077	94,63
Sunnypark	Gauteng	27 650	614 000 000	22 206	148,75
Bloed Street	Gauteng	25 622	434 000 000	16 939	125,59
Office		232 133	3 672 000 000	15 819	117,21
Arbour Square	Gauteng	9 206	116 000 000	12 600	101,07
Bank of Lisbon	Gauteng	14 599	165 000 000	11 302	81,43
Liberty Building	Gauteng	33 885	551 000 000	16 261	110,28
SALU Building	Gauteng	30 354	583 000 000	19 207	122,74
Victoria Mxenge	Gauteng	24 720	436 000 000	17 638	102,69
28 Harrison Street	Gauteng	20 984	243 000 000	11 580	94,04
124 Main Street	Gauteng	20 818	420 000 000	20 175	151,52
18 Rissik Street	Gauteng	11 204	197 000 000	17 583	186,85
99 Market Street	Gauteng	11 659	175 000 000	15 010	120,82
64 Eloff Street	Gauteng	4 938	79 000 000	15 998	125,62
189 Schoeman Street	Gauteng	19 332	320 000 000	16 553	117,55
270 Jabu Ndlovu Street	KwaZulu-Natal	11 455	142 000 000	12 396	108,31
Revenue Building	KwaZulu-Natal	7 314	80 000 000	10 938	104,12
Sassa House	North West	11 665	165 000 000	14 145	129,47
Industrial					
Antalis	Gauteng	18 954	136 000 000	7 175	59,25
		415 048	6 856 000 000	16 519	121,90

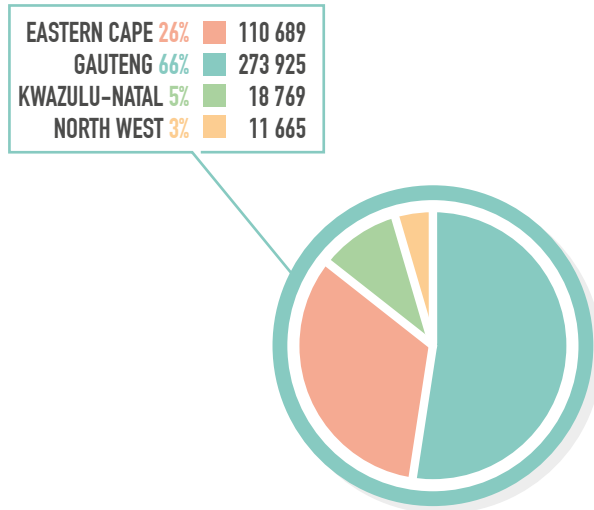
INVESTMENT PROPERTY AT 31 AUGUST 2014



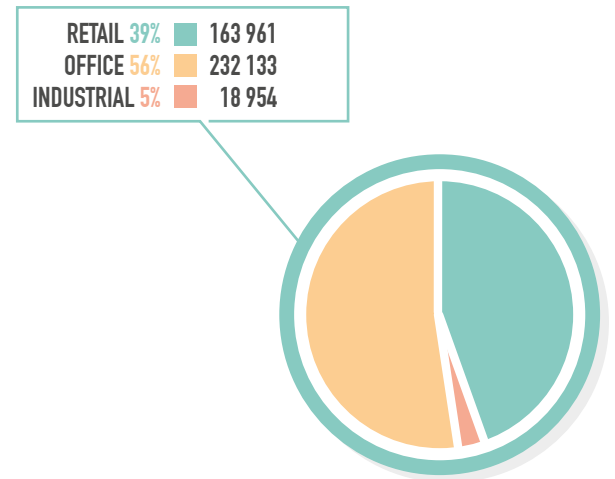


BANK OF LISBON BUILDING

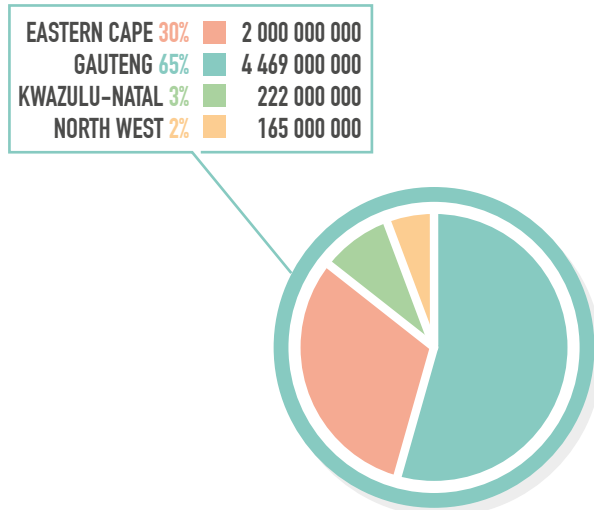
GEOGRAPHICAL SPREAD BY GLA (M²)



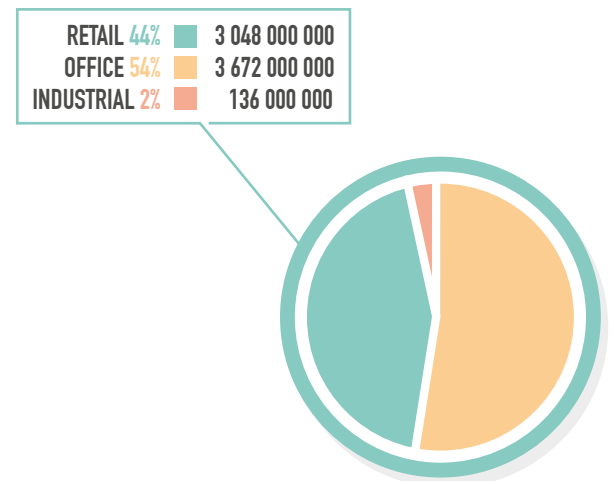
SECTORAL SPREAD BY GLA (M²)



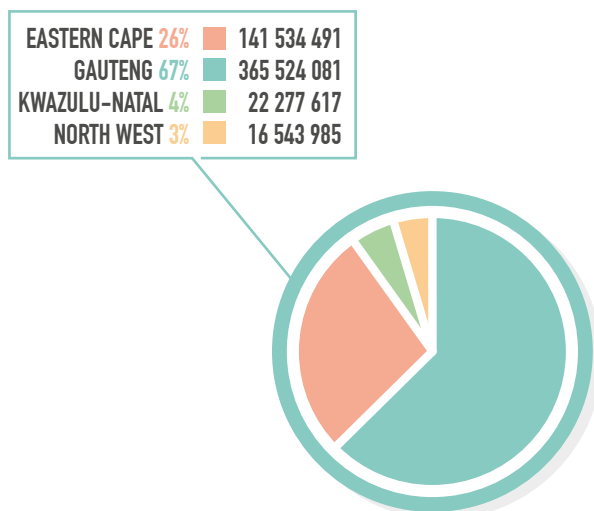
GEOGRAPHICAL SPREAD BY VALUE (R)



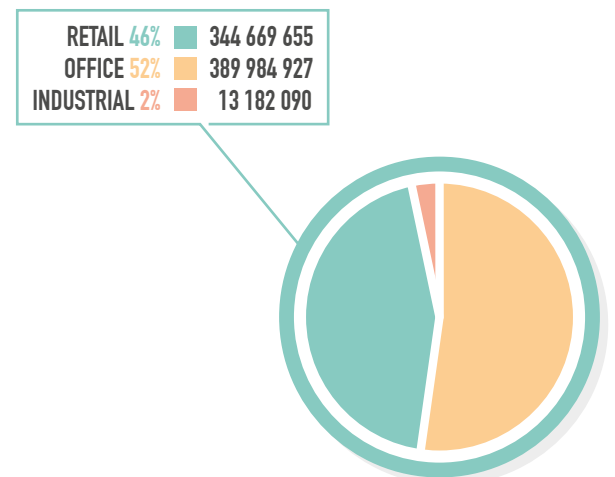
SECTORAL SPREAD BY VALUE (R)



GEOGRAPHICAL SPREAD BY REVENUE (R)

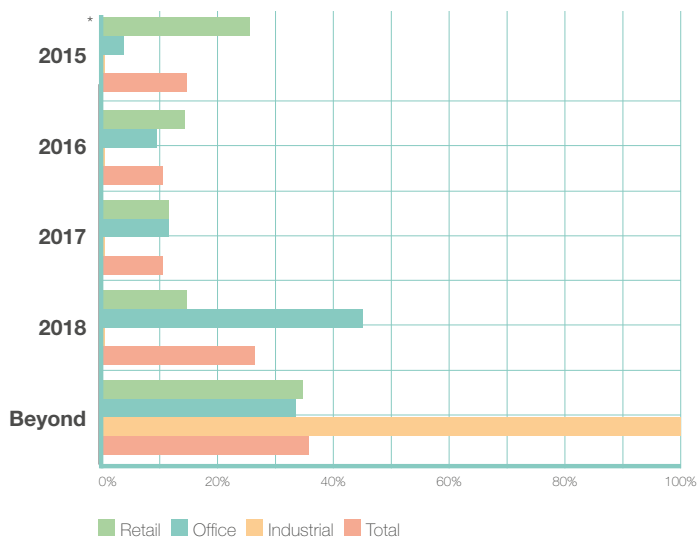


SECTORAL SPREAD BY REVENUE (R)

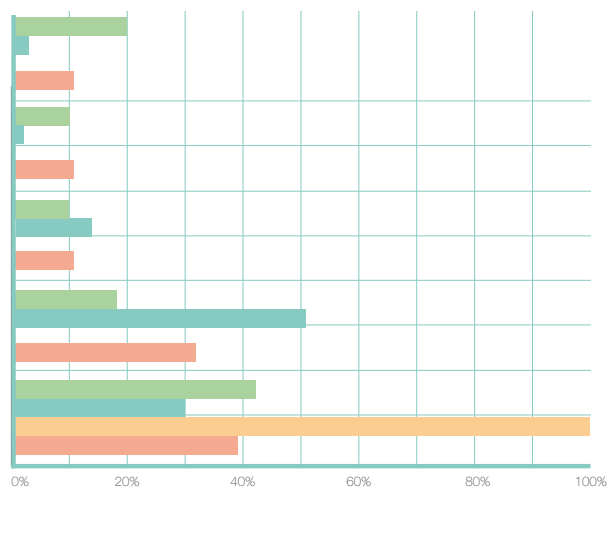


LEASE EXPIRY PROFILE

Lease expiry profile by revenue - as at 31 August 2014

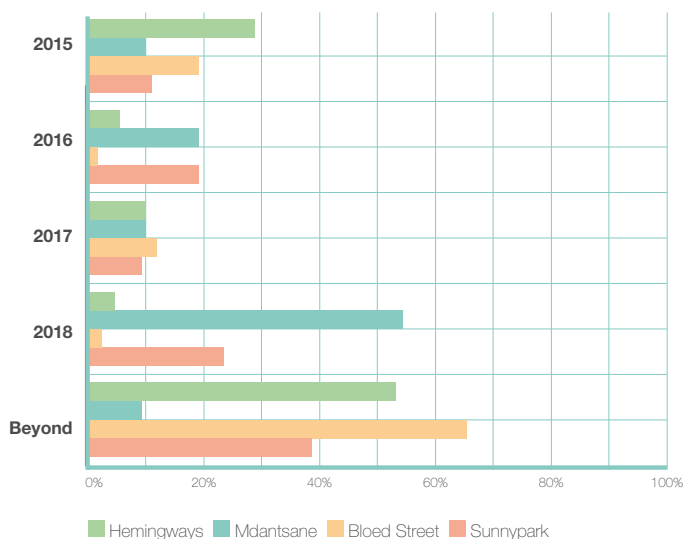


Lease expiry profile by GLA - as at 31 August 2014



LEASE EXPIRY PROFILE

Retail lease expiry profile - as at 31 August 2014



LEASE EXPOSURE

Top tenants by GLA as at 31 August 2014

Government	33,0%
Provincial Government	12,3%
Government Agent	6,9%
Antalis	4,6%
Shoprite	3,2%
Woolworths	2,5%
Edcon	3,2%
Pick 'n Pay	2,1%
Foshini	2,0%
Mr Price	1,8%
Total	71,6%

Office Industrial Retail

LETTING ACTIVITY

	Retail			Office/industrial			Total		
	GLA	Vacancy	%	GLA	Vacancy	%	GLA	Vacancy	%
Opening balance	164 126	5 752	3,5	182 406	831	0,5	346 532	6 583	1,9
Acquisitions				67 951			67 951		
Lease expiring during the year		13 596			18 747			32 343	
Leases terminated		1 206			(15 447)			(14 241)	
New lettings of vacant space		(3 212)			(831)			(4 043)	
Lease renewals		(11 348)						(11 348)	
GLA adjustments	(165)	663		730			565	663	
	163 961	6 657	4,1	251 087	3 300	1,3	415 048	9 957	2,4



HEMINGWAYS MALL

TENANT GRADING

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

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

B = Medium companies and franchisees

C = Other small tenants

Tenant grading at 31 August 2014 was as follows:

		Gross monthly rental %	GLA %
A	Retail	32	29
	Office	54	54
	Industrial	2	5
Total A grade		88	88
B	Retail	6	4
	Office	-	-
	Industrial	-	-
Total B grade		6	4
C	Retail	4	5
	Office	1	2
	Industrial	-	-
Total C grade		5	7
Total portfolio excluding vacancies		99	97
Vacancy	Retail		4,1
	Office		1,3
	Industrial		-
Total vacancy			2,4
Total portfolio		100	100



3 HOW WE OPERATE

- 1 OUR TEAM
- 2 OUR GROWTH STRATEGY
- 3 MATERIAL ISSUES AND RISK
- 4 OUR STAKEHOLDERS
- 5 GOVERNANCE STRUCTURE
- 6 DIRECTORATE



**INTEGRATED
ANNUAL REPORT
2014**



HOW WE OPERATE

THE ASSET MANAGEMENT AND PROPERTY MANAGEMENT OF THE GROUP'S PORTFOLIO IS OUTSOURCED TO BILLION ASSET MANAGERS AND BILLION PROPERTY SERVICES RESPECTIVELY. THE BILLION GROUP WAS ESTABLISHED IN 1999 BY SISA NGBULANA, WHO TODAY IS CHIEF EXECUTIVE OF REBOSIS.

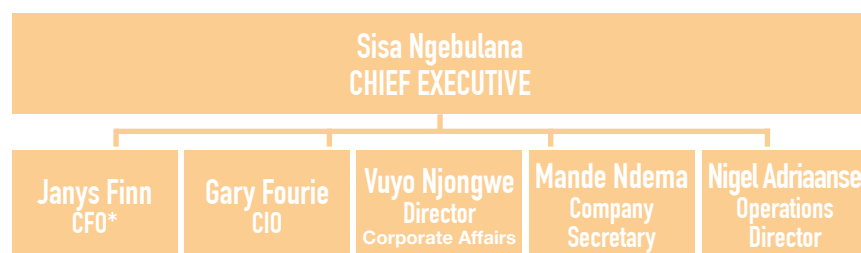
Rebosis therefore has no direct employees. The responsibility for remuneration of management resides with Billion Asset Managers, which is reimbursed by Rebosis by way of a monthly asset management fee that is calculated as one twelfth of 0,3% of the market capitalisation of Rebosis plus debt. The Property Manager - Billion Property Services – charges a property management fee of 2,5% of gross collections.

OUR TEAM

Fund management team

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

Executive management at year-end



*Resigned effective 30 November 2014. Kameel Keshav appointed as CFO.

MANAGEMENT

Gary Vipond
Retail Portfolio Executive

Rachel Klaasen
Portfolio Director

Gaby Sithole
Retail Asset Manager

Oratile Mosethi
Office Asset Manager

Claude Rossouw
Asset Manager Facilities

Thabo Mofokeng
Asset Manager Acquisitions

Faheema Cupido
Office Asset Manager

Estelle Williams
Office Asset Manager

OUR GROWTH STRATEGY

Rebosis' core strategic objective is to be a retail-biased fund focused on well-located retail, office and industrial properties yielding strong, secure income and high capital returns.

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

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

THE GROUP'S ACQUISITION STRATEGY DEMANDS CONSISTENTLY APPLIED, CLEARLY DEFINED INVESTMENT CRITERIA:

Dominant shopping centre, not replicable in its catchment area

> 20 000m² or valued > R250 million.

Large offices, single tenant buildings under long leases

> 10 000m² or valued > R100 million.

Large, single tenanted industrial warehouses

> 10 000m² or valued > R80 million.

Capital management

Gearing

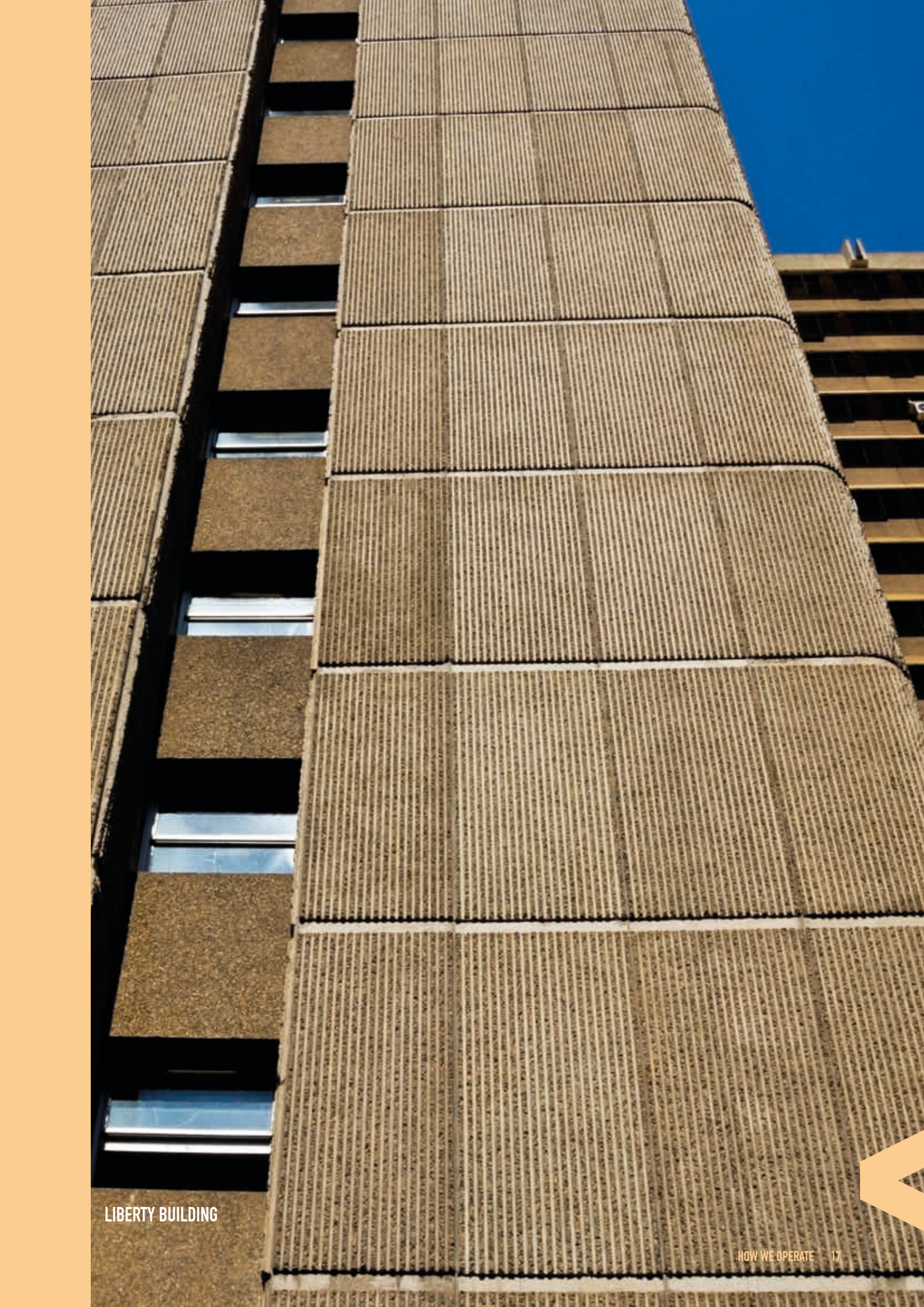
- Short term target < 45% LTV
- Long term target < 35% LTV

Hedging

- Hedged > 70% of borrowings

Alternative sources of funding

- DMTN programmes



LIBERTY BUILDING

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 2014
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"> The strategic acquisition of the Ascension Manco together with the acquisition of a 32,1% interest in Ascension linked units positions Rebosis well to acquire the assets of Ascension
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"> The strategic acquisition of the Ascension Manco together with the acquisition of a 32,1% interest in Ascension linked units positions Rebosis well to acquire the assets of Ascension, thereby geographically diversifying the Rebosis portfolio into the Western Cape
Possible over-exposure to public sector in office portfolio	<ul style="list-style-type: none"> High concentration of government leases in single-tenanted properties Possible increased vacancies or shorter leases if government leasing policies change 	<ul style="list-style-type: none"> Internal strategy restrictive in terms of target tenants 	<ul style="list-style-type: none"> Diversification of the office portfolio to include blue chip corporates Early renewal negotiations Maintain/improve BEE scorecarding Engage government through SAPOA to promote transformation strategies 	<ul style="list-style-type: none"> Rebosis achieved a level 2 BEE rating during the review period. Successful five year renewals of government leases during the review period
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"> Extended average remaining term of the liabilities from 3 to 5 yrs during the review period
BEE	<p>Inability to maintain appropriate level of scorecarding:</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' scorecarding 	<ul style="list-style-type: none"> Rebosis was rated for the first time during the review period with a level 2 scorecard

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 Rebosis' 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.

Rebosis 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

Investors/Unitholder

WHAT MATTERS TO THEM

- Distributions (consistency and growth)
- Stable investment performance
- Accessibility of executives
- Timely information
- Risk management
- Ability to execute on strategy
- Value extraction

HOW WE ENGAGE

- SENS
- Pre-polling prior to results announcements
- Pre-close analyst lunches
- Investment Analysts Society (IAS) results presentations
- 1:1 meetings
- AGM
- Media
- Investor relations specialist
- Regular telephone contact
- Conferences

OUR RESPONSE

- Chief Executive, CFO and CIO:
- Expectations and perceptions of investors are communicated to and addressed by the board
 - Provide opportunities to introduce management and the business profile

Property Managers

- Good working environment
- Support from the Asset Manager
- Good collection
- Minimal bad debt
- Successful facilities management

- Performance review by the Asset Manager

- Asset Manager:
- Feedback discussed at Asset Manager level and communicated to the board

Asset Manager

- Consistent performance
- Fair mandate conditions

- Asset management agreement
- Board and executive engagements

- Feedback discussed at asset manager level and communicated to the board

Lenders/providers of capital

- Capital management
- Sustainability
- Investment performance
- Cash generation
- Governance and compliance
- Risk management

- Contractually required information flow
- Regular ad hoc meetings

- Chief Executive, CFO and CIO:
- Feedback from meetings is relayed to and dealt with at board level

Tenants

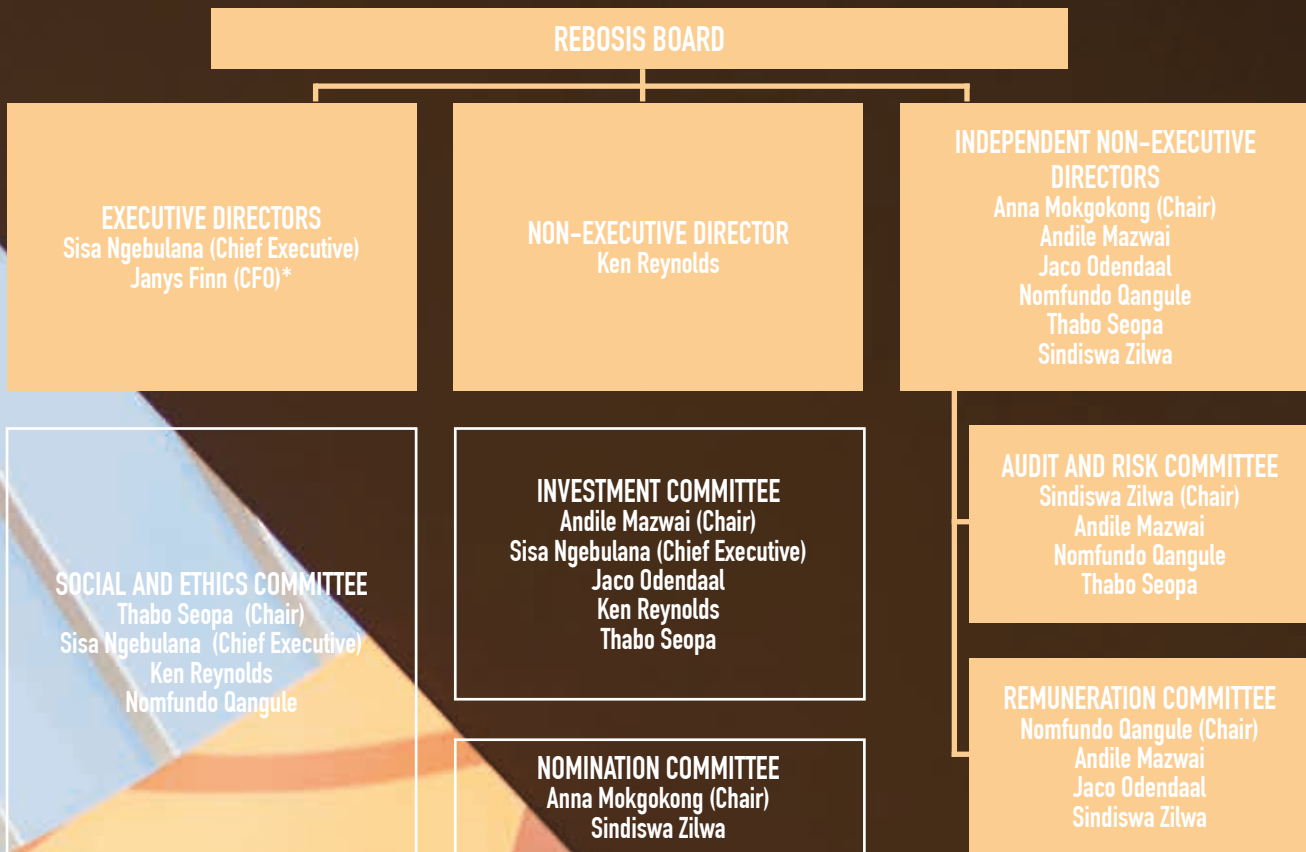
- Property management service
- Reasonable rentals and escalations
- Location of property
- Security of customers (retail)
- Footfall and turnover (retail)
- Good upkeep and maintenance of buildings

- 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



GOVERNANCE STRUCTURE



**Resigned effective 30 November 2014*

EXECUTIVE DIRECTORS

SISA NGBULANA (48)
Chief Executive

BJURIS, LLB, LLM
Date of appointment:
12/04/2011

JANYNS FINN (50)*
Chief Financial Officer

BCOM, BACC, CA(SA)
Date of appointment:
12/04/2011

NON-EXECUTIVE DIRECTOR

KEN REYNOLDS (55)

BCOM
Date of appointment:
12/04/2011

INDEPENDENT NON-EXECUTIVE DIRECTORS

DR ANNA MOKGOKONG (57)
Chairperson

BSC, MBCHB
Date of appointment:
12/04/2011

ANDILE MAZWAI (43)

BCOM (HONS)
Date of appointment:
12/04/2011



Sisa founded the Billion Group in 1998 and Rebosis in 2010. Sisa has won various awards: Entrepreneur of the Year Award (2006), Pioneer award (2014), African Business Excellence (2014).

An admitted attorney of the High Court of South Africa, he practised with Jan S de Villiers Attorneys in commercial litigation before joining Eskom for seven years as legal counsel specialising in property and finance.

He is a past president of the South African Council of Shopping Centres (SACSC), and has been a director of the Attfund group, Truworths International and the Construction Industry Development Board (CIDB).

Sisa has single handedly developed a number of regional shopping malls in SA, including Hemingways Mall, Forrest Hill City, Mdantsane City, B.T. NGebs City and with Abacus Bay West City.



Janyns is a chartered accountant with extensive experience in the listed property sector.

She was a partner at Grant Thornton for almost 13 years with several listed clients in her portfolio.

In 2005 she was appointed Chief Financial Officer of Metboard Properties Limited until its purchase by Growthpoint Properties Limited in 2006. Janyns was also formerly Chief Financial Officer of Madison Property Fund Managers Limited from 2006 to 2009 and Chief Financial Officer of Redefine Properties Limited for a year thereafter, before joining Rebosis.

**Resigned effective 30 November 2014*



Ken joined BoE in 1988 as a mortgage lending manager and over the past 25 years has filled management and specialist positions in Nedbank's property finance and property investment operations.

He oversaw the building of the second phase of the Nedbank office in Sandton, South Africa's first green star-rated building. Ken is currently the regional executive for Gauteng at Nedbank corporate property finance.



Born in Soweto and raised in Swaziland, Dr Mokgokong has achieved international acclaim for her entrepreneurial ability and in 1999 received the South African Businesswoman of the Year Award. She is a former president of both the South African Women Entrepreneurs Network (SAWEN) and the International Women's Forum of South Africa (IWFSA).

She serves on the boards of numerous listed and private companies, both local and international. She is one of the founder members and group executive Chairperson of Community Investment Holdings Proprietary Limited, a leading black empowerment company. Anna formerly chaired the Council of the University of South Africa and served on the Commission for the Remuneration of Public Office Bearers, where she was the Deputy Chairperson. She was also formerly appointed to serve as a member of the Interim Defence Force Commission. Anna is an independent non-executive director of Shoprite Holdings Limited and Adcock Ingram Holdings Limited and is further Chairperson of Jasco Electrocnis Limited and Afrocentric Investment Corporation.



Andile is the CEO of the National Stokvel Association of South Africa (NASASA) and a non-executive director of the JSE.

He was formally CEO of Barnard Jacobs Mellet Holdings, before it was acquired by First National Bank in 2011.

INDEPENDENT NON-EXECUTIVE DIRECTORS

SINDISWA ZILWA (47)

BCOMPT (HONS) CA(SA)
Date of appointment:
12/04/2011



Sindi qualified as the second black female chartered accountant in South Africa in 1990, and started practising as a Registered Auditor in 1993. She is the CEO of Nkonki, a Registered Firm of Auditors, Accountants and Consultants, with more than 30 partners and directors and more than 400 professional staff.

In 1998 Sindi was named SA's Business Woman of the Year by the Executive Women's Club and in 2008 received the Woman of Substance Award from African Women Chartered Accountants (AWCA). She is the author of "The ACE Model – Winning Formula for Audit Committees". She is a non-executive director of Discovery Limited, Aspen Limited, Metrofile Holdings, Gijima Limited, Air Traffic Navigation Services (ATNS) SOC Limited and Alexkor Limited.

JACO ODENDAAL (54)

PERSONNEL
MANAGEMENT DIPLOMA
Date of appointment:
12/04/2011



Jaco successfully managed his own property development and leasing company for 10 years before being offered a position as CEO at Colliers International in 1997, where he was responsible for retail and property development in the Western Cape.

In 2002 Jaco headed up a number of developments, notably the Cape Gate Precinct in joint venture with Hartwig Trust. In 2005 he co-founded Abacus Asset Management and is currently involved in various other developments, namely the award-winning Moorivier Mall in Potchefstroom as well as the Matlosana Mall in Klerksdorp.

THABO SEOPA (50)

BACC, HDIP TAX, MDP
Date of appointment:
26/04/2012



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 (47)

CA(SA), CAIB(SA)
Date of appointment:
26/04/2012



A qualified chartered accountant, Nomfundo has extensive experience in corporate finance and private equity and was previously the CFO 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 Limited.

EXECUTIVE MANAGEMENT

GARY FOURIE
Chief Investment
Officer

MANDE NDEMA
Company Secretary

THABO MOFOKENG
Growth Asset
Manager

GABY SITHOLE
Retail Asset
Manager

ORATILE MOSETLHI
Commercial Asset
Manager

VUYO NJONGWE
Corporate and Legal
Affairs Executive

4

PERFORMANCE_ REVIEW

- 1 CHAIRPERSON'S REPORT
- 2 CHIEF EXECUTIVE'S REPORT & PORTFOLIO REVIEW
- 3 CFO'S REPORT



**INTEGRATED
ANNUAL REPORT
2014**



PERFORMANCE REVIEW__



CHAIRPERSON'S REPORT__

DR ANNA MOKGOKONG

DELIVERING STAKEHOLDER VALUE

In our first year operating as a REIT, the Fund's highly commendable performance exceeded both our growth objectives and market expectations.

We are effectively progressing our long-term strategic intent to be the 'fastest growing investment fund in South Africa'. Assets under management grew by 44%, or R2,3 billion, to R7,6 billion in the year without Rebosis having engaged in any equity capital raising. Distributions grew 8.1% ahead of both forecast and market consensus notwithstanding volatile market conditions. A final distribution of 99.45 cents per unit for the year was declared, up from 92.2 cents per unit in the previous year.

We acquired the Nthwese office portfolio for R1,06 billion at a 9.5% yield, with settlement of part of the purchase price in Rebosis shares boosting our black ownership levels. We further acquired a 32.1% stake in Ascension Properties and successfully integrated their Manco team into ours. Unlocking value in the existing portfolio, we completed the expansion and tenant mix optimisation programme at Hemingways Mall and started the redevelopment project at the Bloed Street shopping centre.

Earnings were driven in the main by improved portfolio fundamentals, lower funding costs and continually enhanced operating efficiencies.

OUR OPERATING ENVIRONMENT

Rebosis' performance was achieved in the face of a highly challenging operating environment and an aggressively competitive market. Labour unrest and stagnation

in emerging markets have considerably subdued economic growth, as reflected in the IMF and SARB revised growth predictions for South Africa for 2014. In addition the deficient electricity supply in South Africa continues to drive up operating costs.

Despite this business landscape, the South African property sector maintained modest growth in 2014 with a total return of 7.4% for the first six months (according to the IPD).

From a sectoral perspective retail is being challenged. Given that household debt remains high, retail sales are constrained and there lingers uncertainty regarding the financial stability of tenants. However, large centres such as ours remain defensive in light of critical mass and area dominance, and with respect to Rebosis specifically, our diversified national tenant profile supports our retail portfolio's resilience.

In offices, the generally weak corporate environment with increased business failures and liquidations has released a surplus of supply into the market, putting pressure on rentals and increasing vacancies. The intensely competitive market is resulting in high tenant churn. Nonetheless, this market landscape presents opportunity for acquiring quality non-core office assets from vendors at discounted prices, redeveloping 'tired' stock to A-P grades at competitive rates and residential conversions in viable nodes.

Our single industrial tenant, Antalis, is contracted on a triple net lease expiring in 2019.

DELIVERING ON STRATEGY

Rebosis' current portfolio balances defensive traits with high growth drivers.

The retail portfolio offers exposure to early stage dominant regional and super regional malls, led by flagship Hemingways Mall in East London. To demonstrate the degree of dominance, there is no peer comparison to Hemingways Mall in a radius of 200km. Rebosis also owns Mdantsane, the next largest shopping centre in the Eastern Cape. The other shopping centres in the portfolio are Sunnypark Mall and Bloed Mall in Pretoria.

Our offices are mainly very large CBD buildings with secure government tenants who have invested significant capital in the infrastructure, under long leases with fixed escalation rates. The upside is the strong retention rate with zero tenant default, which generates a sovereign income benefit that shields against private sector risk.

In addition Rebosis has limited exposure to short-term national lease expiries and our scale and sectoral dominance help reduce risk. The location and quality of our buildings, supported by our BEE credentials, are further advantages for tenant retention. We also recently concluded renewals of five year leases with 7% escalations, ahead of National Treasury's directive limiting the Department of Public Works' leases to three years and renewals to 5.5% annually. The fact that we are careful to charge market-related rentals to begin with should further help mitigate future negative reversions on renewals.

Our mid- to long-term focus remains on growing a quality retail portfolio to more than 65% of the total portfolio by value. In the

shorter term we will consider yield enhancing acquisitions resulting in office concentration. With regard to all acquisitions, the overriding emphasis is on quality assets.

SUSTAINABILITY

Good governance is essential for the long term success of the group. The board is committed to continuously improving governance in line with the King III Report, the JSE Listings Requirements and the Companies Act. (More information on the company's corporate governance policies and procedures is set out on page 38.)

B-BBEEE

Rebosis is distinguished by one of the highest B-BBEE ratings in the listed property sector at Level 2. This is a significant competitive advantage for the group, specifically in securing stable, long-term government tenancy of our office buildings.

OUTLOOK

The fundamentals of the portfolio are sound. Demand for space remains strong, vacancies are low and operating costs are well managed. Long-term leases with market-related contractual escalations in the office sector, combined with robust turnover growth from our retail assets, should continue to drive up distributions in the coming year to between 105.5 and 107.5 cents per unit (unreviewed forecast).

Given our high-growth, defensive portfolio we remain positive on the performance of the fund.

APPRECIATION

I would like to thank my fellow board members for their input during the year. I commend the dedication of Chief Executive, Sisa Ngebulana, and the executive management team who have steered our growth so admirably. Our asset managers are also critical to our success and your hard work is greatly appreciated.

Thank you too to our shareholders, tenants, all business partners and the industry regulators for your ongoing support.



Dr Anna Mokgokong
Chairperson

5 November 2014



CHIEF EXECUTIVE'S REPORT AND PORTFOLIO REVIEW

SISA NGEBULANA

Our strategy is well on track to build a diversified and resilient portfolio of properties yielding strong, secure income and high capital returns. We maintained a stable year-on-year growth rate in distributions, with the 8,1% for the year well ahead of expectations. This was despite a tough macroeconomic environment with a tightening interest rate cycle, rising inflation and slowing economic growth.

We announced three yield enhancing strategic acquisitions in the year to spur record growth. While the strategic focus remains primarily on growing a quality retail portfolio, the Ascension Properties and Nthwese acquisitions are in line with investment criteria set by the Board.

PROPERTY ACQUISITIONS

The acquisition of the Nthwese property portfolio for R1,06 billion is consistent with our strategy to acquire large, high-quality and defensive commercial properties yielding secure capital and income returns. With effect from 1 September 2013, Rebosis took transfer of the five recently refurbished, government-tenanted buildings in Gauteng. The 67 952m² fully let portfolio consists of long-term leases expiring in 2019 and 2020, providing unitholders with predictable revenue streams and low forecast risk.

STRATEGIC ACQUISITIONS

Following our acquisition of its asset management company in February 2014, we acquired a significant stake in Ascension Properties. Ascension is a JSE-listed black managed and substantially black-owned property income fund focused on centrally located commercial office buildings in South

Africa, with a strong focus on government and other empowerment-oriented tenants.

Rebosis acquired the entire issued share capital of Ascension Manco, the asset manager of Ascension Properties, for R150 million. The Ascension management team has since been successfully integrated with Billion Asset Management, resulting in significant value unlock. Through haring managed its assets effectively and significantly reduced vacancies.

The R638,6 million investment in Ascension linked units provides overall diversification in our portfolio following termination of a possible merger negotiations between Rebosis and Delta Property Fund, Delta sold its holding in Ascension to Rebosis, boosting our initial stake from 16% to 32,1%.

A possible 100% Ascension scheme of arrangement is being considered, incorporation through this will further secure size and liquidity. However, we will proceed prudently taking all factors into account.

INVESTMENT PERFORMANCE

Our focus on distribution-enhancing acquisitions is once again evident, with strong growth in distributable income on the back of acquisitive growth.

FINANCIAL RESULTS

The company's market capitalisation grew to R4,23 billion at year-end from R4,1 billion last year. Net asset value increased to R12 per unit, up 6,9% on the prior year's R11,23 per unit.

The Nthwese and Ascension acquisitions drove up debt to R2,9 billion, increasing the gearing ratio to 38,0% from 25,3% at 31 August 2013. The weighted average cost of borrowings decreased from 8,4% to 7,9% and the average remaining term of the debt is 2,3 years.

The June 2013 acquisition of retail centre Sunnypark incurred a purchase price adjustment of R16,9 million, accrued against the fair value of the property at year-end. The adjustment, which has been recovered from the vendors after year-end, relates to the shortfall in rentals in respect of renewed leases that expired within the 12 month period post transfer of the property, capped at the acquisition yield of 7,75%.

PORTFOLIO REVIEW

At year-end the property portfolio was valued at R7,6 billion (2013: R5,3 billion). Rebosis' property portfolio comprises of 44% retail, 54% office and 2% industrial, by value. The 19 properties are located in Gauteng, the Eastern Cape, KwaZulu-Natal and the North West and have a total GLA of 415 048m². (See Our Portfolio on page 7 for further detail.)

Property expenses remained well contained with a net cost to income ratio of 13,7% for the year. Receivables are tightly managed and at the reporting date arrears were 3,8% of annualised collectables and the total allowance for doubtful debts was R7,7 million, or 68,1% of debtors aged 90 days and older.

Despite a slight uptick, the average vacancy across the portfolio remained exceptionally low at 2,4% of the total portfolio by GLA.

R4,23bn

MARKET
CAPITALISATION

AT YEAR-END THE PROPERTY PORTFOLIO WAS VALUED AT R7,6 BILLION (2013: R5,3 BILLION). REBOSIS' PROPERTY PORTFOLIO COMPRISES OF 44% RETAIL, 54% OFFICE AND 2% INDUSTRIAL, BY VALUE. THE 19 PROPERTIES ARE LOCATED IN GAUTENG, THE EASTERN CAPE, KWAZULU-NATAL AND THE NORTH WEST AND HAVE A TOTAL GLA OF 415 048M².

GEOGRAPHICAL AND SECTORAL SPREAD

The majority of our office portfolio is optimally located in the economic hub of Gauteng. However, our dominant retail presence in the Eastern Cape is also beneficial, as this province sees economic concentration in the two cities of Port Elizabeth and East London. Hemingways Mall and Mdantsane City both dominate their respective catchment areas in the Eastern Cape, which are traditionally underserved by retail offerings.

The recent acquisitions in the year tipped the Fund's weighting to office properties. Although our focus remains on growing a quality retail portfolio, we will continue to acquire commercial assets if it makes sense in terms of the investment criteria set by the board.

TOP 10 PROPERTIES BY VALUE

Property	Location	GLA m ²	Acquisition date	Cost Rm	Valuation Rm	Yield %
Hemingways Mall	East London	74 668	17 May 2011	1 358	1 601	7,00
Sunnypark Mall	Pretoria	27 650	1 June 2013	571*	614	7,50
SALU Building	Pretoria	30 354	17 May 2011	379	583	8,25
Liberty Building	Pretoria	33 885	17 May 2011	394	551	8,25
Victoria Mxenge	Pretoria	24 720	24 May 2011	391	435	8,25
Bloed Street Mall	Pretoria	25 622	25 Nov 2011	342	416	8,50
124 Main Street	Johannesburg	20 818	1 Sep 2013	413	420	8,50
Mdantsane City	East London	36 021	17 May 2011	390	399	8,50
189 Schoeman St	Pretoria	19 332	1 Sep 2013	258	320	8,25
28 Harrison St	Johannesburg	20 984	31 July 2012	211	243	9,50
Total		317 054		4 707	5 582	7,98

*After purchase price adjustment of R16,5 million

RENTAL INCOME

Rental income increased by 43,1% to R 747,8 million from R522,8 million, with similar weighting in office and retail contributions of R 344,7 million and R390,0 million from the retail and office portfolios, respectively. Operating costs continue to be well contained with a net cost to income ratio of 13,7% for the year under review.

LETTING ACTIVITY AND LEASE RENEWALS

At 31 August 2014, vacancies for the total portfolio were 2,4% including strategic vacancies created at Bloed Street Mall for the redevelopment project.

	Retail			Office/industrial			Total		
	GLA m ²	Vacancy m ²	Vacancy %	GLA m ²	Vacancy m ²	Vacancy %	GLA m ²	Vacancy m ²	%
Balance at 1 September 2013	164 126	5 752	3,5	182 406	831	0,5	346 532	6 583	1,9
Acquisitions	-	-	-	67 951	-	-	67 951	-	-
Lease expiries during the period	-	13 596	-	-	18 747	-	-	32 343	-
Lease terminations	-	1 206	-	-	-	-	-	1 206	-
Lease renewals	-	(11 348)	-	-	(15 447)	-	-	(26 795)	-
New lettings of vacant space	-	(3 212)	-	-	(831)	-	-	(4 043)	-
GLA adjustments	(165)	663	-	730 *	-	-	565	663	-
Balance at 31 August 2014	163 961	6 657	4,1	251 087	3 300	1,3	415 048	9 957	2,4

RETAIL

The four high quality shopping malls deliver secure income streams escalating at an average 7,5% per annum. The malls performed in line with expectations in the year under review despite difficult economic conditions. While turnover growth has slowed as the centres begin to mature, it has nonetheless remained solid.

Hemingways Mall reported turnover growth of 8,8%, up on 8,4% in the previous year. Gross rent to turnover was down to 8,4% from 8,8%. The average spend per head was R159 compared to R147 in the prior year. Trading density at the mall was up 7,7% to R23 640/m². In July 2014 we completed

the expansion and tenant mix optimisation programme, including an additional 3 152m² expansion for Edgars as well as Cotton-On and Factorie, which were two of several international brands that have been accommodated in the mall.

Mdantsane City's performance remained flat with turnover growth of 7,1% and gross rent to turnover of 5,3% for the year, lower than the 6,0% reported last year. Trading density was reported at R21 563/m².

Redevelopment of the Bloed Street Mall began in July 2014. Although trading densities remained the same, turnover growth was significantly impacted and dropped 3,9%

from an increase of 7,6% in the previous year. Due to its location above a major taxi node, which distorts footcount, no footcount metres have been installed at the mall. The extension is progressing according to plan with the bridge linking the east and west sides of the mall due to open in December 2014. Completion of the expansion for Shoprite is expected mid 2014.

Sunnypark Mall reported a 9,8% increase in trading density at R31 542/m², turnover growth of 4,6% and gross rent to turnover of 7,1%.

Property	Start	Completion date	Expected project cost R000
Hemingways Mall	July 2013	July 2014	133 832
Bloed Street Mall	July 2014	Bridge: December 2014 Balance of project: July 2015	69 000

OFFICES AND INDUSTRIAL

The 14 office buildings are well-located in nodes attractive to government tenants. These are mainly single-tenant buildings let to the National Department of Public Works under long leases providing for average escalations of 8,0%. Due to our empowerment status we were able to continue to negotiate new leases with the government at an average 7% escalation over five years, ahead of National Treasury's directive limiting this. These properties' long-term leases provide predictable income streams.

The only industrial property in the portfolio is a specialised, single-tenanted industrial warehouse located in Selby, Johannesburg, occupied under a triple net lease escalating at 7,0%, expiring in December 2019.

	Occupancy levels %	Weighted average gross rentals R/m ²	Escalation %
Office	98,7	120.74	8,0
Antalis (Industrial)	100,0	59.25*	7,0

*All in rate including parking, office and warehouse

PROSPECTS

Overall our good tenant performance underpins the portfolio's resilience. The retail portfolio is predominantly let to major national chains for optimal defensiveness. Entrenched regional dominance in under-serviced areas further shields the retail portfolio to some extent from macroeconomic headwinds. In addition there is growth potential in the form of additional or increasing revenue streams from turnover rental, advertising and parking revenue.

We also intend to take advantage of redevelopment opportunities in shopping centres in light of increasing tenant demand, as well as other optimisation projects to unlock value and strengthen long-term earnings potential. We will continue to pursue quality growth opportunities without necessarily coming to market for capital. Reboasis has the first right of refusal on a pipeline of high quality regional centres and mixed use developments being developed by Billion Group.

DIRECTORATE

Post year-end Janys Finn resigned as CFO with effect from 30 November. We wish her well in her future endeavours and thank her for her contribution to the company over the past 4 years. Kameel Keshav has been appointed in her stead.

APPRECIATION

I wish to extend my thanks to the board for their wise counsel. I also thank the executive team as well as our management team and our property managers and all their staff for their commitment and hard work.



Sisa Ngebulana
CHIEF EXECUTIVE

5 November 2014



NPA BUILDING



CFO'S REPORT

JANYS FINN

8,1%
DISTRIBUTION GROWTH
99,45 CENTS PER LINKED UNIT

44,0%
GROWTH IN ASSETS UNDER
MANAGEMENT TO R7,6 BILLION

6,9%
INCREASE IN NET ASSET VALUE
TO R12,00 PER LINKED UNIT

7,9%
50BPS DECREASE IN COST OF
DEBT TO 7,9%

75,9%
HEDGED

INTRODUCTION

Despite the tough macro economic environment marked by a tightening interest rate cycle, rising inflation and slowing economic growth, ReboSIS delivered a distribution in excess of the upper forecast range of 99,0 cents per linked unit. The distribution of 99.45 cents is attributable to better portfolio fundamentals, a decrease in the overall cost of funding and continued operating efficiencies across the portfolio.

STATEMENT OF DISTRIBUTABLE EARNINGS

	Audited 31 Aug 2014 R000	Audited 31 Aug 2013 R000	%
Net property income	559 167	407 562	
Rental income	747 837	522 757	43,1
Net income from facilities management agreement	17 891	16 833	6,3
Sundry income (arrear interest)	729	630	15,7
Operating cost	(207 290)	(132 658)	56,3
Income from Ascension	30 904	-	
Interest received - listed securities	21 092	-	
Asset management fee income	9 812	-	
Antecedent interest	5 421	39 252	
Administration cost	(30 116)	(20 481)	47,0
Net finance cost	(180 971)	(124 274)	45,6
Distribution income	384 405	302 059	
Number of units in issue	386 531 577	348 131 693	
Distribution per linked unit (cents)	99,45	92,00	
Distribution growth	8,1%	7,6%	

FINANCIAL PERFORMANCE

The growth in rental income of 43,1% was boosted by the acquisitions of the Sunnypark Mall and the Nthwese office portfolio. The Sunnypark Mall, which was acquired with effect 1 June 2013, contributed an additional R58,5 million to the year under review while the Nthwese portfolio, acquired effective 1 September 2013, contributed R139,4 million revenue to the 2014 financial year.

Although operating costs increased by 56,3%, property expenses continue to be well managed with a net cost to income ratio of 13,7% for the year.

During the year under review, the company introduced new income streams from its acquisition of the Ascension Manco and listed units in Ascension. The strategic acquisition of the entire share capital of the Ascension Manco on 4 February 2014 for R150 million has afforded ReboSIS the right to manage the assets of Ascension. For this, ReboSIS earned an asset management fee of R9,8 million for the seven months ended 31 August 2014 against which costs of R2,6 million were incurred.

The acquisition of a 32,1% interest in the A and B linked units of Ascension earned ReboSIS distributions of R48,1 million. However, as R27,0 million of these distributions relate to a period prior to ReboSIS owning the Ascension units, only R17,9 million was included in the ReboSIS distribution of 99,45 cents for the year; the balance was used to pay down debt.

While the R2,9 billion increase in funding resulted in an increase of 45,6% in net finance costs, the cost of funding was reduced by 50bps to 7,9% for the year.

Receivables are tightly managed and at the reporting date, arrears were 3,8% of annualised collectables and the total allowance for doubtful debts was R7,7 million or 68,1% of debtors aged 90 days and older.

INVESTMENT PROPERTY

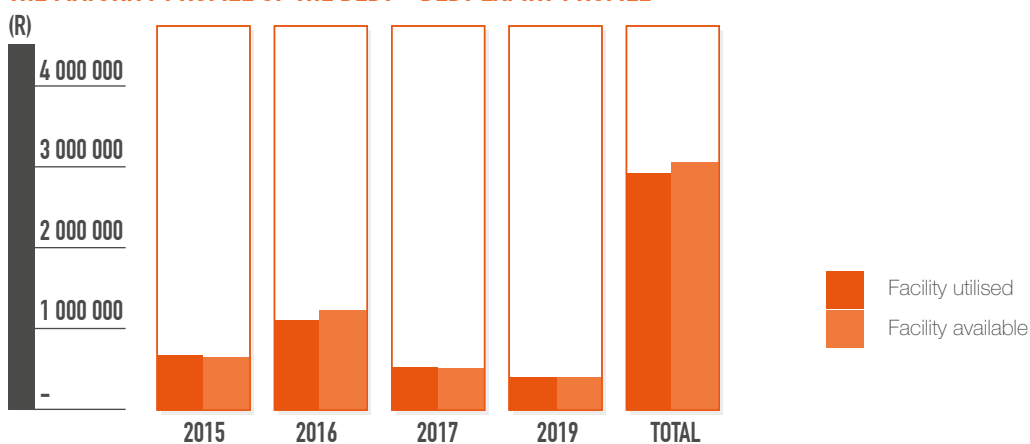
The entire investment property portfolio was independently valued at R6,9 billion at year-end. The increase of R1,6 billion is largely attributable to the acquisition of the Nthwese portfolio for R1,06 billion and the expansion and tenant mix optimisation programme at the Hemingways Mall. This R130 million programme, which was completed in July 2014, has positioned Hemingways for exceptional growth in the future.

BORROWINGS

	As at 31 Aug 2014 R000	As at 31 Aug 2013 R000
Secured borrowings	2 943 841	1 361 044
Facilities	3 128 726	2 250 685
Average interest rate	7,9%	8,4%
Gearing ratio	38,0%	25,3%
Interest rate hedges	75,9%	77,6%
Average term of debt (years)	2,3	1,7
Interest cover (times)	3,20	2,80

Borrowings increased by R1,6 billion mainly as a result of the acquisitions of the Nthwese portfolio, the Ascension Manco, the Ascension linked units and the expansion and tenant optimisation programme at the Hemingways Mall.

THE MATURITY PROFILE OF THE DEBT - DEBT EXPIRY PROFILE



Discussions have commenced with regard to the refinancing of the R645 million facility that expires in May 2015.

An analysis of the interest rate hedges as at 31 August 2014 is as follows:

	Value R000	Weighted average interest rate %	Weighted average cap rate %	Average remaining term Years
Interest rate caps	1 200 000	6,045	7,23*	2,5
Interest rate swaps	745 000	7,340	-	3,8
Debt at fixed rates	272 500	-	-	1,7
Total	2 217 500			

*Post year-end, the average weighted average cap rate was reduced to 6,5% at a cost of R5,8 million. The cost is recognised as a derivative asset.

CASH MANAGEMENT

After deducting interest on debt, all net property income, asset management income and income from listed securities, is distributed to unitholders semi-annually. Cash collected is regularly applied to the revolving debt facilities to maximise interest until paid out to unitholders.

APPRECIATION

I extend my thanks to my finance team for their hard work and contribution during the year. I also thank my management team and fellow board members for their sound advice and valued leadership. I wish you and the company every success in the future.



Janys Finn
OUTGOING CFO

5 November 2014

5

TRANSPARENCY ACCOUNTABILITY

- 1 ETHICAL LEADERSHIP
- 2 CORPORATE GOVERNANCE
- 3 COMPLIANCE FRAMEWORK
- 4 RISK REPORT
- 5 REMUNERATION REPORT

AND

7

INTEGRATED
ANNUAL REPORT
2014



ETHICAL LEADERSHIP

THE BOARD IS COMMITTED TO ACTING WITH THE HIGHEST STANDARDS OF ETHICAL BEHAVIOUR AND EFFECTIVE GOVERNANCE, IN THE INTERESTS OF UNITHOLDERS 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.

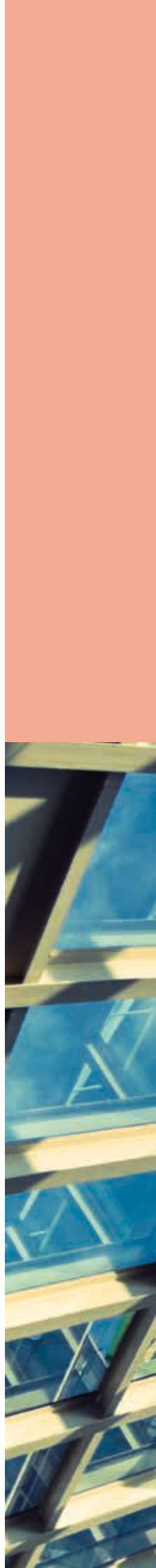
Rebosis has a zero tolerance approach to unethical behaviour and is committed to ensuring that the company upholds its laudable reputation. To this end our service providers and suppliers are required to adhere to the company's Business Code of Ethical Conduct in accordance with relevant clauses included 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 The board retains full and effective control over the group and monitors the executive management and decisions made by the asset manager. The board's responsibilities include:

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

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

Members and meeting attendance	Executive directors	No. of meetings/attendance
	Sisa Ngebulana (Chief Executive)	6(6)
	Janys Finn (CFO) (*Resigned 30 November 2014)	6(5)
	Non-executive director	
	Ken Reynolds	6(5)
	Independent non-executive directors	
	Anna Mokgokong (Chair)	6(5)
	Andile Mazwai	6(6)
	Jaco Odendaal	6(5)
	Nomfundo Qangule	6(5)
	Thabo Seopa	6(5)
	Sindiswa Zilwa	6(4)

Independent non-executive directors 6/9
The board formally evaluates the independence of the non-executive directors annually having due regard to the relevant factors which might impair independence. In the year all non-executive directors were considered to be independent.

Self-evaluation completed Yes

Independent directors Quota the same as per 2013



CORPORATE GOVERNANCE

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

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

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

COMMITTEES

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

MEMBERS AND MEETINGS ATTENDANCE

	No. of meetings/ attendance	No. of meetings/ attendance	No. of meetings/ attendance	No. of meetings/ attendance	No. of meetings/ attendance				
Sindiswa Zilwa (Chair)	4(4)	Andile Mazwai (Chair)	6(6)	Thabo Seopa (Chair)	3(3)	Nomfundo Qangule (Chair)	2(2)	Anna Mokgokong (Chair)	2(2)
Andile Mazwai	4(4)	Sisa Ngebulana (CEO)	6(6)	Sisa Ngebulana (CEO)	3(2)	Andile Mazwai	2(2)	Sindiswa Zilwa	2(2)
Nomfundo Qangule	4(4)	Jaco Odendaal	6(5)	Ken Reynolds	3(3)	Jaco Odendaal	2(2)		
Thabo Seopa	4(4)	Ken Reynolds	6(5)	Nomfundo Qangule	3(2)	Sindiswa Zilwa	2(1)		
		Thabo Seopa	6(6)	Sindiswa Zilwa	3(2)				

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, they are assisted by the CFO, company secretary and executive management.

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

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, Ken Reynolds, Thabo Seopa and Sindiswa Zilwa will retire at the upcoming annual general meeting and being eligible, will stand for re-election.

The board meets quarterly with ad hoc meetings convened as and when necessary

to review strategy, planning, financial performance, resources, operations, risk, capital expenditure, standards of conduct, governance, transformation, community upliftment and environmental management and diversity, employment equity and human resources in terms of Billion Group's policies, as well as the manner in which all of these contribute to Rebosis' sustainability.

BOARD COMMITTEES

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

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

BOARD PROCESSES

Appointments

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

Conflicts of interests

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 her 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. In accordance with the Companies Act and the recommendations of the King III Report, the company secretary maintains an arm's length relationship with the board and its directors. 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 and other relevant regulations and legislation.

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

The specific role and functions of the company secretary include:

- Providing the directors, collectively and individually, with detailed guidance on their duties, responsibilities and powers;
- Providing information and advice on laws, legislation, regulations and matters of ethics and good governance relevant to the company;
- Ensuring compliance with laws and regulations;
- Properly recording, *inter alia*, the minutes of board, committee and unitholder meetings, meeting attendance, resolutions, directors' declarations of personal interests, and all notices and circulars issued by the company;
- Preparing the notice of annual general meeting; and
- Assuming responsibility for the annual report as prepared by the CFO.

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.

COMPLIANCE FRAMEWORK



SUNNYPARK MALL



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 Reboasis' material legal compliance through the preliminary compliance checklist completed by the CFO during the year, and the external assurance of the company secretary.

Reboasis 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, Reboasis 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 on the following page. Each principle has been assessed based on the following criteria: Fully applied; Partially applied; Not applied with necessary explanations.

Reboasis' application of all 75 King III principles are available at www.reboasis.co.za

Chapter 2: board and directors

2.1	The board should act as the focal point for and custodian of corporate governance	Fully	The board is the focal point and custodian of corporate governance at Rebosis. In accordance with the board charter the board is committed to the highest standards of corporate governance. The board charter, which is reviewed annually, clearly sets out its role and duties with regard to achieving sustainable value for the company in a transparent and responsible manner.
2.2	The board should appreciate that strategy, risk, performance and sustainability are inseparable	Fully	The board, in accordance with the board charter, and all committee terms of reference reviewed in line with King III, is responsible for aligning the strategic objectives, vision and mission with performance and sustainability considerations. The board both informs and approves company strategy and is accountable for its execution. At the beginning of each year the CEO presents the board with the company strategy, objectives, plans and challenges for the upcoming year.
2.3	The board should provide effective leadership based on an ethical foundation	Fully	The board provides effective leadership and is committed to the highest levels of corporate governance as a key driver of sustainability. Directors are required to adhere to the values set out in the Code of Business Ethics. Deliberations, decisions and actions of the board are based on fairness, accountability, responsibility and transparency.
2.4	The board should ensure that the company is and is seen to be a responsible corporate citizen	Fully	Rebosis' social and ethics committee reflects and effects the company's commitment to responsible corporate citizenship. In addition to compliance with King III, Rebosis has a Code of Business Ethics in place which guides directors' relationships with and commitment to stakeholders.
2.5	The board should ensure that the company's ethics are managed effectively	Fully	The board has established a social and ethics committee, which assists in ensuring that the company's ethics are managed effectively. The committee focuses on social investment, transformation, ethics and sustainable development within the company. The board ensures that ethical risks and opportunities are incorporated in the risk management process. A process is currently underway to formalise and strengthen our internal ethics framework.
2.6	The board should ensure that the company has an effective and independent audit committee	Fully	The membership of the audit and risk committee comprises four independent non-executive directors who meet at least four times each year. The audit and risk committee's terms of reference have been approved by the board and are reviewed every year. The effectiveness of the committee is monitored by the board annually.
2.7	The board should be responsible for the governance of risk	Fully	This function is delegated to the audit and risk committee, which oversees the development and annual review of the company's risk management policy, process and structures, and makes recommendations from time to time to the board. The board is ultimately responsible for the governance of risk within the company.
2.8	The board should be responsible for information technology (IT) governance	Fully	Ensuring proper system security, data integrity and business continuity is the responsibility of the board, but is delegated to the audit and risk committee. Management provides feedback to the board on all IT-related matters.
2.9	The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	Fully	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.
2.18	The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	Fully	The board comprises a majority of non-executive directors. A majority of the non-executive directors on the board are independent. Seven of the nine directors are non-executive directors, namely Dr Anna Mokgokong, Sindi Zilwa, Thabo Seopa, Andile Mazwai, Jaco Odendaal, Ken Reynolds and Nomfundo Qangule. All of the above directors are independent non-executive directors with the exception of Ken Reynolds.
2.19	Directors should be appointed through a formal process	Fully	The nominations committee identifies and participates in selecting board members. The nominations committee ensures that new directors have not been declared delinquent or are not serving probation in terms of section 162 of the Companies Act, 2008. The selection process considers the existing balance of skills and experience required as well as continual process of assessing the needs of the company.
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes	Fully	An induction programme aimed at an understanding of the company, its operating environment and markets in which it trades is conducted for all newly appointed directors. The nomination committee assists the board with ongoing training and development of directors.
2.21	The board should be assisted by a competent, suitably qualified and experienced company secretary	Fully	The company secretary is empowered by the board to effectively perform his duties. The role and function of the company secretary are clearly formulated in writing. The company complies with the provisions of the Companies Act, 2008 in relation to the appointment and removal of the company secretary, and the duties allocated to him.
2.22	The evaluation of the board, its committees and the individual directors should be performed every year	Fully	The board charter clearly sets out the roles and responsibilities of the board regarding their fiduciary duties against which an individual director's performance is assessed. The results of the annual assessment are reviewed by the Chairperson and the company secretary and presented to the board. The results of performance evaluations are constructively used to identify training and development needs for directors.
2.23	The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	Fully	The board established the audit and risk committee, investment committee, social and ethics committee, remuneration committee and nomination committee to assist the board in fulfilling its obligations. Each of these committees operates under formal terms of references that are reviewed and approved annually. The performance of each committee is also assessed annually by the board. The board is of the view that the skills, experience and knowledge of the current committee members is appropriate in overseeing the committees' activities. The chairperson of each committee reports back to the board at each board meeting embracing a general principle of transparency and full disclosure.
2.24	A governance framework should be agreed between the group and its subsidiary boards	Fully	A governance structure and framework for the delegation of authority is in place for the company.
2.25	Companies should remunerate directors and executives fairly and responsibly	Fully	Remuneration practices are in place that address pay and bonuses. The company does not yet have share-based and other long term incentive schemes. The remuneration of the executive directors and senior management is determined by the Chief Executive and reviewed by the remuneration committee. The remuneration of the non-executive directors is determined by the remuneration committee and approved by the board and ultimately approved at the annual general meeting.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives	Fully	The remuneration of directors and prescribed officers is disclosed in the remuneration report.
2.27	Shareholders should approve the company's remuneration policy	Partially	A remuneration policy is currently being drafted and will be presented in the forthcoming year.

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.

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

REMUNERATION REPORT

The remuneration committee is chaired by independent non-executive director Nomfundo Qangule and further comprises independent non-executive directors Andile Mazwai, Jaco Odendaal and Sindiswa Zilwa. The Chief Executive attends meetings by invitation, and is excluded from deliberations regarding his or any other executive director's remuneration.

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

The roles and responsibilities of the committee include:

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

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

Fees paid to non-executive directors for the year under review, as set out on this page, were approved at the last annual general meeting of shareholders and debenture holders held on 19 March 2014.

Fees earned by non-executive directors

	2014 R000	2013 R000
AM Mazwai	440	330
ATM Mokgokong	370	434
J Odendaal	290	230
KL Reynolds	270	270
NV Qangule	330	270
TSM Seopa	230	290
SV Zilwa	270	364
	2 200	2 188

In the forthcoming year, consideration will be given to changing the fee structure for non-executives. Fees will be split between a retainer (base fee) and a fee per meeting which will align remuneration with best practice. On a like-for-like basis, there will be no change in fees paid to non-executive directors.

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

	2014 R000	2013 R000
SM Ngebulana	5 856	4 139
JA Finn*	2 875	2 058
	8 731	6 197

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

The executive directors do not have service contracts with the company. A three month notice period is required for the Chief Executive Sisa Ngebulana, while the CFO, Jarys Finn, is on a two month notice period.



Nomfundo Qangule REMUNERATION COMMITTEE CHAIRPERSON

*Resigned effective 30 November 2014

6 OUR IMPACTS

- 1 VALUE ADDED STATEMENT
- 2 SOCIAL AND ETHICS COMMITTEE REPORT
- 3 TRANSFORMATION
- 4 SKILLS DEVELOPMENT
- 5 SAFETY, HEALTH AND ENVIRONMENT
- 6 SOCIO-ECONOMIC DEVELOPMENT



**INTEGRATED
ANNUAL REPORT
2014**



VALUE ADDED STATEMENT

	For year ended 31 August 2014 R000	%	For year ended 31 August 2013 R000	%
Gross property revenue	765 728		539 590	
Listed property securities income	21 090		-	
Asset management fees received	9 812		-	
Property expenses excluding municipal charges	(84 287)		(45 055)	
Other operating costs	(29 387)		(19 851)	
Wealth created	682 956	100	474 684	100
Value distribution				
To providers of finance				
Net finance charges	180 969	26	85 022	18
To government				
Municipal costs	123 003	18	87 603	18
To providers of capital				
Distributions to linked unitholders	378 984	55	302 059	64
Wealth distribution	682 956	100	474 684	100

SOCIAL AND ETHICS COMMITTEE REPORT

KEY SUSTAINABILITY HIGHLIGHTS



ESTABLISHED A SOCIAL AND ETHICS COMMITTEE WHICH IS RESPONSIBLE FOR ENSURING THAT ALL COMPANY ACTIVITIES ARE IN COMPLIANCE WITH THE COMMITTEE CHARTER AND FOR RECOMMENDED SUSTAINABILITY INITIATIVES TO THE BOARD AND BOARD COMMITTEES



INITIATED ENERGY SAVING INITIATIVES IN MOST RETAIL PROPERTIES



DEVELOPED ALL POLICIES IN LINE WITH THE CHARTER



ACHIEVED LEVEL 2 BEE RATING

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

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

The committee comprises of four non-executive directors: Thabo Seopa (Chairman), Sindiswa Zilwa, Nomfundo Quangule and Ken Reynolds. Sisa Ngebulana, the Chief Executive, and members of management are invitees. Details of meetings attendance are set out on page 38.

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 B-BBEE Act, 2003/2004, 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.

Thabo Seopa
SOCIAL AND ETHICS COMMITTEE
CHAIRMAN

5 November 2014

TRANSFORMATION_

2014 HIGHLIGHTS



ATTAINED LEVEL 2 STATUS

Rebosis acknowledges the critical role it must play in the development and empowerment of historically disadvantaged individuals in South Africa and that transformation is essential to the economic and social sustainability of the country.

The company holds the distinction of being the first black-managed and substantially black-owned property fund to list on the JSE. It remains 32% black-owned, of which 9,46% was directly or indirectly owned by Chief Executive and founder Sisa Ngebulana at year-end. The company outsources property and asset management to Billion Property Services and Billion Asset Managers, respectively, which are both 100% black-owned.

The eight executive managers are employed by the Billion Group, incorporating Billion Asset Managers and Billion Property Services. The table below reflects the breakdown of management in terms of employment equity:

GROUP	Male	Female	Total
Black	5	1	6
White	1	1	2
Total	6	2	8



28 HARRISON STREET

SKILLS DEVELOPMENT

2014 HIGHLIGHTS



ESTABLISHED TWO BURSARIES



AS REBOSIS HAS NO DIRECT EMPLOYEES THE COMPANY DOES NOT REPORT ON SKILLS DEVELOPMENT.

During the year Reboasis awarded bursaries for students studying in the faculties of architecture and environmental studies.

SAFETY, HEALTH AND ENVIRONMENT (“SHE”)

The company is committed to a safe, healthy and hygienic working environment in compliance with the Occupational Health and Safety Act, 85 of 1993. The Billion Group, as asset and property managers and the employer of Reboasis' executives, has policies in place which accordingly govern health and safety at Reboasis' premises. The company takes every precaution within this framework to provide a safe workplace, home for tenants and centre for patrons.

No incidents of casualty or injuries 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 the epidemic 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 conservation

As a property company which does not undertake development, Reboasis is regarded as a low environmental impactor. Nonetheless the company acknowledges that its operations may have some impact on the environment, local communities and tenants of and visitors to its buildings. In light of this, an energy efficiency programme has recently been initiated, taking into account the whole energy cycle.

Reboasis further 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 of any type during the year for non-compliance with environmental laws and regulations.

SOCIO-ECONOMIC DEVELOPMENT

During the year R168 595 was committed by the group to CSI initiatives. We are targeting a CSI spend of R1.5 million for 2015, to be made up of R1 million in cash with the balance in rental space.

Rebosis is actively involved in community and social enterprise initiatives through the Billion Group, its retail assets and in partnerships with tenants. Upliftment is intended through a variety of initiatives including community projects, schools assistance, social empowerment and food and blanket distributions.

The following programmes, which support multiple charities and fundraising initiatives, were undertaken during the year:



HEMINGWAYS MALL

Hemingways Mall supported a number of charities during the year helping to raise over R265 000 and contributing R56 000 directly.

Beneficiaries included:

- Round Table 1 which sponsored the Catherine Grey Trust, a local orphanage situated in Mdantsane. The sponsorships were used to buy kitchen equipment, beds and to build a jungle gym play area.
- Cupcakes of HOPE - a community driven project, creating awareness and raising funds for children with cancer
- Family Voluntary Services which supports soup kitchens in Duncan Village for the old and infirm, delivers food and other items to a children's home and supports a prison rehab programme with juvenile maximum inmates at the Mdantsane and East London correctional centres.
- Surfer's Challenge - an annual community sporting event.
- CANSA Relay for Life - a "Survive the Race" event to help participating teams raise funds
- CANSA Shavathon
- SANBS donation clinics



MDANTSANE CITY

The mall supported a number of local charities including:

- Winter Blanket Drive benefiting local pensioners
- 67 Minutes for Mandela – including a visit to the children's ward of Cecilia Makiwane Hospital and Nontyatyambo Health Centre
- Participation in the Mdantsane FM campaign for local business people to give back to the community in the form of buying Christmas clothes for 10 underprivileged children
- Weekly tea garden for pensioners in conjunction with Pick n Pay
- Goody packs for children from Phuhlisa HIV &AID in NU9 informal settlement in conjunction with Pick n Pay
- Support for King Williams Town Orphanage with groceries
- Makukhanye Soup Kitchen which feeds children from disadvantaged families of NU1 in Mdantsane Township
- Monthly groceries for Khotlo family



SUNNYPARK

Sunnypark supported a number of charitable organisations during the year including Run/Walk for Life, CANSA, Youth Day and Mandela Day raising a total of R80 000.



28 HARRISON STREET

7 ANNUAL FINANCIAL STATEMENTS

- 1 DIRECTORS' RESPONSIBILITY AND APPROVAL
- 2 COMPANY SECRETARY APPROVAL
- 3 AUDIT AND RISK COMMITTEE REPORT
- 4 INDEPENDENT AUDITOR'S REPORT
- 5 DIRECTORS' REPORT
- 6 STATEMENT OF FINANCIAL POSITION
- 7 STATEMENT OF COMPREHENSIVE INCOME
- 8 STATEMENT OF CHANGES IN EQUITY
- 9 STATEMENT OF CASH FLOWS
- 10 NOTES TO THE FINANCIAL STATEMENTS



**INTEGRATED
ANNUAL REPORT
2014**



DIRECTORS' RESPONSIBILITY AND APPROVAL

The directors are responsible for the preparation and fair presentation of the annual financial statements of Rebosis Property Fund Limited, comprising the statement of financial position at 31 August 2014, statement of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements.

The directors are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records, for safeguarding assets and for developing and maintaining a system of internal control that, among other things, will ensure the preparation and fair presentation of the annual financial statements. The financial statements set out in this report have been prepared in accordance with International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Standards Council, JSE Limited Listings Requirements and the requirements of the South African Companies Act 2008, as amended.

The directors are satisfied that the financial statements are free from material misstatement and that they fairly present the financial position of the company as at 31 August 2014 and results of operations and cash flows for the year then ended. They are satisfied that the accounting policies adopted are appropriate and have been consistently applied and that estimates and judgments are prudent and reasonable.

On the basis that the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, they have continued to adopt the going concern basis in preparing the financial statements.

The external auditors are responsible for independently auditing and reporting on whether these annual financial statements are fairly presented in conformity with International Financial Reporting Standards. Their report is set out on page 59 of the integrated report.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements were approved by the board on 5 November 2014 and are signed on its behalf by:



Dr ATM Mofokong
CHAIRPERSON



SM Ngebulana
CHIEF EXECUTIVE

5 November 2014



CERTIFICATE BY COMPANY SECRETARY

In terms of the South African Companies Act, 2008, as amended "the act", I declare that to the best of my knowledge, for the year ended 31 August 2014, Rebosis Property Fund Limited has lodged with the Registrar of Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and that such returns are true, correct and up to date.



M Ndema
COMPANY SECRETARY

5 November 2014

AUDIT AND RISK COMMITTEE REPORT

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

The committee is chaired by independent non-executive director Sindiswa Zilwa and further comprises independent non-executive directors Andile Mazwai, Nomfundo Qangule and Thabo Seopa. 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 terms of reference which is reviewed annually. The committee has conducted its affairs in compliance with this 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 38.

Responsibilities

The Audit and Risk committee has an independent role with accountability to both the board and unitholders. 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:

- 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 was 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 2014.

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 annual financial statements for the year-ended 31 August 2014.

The committee has nominated, for election at the annual general meeting, Grant Thornton as the external audit firm and Paul Badrick as the designated auditor responsible for performing the functions of auditor for the 2015 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.

Risk management and internal audit

The Audit and Risk committee is responsible for overseeing the risk management and internal audit of the company and for monitoring compliance of the company's risk management policy. The committee confirms that the company has monitored compliance

with the risk management policy in all material respects.

The internal auditors are responsible for providing assurance to the Audit and Risk committee on the effectiveness of the risk management processes of the company and for reviewing and providing assurance on the adequacy of the internal control environment. The audit plan follows a three-year cycle and is revised regularly in accordance with the company's risk profile.

The committee is also responsible for assessing the performance of the internal audit function. The Audit and Risk committee has received assurance on the effectiveness of the company's internal financial controls.

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, Janys Finn, who resigned post year-end effective 30 November 2014. 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 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 Statements Council, JSE Limited Listings Requirements and the requirements of the South African Companies Act 71 of 2008, as amended.

Going concern

The Audit and Risk committee reviewed a documented assessment by management of the going concern premise of the 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, at its meeting held on 3 November 2014, reviewed and recommended the integrated report for approval by the board of directors.



Sindiswa Zilwa
AUDIT AND RISK COMMITTEE CHAIR
5 November 2014

INDEPENDENT AUDITORS REPORT

TO THE SHAREHOLDERS OF REBOSIS 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 62 to 88, which comprise the statements of financial position as at 31 August 2014, 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 2014, 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 2014, we have read the Directors' Report and Audit and Risk Committee's Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.



GRANT THORNTON (JHB) INC.

Registration No.: 1994/001166/21
Chartered Accountants (SA)
Registered Auditors

Paul Badrick

Director
Chartered Accountant (SA)
Registered Auditor

5 November 2014

42 Wierda Road West
Wierda Valley,
2196

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

The board has pleasure in submitting their directors' report for the year ended 31 August 2014.

NATURE OF BUSINESS

Rebosis is a listed property REIT which owns a high growth defensive property portfolio. The portfolio, valued at R6,856 billion, comprises 19 quality grade retail, commercial and industrial properties located in Gauteng, the Eastern Cape, KwaZulu-Natal and Northwest Province.

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

YEAR UNDER REVIEW

The results of the company are addressed in the reports of the Chairperson and the Chief Executive and are set out in the annual financial statements on pages 62 to 88.

SHARE AND DEBENTURE CAPITAL

The company's authorised share capital comprises of 1 000 000 000 ordinary shares of no par value. Each ordinary share is linked to one variable rate debenture of R7.26 each. The company's ordinary shares and debentures trade as linked units on the JSE.

On 7 February 2014, Rebosis issued 12 969 731 linked units at R10.78 per unit to the vendors of the 109 363 661 Ascension B units acquired, thereby increasing the number of linked units in issue to 386 531 577 at the reporting date.

On 1 September 2013, Rebosis converted to a Real Estate Investment Trust ("REIT") following the introduction of REIT legislation in

South Africa. The capital restructure, whereby the linked units will be converted to an equity capital structure and the debentures will be eliminated, will be implemented in due course.

DIVIDENDS AND INTEREST DISTRIBUTIONS

No dividend has been declared or paid during the year under review as the company distributes all distributable earnings as interest on the debentures.

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

- Distribution number 6 of 48,50 cents per linked unit for the six months ended 28 February 2014
- Distribution number 7 of 50,95 cents per linked unit for the six months ended 31 August 2014

DIRECTORATE

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

JA Finn (CFO)*^
AM Mazwai
ATM Mokgokong (Chair)
SM Ngebulana (Chief Executive)^
WJ Odendaal
NV Qangule
KL Reynolds
TSM Seopa
SV Zilwa
^Executive
*Resigned effective 30 November 2014

The number of board and committee meetings attended by each of the directors during the year is tabled in the Corporate Governance Report pages 37 and 38.

DIRECTORS' INTERESTS

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

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

There have been no changes in these holdings between the year-end and the date of this report.

As at 31 August 2013, the interests of the directors in the linked units of the company were as follows:

	Beneficial		Total
	Direct	Indirect	
Executive directors			
SM Ngebulana		36 371 937	36 371 937
JA Finn*			
Non-executive directors			
SP Fifield			
AM Mazwai		678 115	678 115
ATM Mokgokong			
WJ Odendaal			
KL Reynolds	36 988		36 988
SV Zilwa			
	36 988	37 050 052	37 087 040

*Resigned effective 30 November 2014

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, 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 0,3% of the aggregate of the market capitalisation and the borrowings of Rebosis.

SM Ngebulana is a beneficiary of The Amatolo Family Trust which owns 9,46% of the linked units in Rebosis.

Property management

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

SUBSEQUENT EVENTS

No events have occurred between the year-end and the date of this report.

GOING CONCERN

The directors are of the opinion that the 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 company's financial statements. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowings facilities to meet its foreseeable cash requirements.

MAJOR LINKED UNITHOLDERS

Beneficial unitholders holding in excess of 5% of the units in issue are detailed on page 92 of the annual report.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

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

COMPANY SECRETARY

The company secretary for the year and at the date of this report was Mande Ndema, an employee of the property management company.

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

Fourways 5 November 2014

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2014

	Note	GROUP		COMPANY	
		2014 R000	2013 R000 (restated)	2014 R000	2013 R000 (restated)
ASSETS					
Non-current assets		7 714 435	5 379 498	7 714 446	5 379 498
Investment property		6 856 000	5 283 500	6 856 000	5 283 500
Fair value of property portfolio for accounting purposes	2	6 662 943	5 150 445	6 662 943	5 150 445
Straight-line rental income accrual	3	193 057	133 055	193 057	133 055
Listed property securities	4	597 592	-	597 592	-
Investment in subsidiary	5	-	-	150 000	-
Goodwill	6	95 703	95 703	95 703	95 703
Intangibles	7	149 983	-	-	-
Derivative instruments	8	14 617	-	14 617	-
Property, plant and equipment	9	540	295	534	295
Current assets		137 926	95 339	137 131	95 339
Trade and other receivables	10	89 076	55 804	88 519	55 804
Cash and cash equivalents	11	48 850	39 535	48 612	39 535
Total assets		7 852 361	5 474 837	7 851 577	5 474 837
EQUITY AND LIABILITIES					
Equity		1 832 554	1 382 698	1 832 554	1 382 698
Stated capital	12	1 053 732	910 425	1 053 732	910 425
Reserves		778 822	472 273	778 822	472 273
Liabilities		5 115 544	3 023 242	5 115 544	3 023 242
Debentures	13	2 806 219	2 527 436	2 806 219	2 527 436
Interest-bearing borrowings	14	2 301 017	488 810	2 301 017	488 810
Derivative instruments	8	8 308	6 996	8 308	6 996
Current liabilities		904 263	1 068 897	903 479	1 068 897
Short term portion of interest-bearing borrowings	14	642 824	872 234	642 824	872 234
Trade and other payables	15	64 503	31 300	63 719	31 300
Unitholders for distribution		196 936	165 363	196 936	165 363
Total equity and liabilities		7 852 361	5 474 837	7 851 577	5 474 837
Net asset value per linked unit (R)		12,00	11,23	12,00	11,23
Net tangible asset value per linked unit (R)		11,37	10,96	11,37	10,96

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2014

	Note	GROUP		COMPANY	
		2014 R000	2013 R000 (restated)	2014 R000	2013 R000 (restated)
REVENUE					
Property portfolio		855 946	565 209	855 946	565 209
Contractual rental income		747 837	522 757	747 837	522 757
Listed property securities income		48 107	-	48 107	-
Straight-line rental income accrual		60 002	42 452	60 002	42 452
Net income from facilities management		17 891	16 833	17 891	16 833
Asset management fee income		9 812	-	6 801	-
Sundry income		729	630	729	630
Total revenue		884 378	582 672	881 367	582 672
Operating costs		(207 290)	(132 658)	(207 290)	(132 658)
Administration costs		(34 138)	(20 481)	(31 120)	(20 481)
Net operating profit	16	642 950	429 533	642 957	429 533
Changes in fair values	18	227 687	(3 065)	227 687	(3 065)
Profit from operations		870 637	426 468	870 644	426 468
Net finance charges	19	(185 104)	(130 030)	(185 111)	(130 030)
Finance charges - secured loans		(186 170)	(147 883)	(186 170)	(147 883)
Interest received		1 066	17 853	1 059	17 853
Profit before debenture interest and taxation		685 533	296 438	685 533	296 438
Debenture interest		(378 984)	(262 807)	(378 984)	(262 807)
Profit before taxation		306 549	33 631	306 549	33 631
Taxation	20	-	242 305	-	242 305
Total comprehensive income for the year		306 549	275 936	306 549	275 936
Earning and diluted earnings per linked unit	21	180,59	189,28	-	-

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2014

	Stated capital R000	Reserves R000	Total R000
GROUP			
Balance at 31 August 2012	550 087	196 337	746 424
Issue of shares	360 338	-	360 338
Total comprehensive income for the year	-	275 936	275 936
Balance at 31 August 2013	910 425	472 273	1 382 698
Issue of shares	143 307	-	143 307
Total comprehensive income for the year	-	306 549	306 549
Balance at 31 August 2014	1 053 732	778 822	1 832 554
	Stated capital R000	Reserves R000	Total R000
COMPANY			
Balance at 31 August 2012	550 087	196 337	746 424
Issue of shares	360 338	-	360 338
Total comprehensive income for the year	-	275 936	275 936
Balance at 31 August 2013	910 425	472 273	1 382 698
Issue of shares	143 307	-	143 307
Total comprehensive income for the year	-	306 549	306 549
Balance at 31 August 2014	1 053 732	778 822	1 832 554

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	GROUP		COMPANY	
		2014 R000	2013 R000	2014 R000	2013 R000
Net cash utilised in operating activities		31 282	17 748	31 474	17 748
Cash generated from operations	22,2	577 161	348 354	577 360	348 354
Net finance charges paid		(180 969)	(88 022)	(180 976)	(88 022)
Debt interest paid		(364 910)	(242 584)	(364 910)	(242 584)
Net cash utilised in investing activities		(1 561 098)	(739 364)	(1 561 528)	(739 364)
Acquisition of investment property		(747 321)	(710 984)	(747 321)	(710 984)
Capital expenditure, tenant installations and lease commissions		(162 996)	(28 380)	(162 996)	(28 380)
Acquisition of listed property securities		(500 773)	-	(500 773)	-
Acquisition of unlisted investment		-	-	(150 000)	-
Acquisition of intangible, net of cash acquired	23	(149 561)	-	-	-
Acquisition of property, plant and equipment		(447)	-	(438)	-
Net cash generated from financing activities		1 539 131	743 829	1 539 131	743 829
Proceeds from issue of linked units		-	1 078 962	-	1 078 962
Linked unit issue expenses		(225)	-	(225)	-
Increase in/(repayment of) secured financial liabilities		1 578 662	(320 810)	1 578 662	(320 810)
Acquisition of derivative instruments		(39 306)	(14 323)	(39 306)	(14 323)
Net movement in cash and cash equivalents		9 315	22 213	9 077	22 213
Cash and cash equivalents at the beginning of the year		39 535	17 322	39 535	17 322
Cash and cash equivalents at the end of the year	11	48 850	39 535	48 612	39 535

The principle non-cash transactions are the acquisition of investment properties and listed property securities which were funded by the issue of linked units amounting to R439,8 million.

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

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 Standards Council, the JSE Limited Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008 as amended.

The financial statements are prepared on the historic cost basis, except for investment properties and certain financial instruments which are carried at fair value, and incorporate the principal accounting policies set out below. These accounting policies have been applied consistently with the previous year except for the treatment of antecedent interest and the calculation of earnings and headline earnings per share (refer note 27).

1.1 Basis of consolidation

The group financial statements include those of the holding company and enterprises controlled by the company. Control is achieved when the company has the power to govern the financial and operating policies of an investee enterprise. The consolidated financial statements incorporate the assets, liabilities, income, expenses and cash flows of the group and all entities controlled by the group. Intercompany transactions, balances and unrealised profits or losses between group companies are eliminated on consolidation.

1.2 Business combinations

All business combinations are accounted for applying the acquisition method as at the acquisition date which is the date on which control is transferred to the company.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

1.3 Financial instruments

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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. Subsequent to initial recognition, these instruments are measured as follows:

Financial assets

• Listed property securities

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

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

• Trade and other receivables

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

• Cash and cash equivalents

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

Financial liabilities

• Debenture capital and interest-bearing borrowings

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

• Derivative instruments

The company uses derivative financial instruments to hedge its exposure to interest rate risks. Derivative instruments are initially recognised and subsequently measured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

• Trade and other payables

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

Offset

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

Derivative instruments

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

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

1.4 Impairment

Financial assets

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

Non-financial assets

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

Goodwill and intangible assets are tested for impairment annually.

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

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

1.5 Investment properties

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

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

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

1.6 Goodwill

Goodwill arises on the acquisition of a business and represents the excess of the cost of the acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

1.7 Intangible assets

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

1.8 Property, plant and equipment

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

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

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

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

1.9 Investment in subsidiaries

Subsidiaries are entities over which the group has the power to govern the financial and operating policies of the entities so as to obtain benefits from its activities.

The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- The size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the company, other vote holders or other parties;
- Rights arising from other contractual arrangements;
- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

In the separate annual financial statements of the company, investments in subsidiaries are accounted for at cost and adjusted for impairment if applicable.

1.10 Revenue recognition

(a) Property portfolio revenue

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

(b) Listed securities income

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

(c) Facility management income

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

(d) Interest income

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

1.11 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.

1.12 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.

1.13 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 instalments over the period of the lease.

1.14 Operating segments

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses. The operating results are reviewed regularly by executive management to make decisions about and to assess the performance of the segment.

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

1.15 Key estimates and assumptions

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

- Accounting policies – notes 1.4, 1.5, 1.6 and 1.7, 1.8
- Investment property valuation – note 2
- Goodwill – note 6
- Intangibles – note 7
- Impairment of receivables – note 10

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

1.15.1 Classification of debentures

The directors considered the fair value of the debentures to be R7.26 per linked unit. The fair value was determined based on the expected forward distributions. The debentures are recognized as liabilities as there is a contractual obligation on the company to deliver cash to the holders in the form of distributions.

1.15.2 Payment for the acquisition of investment properties

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

1.15.3 Useful life of intangible assets

Through the acquisition of the entire share capital of Ascension Property Management Company Proprietary Limited, the company acquired the right to manage the assets of Ascension Properties Limited. This management contract has been assessed as having an indefinite life. This assessment has been based on management's opinion that the contract will be extended beyond the initial contract period of 10 years as the contract is renewable for a period of five years from the date of expiry of the initial contract period and thereafter for consecutive periods of five years from the date of expiry of any subsequent renewal period by way of an ordinary resolution of the linked unitholders of Ascension Properties Limited. Management are of the opinion that this will be adopted by the linked unitholders in the future.

1.15.4 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.

1.16 Standards and interpretations applicable to the company not yet effective

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

Standard	Details of amendments	Annual periods beginning on/after
IFRS 3		
<ul style="list-style-type: none"> Business Combinations 	<ul style="list-style-type: none"> Annual Improvements 2010 – 2012 Cycle: amendments to the measurement requirements for all contingent consideration assets and liabilities including those accounted for under IFRS 9. Annual Improvements 2011 – 2013 Cycle: amendments to the scope paragraph for the formation of a joint arrangement 	1 July 2014
IFRS 8		
<ul style="list-style-type: none"> Operating Segments 	<ul style="list-style-type: none"> Annual Improvements 2010 – 2012 Cycle: amendments to some disclosure requirements regarding the judgements made by management in applying the aggregation criteria, as well as those to certain reconciliations 	1 July 2014
IFRS 9		
<ul style="list-style-type: none"> Financial Statements 	<ul style="list-style-type: none"> The IASB aims to replace IAS 39 'Financial Instruments: Recognition and Measurement' (IAS 39) in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement, de-recognition of financial assets and liabilities and hedge accounting have been issued. Chapters dealing with impairment methodology are still being developed. Further, in November 2011, the IASB tentatively decided to consider making limited modifications to IFRS 9's financial asset classification model to address application issues. 	1 January 2018
IFRS 10		
<ul style="list-style-type: none"> Consolidated Financial Investments 	<ul style="list-style-type: none"> IFRS 10 exception to the principle that all subsidiaries must be consolidated. Entities meeting the definition of 'Investment Entities' must be accounted for at fair value under IFRS 9, Financial Instruments, or IAS 39, Financial Instruments: Recognition and Measurement. 	1 January 2014
IFRS 13		
<ul style="list-style-type: none"> Fair Value Measurement 	<ul style="list-style-type: none"> Annual Improvements 2010 – 2012 Cycle: amendments to clarify the measurement requirements for those short-term receivables and payables Annual Improvements 2011 – 2013 Cycle: amendments to clarify that the portfolio exception applies to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9 	1 July 2014
IFRS 15		
<ul style="list-style-type: none"> Revenue from Contracts with Customers 	<ul style="list-style-type: none"> 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. 	1 January 2017
IAS 24		
<ul style="list-style-type: none"> Related Party Disclosures 	<ul style="list-style-type: none"> Clarification of the definition of a related party. 	1 July 2014
IAS 36		
<ul style="list-style-type: none"> Impairment Assets 	<ul style="list-style-type: none"> The amendment to IAS 36 clarifies the required disclosures of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. 	1 January 2014
IAS 38		
<ul style="list-style-type: none"> Intangible Assets 	<ul style="list-style-type: none"> Annual Improvements 2010 – 2012 Cycle: Amendments to the revaluation method - proportionate restatement of accumulated depreciation. Amendments present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate except in two limited circumstances, as well as provide guidance in the application of the diminishing balance method for intangible assets. 	1 July 2014 1 January 2016
IAS 40		
<ul style="list-style-type: none"> Investment Properties 	<ul style="list-style-type: none"> Annual Improvements 2011 – 2013 Cycle: amendments to clarify the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property 	1 July 2014

The directors have not yet determined what the impact of these new Standards and Interpretation on the company will be.

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
2 INVESTMENT PROPERTY				
Net carrying value				
Cost	5 947 257	4 739 159	5 947 257	4 739 159
Fair value surplus	715 686	411 286	715 686	411 286
	6 662 943	5 150 445	6 662 943	5 150 445
Movement for the year				
Investment properties at the beginning of year	5 150 445	4 449 597	5 150 445	4 449 597
Acquisitions	1 047 322	710 984	1 047 322	710 984
Change in fair value	364 402	5 852	364 402	5 852
Straight-line rental income accrual	(60 002)	(42 452)	(60 002)	(42 452)
Capital expenditure, tenant installations and lease commissions	160 776	26 464	160 776	26 464
- Capitalised	162 996	28 380	162 996	28 380
- Amortised	(2 220)	(1 916)	(2 220)	(1 916)
Balance at the end of the year	6 662 943	5 150 445	6 662 943	5 150 445
Reconciliation to independent valuation				
Investment properties at valuation	6 662 943	5 150 445	6 662 943	5 150 445
Straight-line lease accrual	193 057	133 055	193 057	133 055
	6 856 000	5 283 500	6 856 000	5 283 500

Full details of investment properties owned by the company are disclosed on page 8 of the annual report.

A purchase price adjustment of R16,9 million in respect of Sunnypark, a retail centre acquired in June 2013, has been accrued against the fair value of the property. The adjustment, which was recovered from the vendors after the year-end, relates to the shortfall in rentals in respect of renewed leases that expired within the 12 month period post transfer of the property, capped at the acquisition yield of 7,75%.

2.1 INVESTMENT PROPERTY VALUATION

In terms of company policy, the portfolio is valued twice annually by two independent valuers. The valuation division of Old Mutual Investments Group SA, led by Trevor King, is responsible for the valuation of the retail portfolio while Peter Parfitt of Quadrant Properties values the 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).

The portfolio was valued at R6,856 billion at the reporting date. The valuations were based on the discounted cash flow methodology applying appropriate capitalisation rates of between 7% to 10% to the properties resulting in an average capitalisation rate of 8,4% for the portfolio.

2.2 INVESTMENT PROPERTY PLEDGED AS SECURITY

Investment property valued at R4,915 billion has been pledged as security for facilities of R1,124 billion from Nedbank Corporate (a division of Nedbank Limited) and R968 million from Rand Merchant Bank (a division of FirstRand Bank Limited).

Investment property valued at R1,941 million has been pledged as security for facilities of R1,037 billion from Nedbank Corporate (a division of Nedbank Limited).

NOTES TO THE FINANCIAL STATEMENT CONTINUED

for the year ended 31 August 2014

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
3 STRAIGHT-LINE RENTAL INCOME ACCRUAL				
Balance at the beginning of the year	133 055	90 603	133 055	90 603
Movement for the year	60 002	42 452	60 002	42 452
Balance at the end of the year	193 057	133 055	193 057	133 055
4 LISTED PROPERTY SECURITIES				
(financial assets held at fair value through profit and loss)				
Investment in Ascension Properties Limited ("Ascension")				
28 001 628 A units	131 622	-	131 622	-
At cost	134 038	-	134 038	-
Fair valuation adjustment	3 170	-	3 170	-
Accrual for distribution receivable	(5 586)	-	(5 586)	-
191 939 001 B units	465 970	-	465 970	-
At cost	506 550	-	506 550	-
Fair valuation adjustment	(17 106)	-	(17 106)	-
Accrual for distribution receivable	(23 474)	-	(23 474)	-
	597 592	-	597 592	-

Rebosis' holding in Ascension, a listed company with a diverse shareholding base, amounts to 32,1%. Rebosis does not have the power to participate in Ascension's financial and operating policy decisions. The only power Rebosis has is the ability to block special resolutions. Rebosis does not have board representation in Ascension nor does it have any influence on Ascension's dividend policy. Rebosis has not provided any guarantees of indebtedness or extended any credit to Ascension. On the basis of the above, Ascension is not considered to fall within the definition of an associate in terms of IAS 28.

The fair value of the Ascension units is based on the closing price of the units on the JSE on 31 August 2014.

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
5 INVESTMENT IN SUBSIDIARY				
100% interest in Ascension Property Management Company Proprietary Limited				
At cost	-	-	150 000	-
6 GOODWILL				
Arising on business combination	95 703	95 703	95 703	95 703

The goodwill arose on the acquisition of the entire share capital of Hemingways Shopping Centre Proprietary Limited, Mdantsane Shopping Centre Proprietary Limited and Phomella Property Investments Proprietary Limited pursuant to the listing of Rebosis in 2011.

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units that are expected to benefit from the business combination. Goodwill is tested annually for impairment by comparing the carrying amount to the value in use. The cash flows used in the value in use calculation was the forecast dividend for the 2015 financial year capitalised at a rate of 8,38% (2013: 8,12%). The following key assumptions were applied by management in calculating the forecast dividend:

- Vacancy rates of 1,5%
- Average rental increases in respect of renewals of 5%
- Average increase in operating costs of 6%
- No tax will be payable on net property income as this will be declared as a dividend to shareholders in terms of the new REIT legislation

Based on these calculations, no impairment is required at the reporting date.

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
7 INTANGIBLES				
The right to manage property	149 983	-	-	-

The intangible represents the right to manage the portfolio of Ascension Properties Limited acquired through the acquisition of the entire share capital of Ascension Property Management Company Proprietary Limited ("Ascension Manco"). The value of the right to manage was calculated by applying a growth rate of 7% and a yield of 8% to the expected income to be earned from the contract with the Ascension Manco, which has been assessed as having an indefinite life.

The intangible is tested annually for impairment by comparing the carrying amount to the value in use. Based on these calculations, no impairment is required at the reporting date.

8 DERIVATIVE INSTRUMENTS

	Nominal value		Maturity	Rate %	GROUP		COMPANY	
	2014 R000	2013 R000			2014 R000	2013 R000	2014 R000	2013 R000
Assets								
Interest rate caps	1 200 000	-			14 617	-	14 617	-
	800 000	-	06 February 2017		6 462	-	6 462	-
	400 000	-	29 May 2017		8 155	-	8 155	-
Liabilities								
Long term cancellable interest rate swaps	745 000	786 400			8 308	6 996	8 308	6 996
	250 000	-	29 May 2019	7,55	3 589	-	3 589	-
	250 000	-	06 June 2017	7,18	2 840	-	2 840	-
	245 000	-	15 August 2018	7,29	1 879	-	1 879	-
	-	400 000	19 May 2014	9,00	-	4 836	-	4 836
	-	200 000	19 May 2014	9,11	-	2 580	-	2 580
	-	186 400	19 May 2014	7,06	-	(420)	-	(420)
	1 945 000	786 400			6 309	6 996	6 309	6 996

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

NOTES TO THE FINANCIAL STATEMENT CONTINUED

for the year ended 31 August 2014

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
9 PROPERTY, PLANT AND EQUIPMENT				
Computer equipment	23	-	17	-
Cost	180	145	171	145
Accumulated depreciation	(157)	(145)	(154)	(145)
Computer software	4	-	4	-
Cost	8	-	8	-
Accumulated depreciation	(4)	-	(4)	-
Furniture, fittings and equipment	163	292	163	292
Cost	741	724	741	724
Accumulated depreciation	(578)	(432)	(578)	(432)
Motor vehicles	350	3	350	3
Cost	393	6	393	6
Accumulated depreciation	(43)	(3)	(43)	(3)
	540	295	534	295
Movement for the year				
Balance at beginning of year	295	443	295	443
Acquisitions	447	-	438	-
Computer equipment	35	-	26	-
Computer software	8	-	8	-
Furniture, fittings and equipment	17	-	17	-
Motor vehicles	387	-	387	-
Depreciation	(202)	(148)	(199)	(148)
Computer equipment	(12)	-	(9)	-
Computer software	(4)	-	(4)	-
Furniture, fittings and equipment	(146)	(147)	(146)	(147)
Motor vehicles	(40)	(1)	(40)	(1)
	540	295	534	295

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
10 TRADE AND OTHER RECEIVABLES				
Trade receivables	32 747	29 851	32 747	29 851
Allowance for doubtful debts	(7 653)	(4 003)	(7 653)	(4 003)
	25 094	25 848	25 094	25 848
Listed property securities income	29 060		29 060	
Amounts due from vendors	21 036	13 842	21 036	13 842
Transaction costs for properties transferred after year-end	5 426	9 238	5 426	9 238
Accrued recoveries	-	4 237	-	4 237
Asset management fee	1 610	-	1 053	-
Municipal deposits	2 663	908	2 663	908
Prepayments	1 179	429	1 179	429
Rates clearances	-	-	-	-
Other receivables	3 008	1 302	3 008	1 302
	89 076	55 804	88 519	55 804
Movement in allowance for doubtful debts				
Balance at beginning of the year	4 003	4 798	4 003	4 798
Increase in allowance	8 044	(795)	8 044	(795)
Receivables written off during the year	(4 394)	-	(4 394)	-
	7 653	4 003	7 653	4 003
Ageing of receivables past due but not impaired				
30 days	3 824	3 250	3 824	3 250
60 days	2 422	1 843	2 422	1 843
90 days	2 477	1 272	2 477	1 272
120+ days	7 925	5 749	7 925	5 749
Total	16 648	12 114	16 648	12 114
Ageing of impaired receivables				
Current	248	17	248	17
30 days	257	11	257	11
60 days	268	11	268	11
90 days	542	193	542	193
120+ days	6 338	3 771	6 338	3 771
Total	7 653	4 003	7 653	4 003

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

Receivables that are past due but not impaired include the following:

- An amount of R7,9 million in respect of which there is an agreed payment plan. The debtor has met all commitments in terms of this plan and at the date of this report, 50% of the debt has been recovered; and
- Amounts due from national tenants in respect of which negotiations for settlement are well advanced.

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
11 CASH AND CASH EQUIVALENTS				
For purposes of the cash flow statement, cash and cash equivalents comprise:				
Bank balances	48 850	39 535	48 612	39 535

Cash is invested with First National Bank Limited and Rand Merchant Bank, a division of Firststrand Bank Limited.

NOTES TO THE FINANCIAL STATEMENT CONTINUED

for the year ended 31 August 2014

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
12 STATED CAPITAL				
Authorised				
1 000 000 000 ordinary no par value shares				
Issued				
386 531 577 (2013: 348 131 693) ordinary shares	1 053 732	910 425	1 053 732	910 425
Movement for the year				
Balance at the beginning of the year	910 425	550 087	910 425	550 087
Shares issued during the year	143 532	367 124	143 532	367 124
Share issue expenses	(225)	(6 786)	(225)	(6 786)
Balance at the end of the year	1 053 732	910 425	1 053 732	910 425

The unissued shares are under the control of the directors. This authority remains in force until the next annual general meeting of the company.

Each share is irrevocably linked to one debenture, together comprising one linked unit.

On 1 September 2013, the company converted to a REIT. The capital restructure, whereby the linked units will be converted to an all equity structure, will be implemented in the 2015 financial year.

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
13 DEBENTURES				
Authorised				
1 000 000 000 variable rate subordinated debentures of R7,26 each				
Issued				
386 531 577 (2013: 348 131 693) debentures	2 806 219	2 527 436	2 806 219	2 527 436
Movement for the year				
Balance at the beginning of the year	2 527 436	1 808 812	2 527 436	1 808 812
Debentures issued during the year	278 783	718 624	278 783	718 624
Balance at the end of the year	2 806 219	2 527 436	2 806 219	2 527 436

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

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

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

14 INTEREST-BEARING BORROWINGS

Facility R000	Nature	Rate	Maturity	GROUP		COMPANY	
				2014 R000	2013 R000	2014 R000	2013 R000
Nedbank Corporate (a division of Nedbank Limited)							
Details of the facility, which bears interest at an average rate of 8.01% per annum, is as follows:							
2 160 845				2 070 334	844 748	2 070 334	844 748
201 100	Floating	3 month JIBAR plus 1,85%	23 May 2019	201 100	-	201 100	-
301 700	Floating	3 month JIBAR plus 1,8%	28 Feb 2019	301 700	-	301 700	-
175 000	Floating	3 month JIBAR plus 1,74%	17 July 2017	175 000	-	175 000	-
247 500	Floating	3 month JIBAR plus 1,6%	23 May 2017	247 500	-	247 500	-
24 860	Floating	1 month JIBAR plus 1,6%	31 Aug 2016	24 917	-	24 917	-
200 000	Fixed	9,11%	17 May 2016	200 000	200 000	200 000	200 000
48 185	Floating	1 month JIBAR plus 1,9%	13 March 2016	48 185	48 185	48 185	48 185
72 500	Fixed	8,80%	13 March 2016	72 500	72 500	72 500	72 500
740 000	Floating	1 month JIBAR plus 1,9%	2 Aug 2015	740 000	4 218	740 000	4 218
150 000	Floating	1 month JIBAR plus 1,9%	17 May 2016	59 432	83 413	59 432	83 413
-	Floating	3 month JIBAR plus 1,9%	17 May 2014	-	299 968	-	299 968
-	Floating	1 month JIBAR plus 1,9%	17 May 2014	-	117 161	-	117 161
-	Floating	1 month JIBAR plus 1,9%	17 May 2014	-	19 303	-	19 303
Rand Merchant Bank (a division of FirstRand Bank Limited)							
Details of the facility, which bears interest at an average rate of 7.51% per annum, is as follows:							
967 824				878 277	519 892	878 277	519 892
175 000	Floating	3 month JIBAR plus 1,75%	17 July 2017	175 000	-	175 000	-
150 000	Floating	1 month JIBAR plus 1,9%	17 May 2016	60 453	84 089	60 453	84 089
642 824	Floating	3 month JIBAR plus 1,25%	31 May 2015	642 824	-	642 824	-
-	Floating	3 month JIBAR plus 1,9%	17 May 2014	-	300 000	-	300 000
-	Floating	1 month JIBAR plus 2,05%	17 May 2014	-	116 500	-	116 500
-	Floating	1 month JIBAR plus 2,05%	17 May 2014	-	19 303	-	19 303
Total debt				2 948 611	1 364 640	2 948 611	1 364 640
Less: deferred finance costs				(4 770)	(3 596)	(4 770)	(3 596)
Balance at beginning of the year				(3 596)	(6 352)	(3 596)	(6 352)
Incurred during the year				(5 309)	-	(5 309)	-
Amortisation for the year				4 135	2 756	4 135	2 756
				2 943 841	1 361 044	2 943 841	1 361 044
Less short-term portion				(642 824)	(872 234)	(642 824)	(872 234)
				2 301 017	488 810	2 301 017	488 810

At year-end, the company's unutilised loan facilities amounted to R180,1 million, the gearing ratio was 38,0% (2013: 25,3%) and the average all inclusive rate of interest for the year under review was 8,1% (2013: 8,40%).

Facilities of R2,949 billion from Nedbank and Rand Merchant Bank are secured by mortgage bonds over investment properties valued at R6,856 billion (note 2).

NOTES TO THE FINANCIAL STATEMENT CONTINUED

for the year-ended 31 August 2014

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
15 TRADE AND OTHER PAYABLES				
Income received in advance	21 675	5 145	21 675	5 145
Value added taxation	3 487	5 920	3 487	5 920
Asset, property and facility management fees	2 015	1 688	2 015	1 688
Tenant deposits	7 898	6 983	7 898	6 983
Accrued interest	11 300	4 172	11 300	4 172
Accrued expenses	18 128	7 392	17 344	7 392
	64 503	31 300	63 719	31 300

16 NET OPERATING PROFIT

Net operating profit includes the following charges:

Amortisation of structuring fee	4 135	2 756	4 135	2 756
Asset management fees	20 137	14 733	20 137	14 733
Audit fees				
Paid to external auditors	463	534	463	534
For the attest function - current year	385	340	385	340
For other services	78	194	78	194
Paid to internal auditors				
Current year	290	340	290	340
Depreciation	202	148	199	148
Property management fees	20 694	14 374	20 694	14 374

17 DIRECTORS' EMOLUMENTS

Fees paid to executive directors

	COMPANY	
	2014 R000	2013 R000
SM Ngebulana	5 856	4 139
Salary and allowances	3 496	3 389
Other benefits and payments	257	-
Performance bonus	2 103	750
MF Rodel ¹	-	1 040
Basic salary	-	924
Performance bonus	-	116
JA Finn	2 875	2 058
Salary and allowances	1 808	1 724
Other benefits and payments	86	-
Performance bonus	981	334
	8 731	7 237

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	330	330
ATM Mkgokong	440	434
J Odendaal	230	230
KL Reynolds	270	270
NV Qangule	270	270
TSM Seopa	290	290
SV Zilwa	370	364
	2 200	2 188

¹ Resigned effective 31 January 2013

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
18 CHANGES IN FAIR VALUES				
Unrealised gain on revaluation of investment property	364 402	5 852	364 402	5 852
Listed property securities	(50 712)	-	(50 712)	-
Straight-line rental income accrual	(60 002)	(42 452)	(60 002)	(42 452)
Derivative instruments	(26 001)	33 535	(26 001)	33 535
	227 687	(3 065)	227 687	(3 065)

19 NET FINANCE CHARGES				
Interest paid - secured financial liabilities	186 170	144 883	186 170	144 883
Debt restructuring fee	-	3 000	-	3 000
Interest received - bank	(1 066)	(17 853)	(1 059)	(17 853)
	185 104	130 030	185 111	130 030

20 TAXATION				
Deferred	-	(242 305)	-	(242 305)

No provision for normal taxation has been made as the company has an estimated loss for tax purposes of R33,1 million (2013: R74,3 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 linked unitholders.

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
Reconciliation of taxation charge				
Profit before tax at 28%	85 834	9 417	85 834	9 417
Permanent differences				
Fair value adjustments	(63 752)	2 371	(63 752)	2 371
Straight-line rental income adjustment	(16 801)	(25 368)	(16 801)	(25 368)
Utilisation of tax loss	(7 565)		(7 565)	
Other	2 284	3 571	2 284	3 571
Capital gains taxation rate adjustment ¹	-	(232 296)	-	(232 296)
	-	(242 305)	-	(242 305)

¹ With effect 1 September 2013, the company converted to a Real Estate Investment Trust (REIT). As South African REITS are not subject to capital gains taxation, 100% of the deferred capital gains taxation was eliminated through the statement of comprehensive income in 2013.

NOTES TO THE FINANCIAL STATEMENT CONTINUED

for the year-ended 31 August 2014

	GROUP	
	2014 R000	2013 R000 (restated)
21 EARNINGS, HEADLINE EARNINGS AND DISTRIBUTABLE EARNINGS		
Number of linked units in issue at year-end	386 531 577	348 131 693
Weighted average number of linked units in issue used for the calculation of earnings and headline earnings per linked unit	379 617 629	284 622 851
Reconciliation of earnings, headline earnings and distributable earnings		
Profit for the year attributable to equity holders	306 549	275 936
Change in fair value of properties (net of deferred taxation)	(304 400)	(195 695)
Change in fair value of properties	(304 400)	36 600
Deferred taxation	-	(232 295)
Headline profit attributable to equity holders	2194	80 241
Debenture interest	378 984	262 807
Headline profit attributable to linked unitholders	381 133	343 048
Change in fair value of financial instruments (net of deferred taxation)	26 001	(18 176)
Change in fair value of financial instruments	26 001	(33 535)
Deferred taxation	-	15 359
Straight-line rental income accrual (net of deferred taxation)	(60 002)	(67 821)
Straight-line rental income accrual	(60 002)	(42 452)
Deferred taxation	-	(25 369)
Change in fair value of investment in listed property securities	50 712	-
Pre-acquisition distributions on Ascension linked unit	(27 015)	-
Antecedent interest *	5 419	39 252
Amortisation of structuring fee	4 135	2 756
Corporate transaction costs	4 022	-
Debt restructuring fees	-	3 000
Distributable earnings attributable to linked unitholders	384 405	302 059
Basic and diluted earnings per share (cents)	80,75	96,95
Basic and diluted earnings per linked unit (cents)	180,59	189,28
Headline earnings per linked unit (cents)	100,40	120,53
Distribution per linked unit (cents)	99,45	92,00

The comparative figures for earnings and headline earnings per linked unit have been restated due to the effects of the change in accounting for antecedent interest - refer note 27.

*Antecedent interest is the element of accrued interest included in the price of linked units issued at a market related price.

	GROUP		COMPANY	
	2014 R000	2013 R000 (restated)	2014 R000	2013 R000 (restated)

22 NOTE TO THE CASH FLOW STATEMENT

22.1 The following convention applies to figures other than adjustments

Outflows of cash are represented by figures in brackets. Inflows of cash are represented by figures without brackets.

22.2 Cash absorbed by operation

Profit before taxation	306 549	33 631	306 549	33 631
Adjusted for				
Non cash items	(288 848)	(34 567)	(288 851)	(34 567)
Changes in fair values	(227 687)	3 065	(227 687)	3 065
Straight-line rental income accrual	(60 002)	(42 452)	(60 002)	(42 452)
Time apportionment accrual for listed property securities income	(7 716)	-	(7 716)	-
Depreciation	202	148	199	148
Amortisation of tenant installations and lease commissions	2 220	1 916	2 220	1 916
Amortisation of structuring fee	4 135	2 756	4 135	2 756
Net finance charges (excluding amortisation of structuring fee)	180 969	127 274	180 976	127 274
Debt interest	378 984	262 807	378 984	262 807
Operating profit before working capital changes	577 654	389 145	577 658	389 145
Working capital changes	(493)	(40 791)	(298)	(40 791)
Trade and other receivables	(33 271)	(38 484)	(32 715)	(38 484)
Trade and other payables	32 778	(2 307)	32 417	(2 307)
Cash generated from operations	577 161	348 354	577 360	348 354

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
23 BUSINESS COMBINATION				
Details of the net assets of Ascension Property Management Company Proprietary Limited acquired on 3 February 2014 are:	Acquiree's fair value			
Property plant and equipment	6	-	-	-
Trade and other receivables	1	-	-	-
Cash and other equivalent	434	-	-	-
Trade and other payables	(424)	-	-	-
Total net assets acquired	17	-	-	-
Right to manage	149 983	-	-	-
Purchase consideration settled in cash	150 000	-	-	-

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

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

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
24 COMMITMENTS				
24.1 Capital commitments				
Capital improvements in respect of investment properties				
- Approved and committed	59 100	134 535	59 100	134 535
- Approved not yet committed	12 900	81 536	12 900	81 536
	72 000	216 071	72 000	216 071
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	15 036	9 659	15 036	9 659
- Due two to five years	12 899	-	12 899	-
	27 935	9 659	27 935	9 659

NOTES TO THE FINANCIAL STATEMENT CONTINUED

for the year-ended 31 August 2014

	GROUP		COMPANY	
	2014 R000	2013 R000	2014 R000	2013 R000
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	554 720	438 007	554 720	438 007
- Receivable two to five years	1 797 084	1 221 116	1 797 084	1 221 116
- Receivable beyond five years	446 872	464 531	446 872	464 531
	2 798 676	2 123 654	2 798 676	2 123 654

26 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Parties are considered related if one party has the ability to exercise control or significant influence over the other party in making financial or operational decisions. Related parties with whom the company transacted during the year were:

Billion Property Management Services Proprietary Limited

Property management fees	20 694	14 374	20 694	14 374
Leasing commission	430	610	430	610
Relationship: Directorial				
Amount owing at year-end (included in trade and other payables)	-	118	-	118

Billion Asset Managers Proprietary Limited

Asset management fees	20 136	14 733	20 136	14 733
Relationship: Directorial				
Amount owing at year-end (included in trade and other payables)	2 015	1 505	2 015	1 505

Billion Group Proprietary Limited

Relationship: Directorial				
Amount owing at year-end (included in trade and other payables)	(305)	183	(305)	183

Nedbank Limited

Director's emoluments	270	270	270	270
Relationship: Directorial				
Amount owing at year-end (included in trade and other payables)	68	68	68	68

27 RECLASSIFICATIONS IN THE COMPARATIVE STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF CASH FLOWS

Previously, the Group accounted for antecedent interest, which arises when the Group issues units between distribution dates at a market price that includes accrued interest, by recognising this as interest income in the statement of comprehensive income, which is then matched to the interest expense when the Group pays its next debenture distribution. Following the guidance issued by the JSE and The Financial Reporting Investigation Panel, it was noted that this accounting treatment is incorrect, in that the antecedent interest should be added to the debenture's initial carrying amount, and this liability reduced when the cash flows of the debenture interest are made on the next distribution date. The change in this accounting treatment has no impact on profit or loss, but results in both interest received and debenture interest being reduced by R39,3 million.

Set out below is the impact of the above change above on the comparative statement of comprehensive income, comparative cash absorbed by operations note and headline earnings per share for the year-ended 31 August 2013 :

GROUP AND COMPANY			
	Restated comparative 2013 R000	Published 2013 R000	Difference 2013 R000
a) Profit from operations	426 468	426 468	-
Net finance (charges)/income	(130 030)	(90 778)	(39 252)
Finance charges	(147 883)	(147 883)	-
Interest received	17 853	17 853	-
Antecedent interest	-	39 252	(39 252)
Profit before debenture interest and taxation	296 438	335 690	(39 252)
Debenture interest	(262 807)	(302 059)	39 252
Profit before taxation	33 631	33 631	-
b) Cash absorbed by operations note			
Profit before taxation	33 631	33 631	-
Adjusted for			
Non cash items	(34 567)	(34 567)	-
Changes in fair values	3 065	3 065	-
Straight-line rental income accrual	(42 452)	(42 452)	-
Time apportionment accrual for listed property securities income	-	-	-
Depreciation	148	148	-
Amortisation of tenant installations and lease commissions	1 916	1 916	-
Amortisation of structuring fee	2 756	2 756	-
Net finance charges (excluding amortisation of structuring fee)	127 274	88 022	39 252
Debenture interest	262 807	302 059	(39 252)
Operating profit before working capital changes	389 145	389 145	-
Working capital changes	(40 791)	(40 791)	-
Trade and other receivables	(38 484)	(38 484)	-
Trade and other payables	(2 307)	(2 307)	-
Cash generated from operations	348 354	348 354	-

- c) The comparative figures have been restated in order to give effect to the JSE's guidance to REITS as regards the treatment of antecedent interest. While the restatement has had no impact on net profit for the year, on the distributions to unitholders or on the statement of financial position, the impact on basic and diluted earnings and headline earnings is as follows:

	Before	After
Basic and diluted earnings per linked unit (cents)	203,07	189,32
Basic and diluted headline earnings per linked unit (cents)	134,32	120,53

NOTES TO THE FINANCIAL STATEMENT CONTINUED

for the year-ended 31 August 2014

28 FINANCIAL RISK MANAGEMENT

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

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

	Financial assets		Financial liabilities		Total R000
	At amortised cost R000	At fair value through profit or loss R000	At amortised cost R000	At fair value through profit or loss R000	
GROUP					
As at 31 August 2014					
Financial assets					
Listed property securities		597 592			597 592
Derivative instruments		14 617			14 617
Trade and other receivables	89 076				89 076
Cash and cash equivalents	48 850				48 850
Total financial assets	137 926	612 209	-	-	750 135
Financial liabilities					
Debentures			2 806 219		2 806 219
Secured financial liabilities			2 943 841		2 943 841
Derivative instruments				8 308	8 308
Trade and other payables			61 016		61 016
Unitholders for distribution			196 936		196 936
Total financial liabilities	-	-	6 008 012	8 308	6 016 320
COMPANY					
There is no difference between group and company other than in respect of the following:					
Financial assets					
Trade and other receivables	88 519				88 519
Cash and cash equivalents	48 612				48 612
Financial liabilities					
Trade and other payables			60 232		60 232
GROUP AND COMPANY					
As at 31 August 2013					
Financial assets					
Trade and other receivables	55 375				55 375
Cash and cash equivalents	39 535				39 535
Total financial assets	94 910	-	-	-	94 910
Financial liabilities					
Debentures			2 527 436		2 527 436
Secured financial liabilities			1 361 044		1 361 044
Derivative instruments				6 996	6 996
Trade and other payables			25 380		25 380
Unitholders for distribution			165 363		165 363
Total financial liabilities	-	-	4 079 223	6 996	4 086 219

Interest rate risk

The company manages its exposure to changes in interest rates by fixing interest rates by way of interest rate swap arrangements in respect of borrowings. At year-end, interest rates in respect of 75.9% (2013: 77,6%) of borrowing were hedged in terms of interest rate swap and interest rate cap arrangements.

The average rate of interest for the year was 7,93% (2013: 8.39%) and the average interest rate at year-end was 8,16% (2013: 7,78%).

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

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:

GROUP	Weighted average effective interest rate	Less than one year	One to five years	More than five years	Total
As at 31 August 2014	%	R	R	R	R
Financial assets					
Listed property securities			597 592		597 592
Derivative instruments			14 617		14 617
Trade and other receivables		89 076			89 076
Cash and cash equivalents	4,15	48 850			48 850
Total financial assets		137 926	612 209	-	750 135
Financial liabilities					
Debentures				2 806 219	2 806 219
Interest-bearing borrowings		642 824	2 301 017		2 943 841
Derivative instruments			8 308		8 308
Trade and other payables		61 016			61 016
Unitholders for distribution		196 936			196 936
Total financial liabilities		900 776	2 309 325	2 806 219	6 016 320
Interest payments relating to Interest-bearing borrowings above		229 993	312 373		542 366
COMPANY					
There is no difference between group and company other than in respect of the following:					
Financial assets					
Trade and other receivables		88 519			88 519
Cash and cash equivalents		48 612			48 612
Financial liabilities					
Trade and other payables		60 232			60 232
GROUP AND COMPANY					
As at 31 August 2013					
Financial assets					
Trade and other receivables		55 375			55 375
Cash and cash equivalents	3,40	39 535			39 535
Total financial assets		94 910	-	-	94 910
Financial liabilities					
Debentures	Variable			2 527 436	2 527 436
Interest-bearing borrowings	8,00	872 234	488 810		1 361 044
Derivative instruments			6 996		6 996
Trade and other payables		25 380			25 380
Unitholders for distribution	Variable	165 363			165 363
Total financial liabilities		1 062 977	495 806	2 527 436	4 086 219
Interest payments relating to Interest-bearing borrowings above		160 572	186 743		347 315

NOTES TO THE FINANCIAL STATEMENT CONTINUED

for the year-ended 31 August 2014

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 2014 of R7,7 million (2013: R4,0 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.

29 CAPITAL MANAGEMENT

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

As at 31 August 2014, the unutilised borrowing capacity of the company was as follows:

	2014 R000	2013 R000
Investment properties at valuation	6 856 000	5 283 500
50% thereof	3 428 000	2 641 750
Total borrowings	2 948 611	1 364 640
Unutilised borrowing capacity	479 389	1 277 110

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

30 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 assets and liabilities measured at fair value into the level which the fair value is categorised

	Loans and receivables at amortised cost R000	Assets designated at fair value through profit and loss R000	Level 1 R000	Level 2 R000	Level 3 R000
ASSETS					
31 August 2014					
GROUP					
Investment property		6 856 000			6 856 000
Listed property securities		597 592	597 592		
Derivative instruments		14 617		14 617	
Trade and other receivables	89 076				
Cash and cash equivalents	48 850				
COMPANY					
There is no difference between group and company other than in respect of trade and other receivables:					
Trade and other receivables	88 519				
31 August 2013					
GROUP AND COMPANY					
Investment property		5 283 500			5 283 500
Trade and other receivables	55 804				
Cash and cash equivalents	39 535				

30 FAIR VALUE HIERARCHY CONTINUED

	Liabilities measured at amortised cost R000	Liabilities designated at fair value through profit and loss R000	Level 1 R000	Level 2 R000	Level 3 R000
LIABILITIES					
31 August 2014					
GROUP					
Debtures	2 806 219				
Interest-bearing borrowings					
- Long term	2 301 017				
- Short term	642 824				
Derivative instruments		8 308		8 308	
Payables	64 503				
<hr/>					
COMPANY					
There is no difference between group and company other than in respect of trade and other payables:					
Payables	63 719				
<hr/>					
31 August 2013					
GROUP AND COMPANY					
Debtures	2 527 436				
Interest-bearing borrowings					
- Long term	488 810				
- Short term	872 234				
Derivative instruments		6 996		6 996	
Payables	31 300				
<hr/>					

The carrying values approximate the fair value.

NOTES TO THE FINANCIAL STATEMENT CONTINUED

for the year-ended 31 August 2014

31 SEGMENTAL REPORT

	Property portfolio				Admin and corporate costs R000	Total R000
	Retail R000	Office R000	Industrial R000	Total R000		
2014						
Property portfolio	358 742	433 623	15 474	807 839	48 107	855 946
Contractual rental income	344 670	389 985	13 182	747 837	-	747 837
Listed property securities income					48 107	48 107
Straight-line rental income accrual	14 072	43 638	2 292	60 002	-	60 002
Net income from facilities management	-	17 891	-	17 891	-	17 891
Management fees received					9 812	9 812
Sundry income	613	116		729		729
Total revenue	359 355	451 630	15 474	826 459		884 378
Operating costs	(123 566)	(83 584)	(140)	(207 290)		(207 290)
Administration and corporate costs	-	-	-	-	(34 138)	(34 138)
Changes in fair values	88 683	265 719	10 000	364 402	(136 715)	227 687
Finance charges	-	-	-	-	(185 104)	(185 104)
Segment profit before taxation	324 472	633 765	25 334	983 571	(298 038)	685 533
Investment property	3 048 000	3 672 000	136 000	6 856 000	-	6 856 000
Other assets	10 112	14 982	-	25 094	971 267	996 361
Total assets	3 058 112	3 686 982	136 000	6 881 094		7 852 361
Total liabilities	5 466	22 180	-	27 646	5 992 161	6 019 807
2013						
Property portfolio	293 603	264 450	7 156	565 209	-	565 209
Contractual rental income	280 165	236 739	5 853	522 757	-	522 757
Straight-line rental income accrual	13 438	27 711	1 303	42 452	-	42 452
Facilities management income	-	16 833	-	16 833	-	16 833
Sundry income	605	25	-	630	-	630
Total revenue	294 208	281 308	7 156	582 672		582 672
Operating costs	(88 804)	(43 675)	(179)	(132 658)		(132 658)
Administration and corporate costs	-	-	-	-	(20 481)	(20 481)
Changes in fair values	(164 574)	124 893	3 081	(36 600)	33 535	(3 065)
Finance charges	-	-	-	-	(130 030)	(130 030)
Segment profit before taxation	40 830	362 526	10 058	413 414	(116 976)	296 438
Investment property	2 843 500	2 314 000	126 000	5 283 500	-	5 283 500
Other assets	24 501	13 683	-	38 184	153 153	191 337
Total assets	2 868 001	2 327 683	126 000	5 321 684	153 153	5 474 837
Total liabilities	17 949	7 442	143	25 534	4 066 605	4 092 139



HEMINGWAYS MALL

8 UNITHOLDERS' INFORMATION

- 1 UNITHOLDER ANALYSIS
- 2 UNITHOLDERS' DIARY
- 3 DISTRIBUTION DETAILS
- 4 NOTICE OF ANNUAL GENERAL MEETING
- 5 FORM OF PROXY



**INTEGRATED
ANNUAL REPORT
2014**



UNITHOLDERS' ANALYSIS

COMPANY: REBOSIS PROPERTY FUND LTD
 REGISTER DATE: 29 AUGUST 2014
 ISSUED SHARE CAPITAL: 386 531 577

SHAREHOLDER SPREAD	No of shareholdings	%	No of shares	%
1 - 1 000 shares	168	11,19	64 766	0,02
1 001 - 10 000 shares	911	60,65	3 242 762	0,84
10 001 - 100 000 shares	231	15,38	8 296 140	2,15
100 001 - 1 000 000 shares	135	8,99	48 973 446	12,67
1 000 001 shares and over	57	3,79	325 954 463	84,33
	1 502	100,00	386 531 577	100,00

DISTRIBUTION OF SHAREHOLDERS	No of shareholdings	%	No of shares	%
Banks/Brokers	18	1,20	3 674 154	0,95
Close Corporations	20	1,33	211 540	0,05
Endowment Funds	11	0,73	462 157	0,12
Individuals	857	57,06	5 447 521	1,41
Insurance Companies	24	1,60	15 083 003	3,90
Investment Companies	15	1,00	1 918 596	0,50
Medical Schemes	5	0,33	199 538	0,05
Mutual Funds	104	6,92	164 682 973	42,61
Nominees & Trusts	303	20,17	38 264 844	9,90
Other Corporations	9	0,60	848 025	0,22
Private Companies	37	2,46	37 081 631	9,59
Public Companies	1	0,07	7 247	0,00
Retirement Funds	98	6,52	118 650 348	30,70
	1 502	100,00	386 531 577	100,00

PUBLIC / NON-PUBLIC SHAREHOLDERS	No of shareholdings	%	No of shares	%
Non-public shareholders	11	0,73	37 299 720	9,65
Directors and associates of the company holdings	-	-	-	-
Public Shareholders	1 491	99,27	349 231 857	90,35
	1 502	100,00	386 531 577	100,00

BENEFICIAL SHAREHOLDERS HOLDING 5% OR MORE	No of shares	%
Government Employees Pension Fund	66 841 691	17,29
STANLIB	37 074 877	9,59
Ngebulana, SM	36 571 937	9,46
Coronation Fund Managers	25 747 555	6,66
Sanlam	24 510 087	6,34
Dreamfair Properties 26 (Pty) Ltd	21 783 601	5,64
	212 529 748	54,98

UNITHOLDERS' DIARY_

Financial year-end
Annual general meeting
Integrated report posted
Announcement of interim results
Announcement of annual results

31 August
18 March 2015
Tuesday, 17 February 2015
April 2015
November 2015

DISTRIBUTION DETAILS FOR THE YEAR ENDED 31 AUGUST 2014

Interest on debentures	Distribution number	Cents
Six months ended 28 February 2014	5	48,50
Six months ended 31 August 2014	6	50,95
Total		99,45

NOTICE OF ANNUAL GENERAL MEETING

OF SHAREHOLDERS AND DEBENTURE HOLDERS

REBOSIS PROPERTY FUND LIMITED

(INCORPORATED IN THE REPUBLIC OF SOUTH AFRICA)

REGISTRATION NUMBER 2010/003468/06

JSE SHARE CODE: REB

ISIN: ZAE000156147

(APPROVED AS A REIT BY THE JSE)

("REBOSIS" OR "THE COMPANY")

Notice is hereby given that the annual general meeting ("AGM") of shareholders and debenture holders ("unitholders" or "linked unitholders") of Rebosis will be held at the offices of the company at 3rd Floor, Palazzo Towers West, Montecasino Boulevard, Fourways on Wednesday, 18 March 2015, 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 2014 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 unitholders of a company, and
- C. considering and if deemed fit adopting with or without modification, the unitholder special and ordinary resolutions set out below.

IMPORTANT DATES TO NOTE - 2015

Record date to receive this notice of annual general meeting	Friday, 6 February
Last day to trade in order to be eligible to participate in and vote at the annual general meeting	Friday, 6 March
Record date for voting purposes ("voting record date")	Friday, 13 March
Last day to lodge forms of proxy by 10:00 on	Monday, 16 March
Annual general meeting held at 10:00 on	Wednesday, 18 March
Results of AGM released on SENS	Wednesday, 18 March

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

- a unitholder 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 linked unitholder, by completing the proxy in accordance with the instructions set out herein;
- a proxy need not be a linked unitholder of the company;
- meeting participants (including linked

unitholders and proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the unitholder 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: LINKED UNIT REPURCHASES

"Resolved that the directors be authorised in terms of the company's memorandum of incorporation ("MOI") and the debenture trust deed, 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 linked units of the company subject to the Listings Requirements of the JSE Limited ("JSE") and the Companies Act 71 of 2008, as amended, on the following basis:

- a) the acquisition of linked units must be implemented through the order book operated by the JSE trading system without any prior understanding or arrangement between the company and the counterparty;
- b) the company (or any subsidiary) must be authorised to do so in terms of its MOI;
- c) the number of linked units which may be acquired pursuant to this authority in any financial year (which commenced

1 September 2014 may not in the aggregate exceed 20% (or 10% where the acquisitions are effected by a subsidiary) of the company's share capital as at the date of passing this special resolution;

- d) repurchases may not be made at a price more than 10% above the weighted average of the market value on the JSE of the linked units in question for the five business days immediately preceding the repurchase;
- e) repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the Listings Requirements of the JSE) unless a repurchase programme is in place and the dates and quantities of linked units to be repurchased during the prohibited period have been determined and has been submitted to the JSE in writing prior to the commencement of the prohibited period;
- f) after the company has acquired linked units which constitute, on a cumulative basis, 3% of the number of linked units in issue (at the time that authority from linked unitholders for the repurchase is granted), the company shall publish an announcement to such effect, or any other announcements that may be required in such regard in terms of the JSE Listings Requirements applicable from time to time;
- g) the company (or any subsidiary) shall appoint only one agent to effect repurchases on its behalf; and
- h) a resolution has been passed by the board of directors of the company or its subsidiaries authorizing the acquisition, and the company has passed the solvency and liquidity test as set out in section 4 of the Companies Act 71 of 2008, and that, since the application of the solvency and liquidity test by the board, there have been no material changes to the financial position of the company."

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

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

The directors undertake that, after considering the maximum number of linked units 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 unitholders – page 92; and
- Capital structure of the company – page 60.

Directors' responsibility statement

The directors whose names appear on pages 22-23 of the integrated annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the Companies Act 71 of 2008, as amended, 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 2014 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 linked units on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the Listings Requirements of the JSE and the companies Act 71 of 2008, as amended, to effect repurchases of the company's linked units on the JSE.

This resolution will require the support of at least 75% of the total number of voting rights exercised by unitholders, 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 JSE Listings Requirements, 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 provisions 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 after the completion of the special resolution or until its renewal, whichever is the earliest.

The reason for and effect of special resolution number 2:

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

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

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

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)	R 10 000
Sub-Committee Fee (Per Meeting)	R 15 000
Basic Annual Fee (Board)	R120 000
Board Chair (Annual Fee)	R350 000
Audit Committee Chair (Per Meeting)	R 15 000
Other Sub-Committees Chair (Per Meeting)*	R 10 000

*With the exception of the nomination committee chair

The reason for and effect of special resolution 3

To obtain linked unitholder approval by way of a special resolution in accordance with section 66 of the Companies Act 71 of 2008, as amended, for the payment by the company of remuneration to each of the non-executive directors of the company for services rendered as directors in the amount set out in special resolution 3 above.

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

4. ORDINARY RESOLUTION 1: RE-ELECTION OF DIRECTOR

"Resolved that S Zilwa who retires by rotation in terms of the MOI 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.

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

5. ORDINARY RESOLUTION 2: RE-ELECTION OF DIRECTOR

"Resolved that T Seopa who retires by rotation in terms of the MOI 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 annual report of which this notice forms part.

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

6. ORDINARY RESOLUTION 3: RE-ELECTION OF DIRECTOR

"Resolved that K Reynolds who retires by rotation in terms of the MOI 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 annual report of which this notice forms part.

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

7. ORDINARY RESOLUTION 4: RE-APPOINTMENT OF MEMBERS OF THE AUDIT AND RISK COMMITTEE

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

The membership as proposed by the nomination committee is:

- 7.1 SV Zilwa (chairperson);
 - 7.2 AM Mazwai;
 - 7.3 TSM Seopa; and
 - 7.4 NV Qangule
- all of whom are independent non-executive directors".

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

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

8. ORDINARY RESOLUTION 5: RE-APPOINTMENT OF AUDITORS

"Resolved that Grant Thornton (Jhb) Inc. be and are hereby re-appointed as the auditors of the company."

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 (Jhb) Inc.

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

9. ORDINARY RESOLUTION 6: CONTROL OVER UNISSUED LINKED UNITS

"Resolved that, subject to the provisions of the Companies Act, the JSE Listings Requirements, the MOI and any debenture trust deed entered into by the company, all authorised but unissued linked units of the

company be and are hereby placed under the control of the directors of the company until the next annual general meeting, with the authority to allot and issue and otherwise dispose of all or part thereof at their discretion, provided that:

- the number of linked units which may be allotted, issued or disposed of under this authority does not in aggregate exceed 10% of the company's issued linked unit capital as at the date of the passing of this resolution; and
- such allotment, issue or disposal is subject to a maximum discount of of the weighted average traded on the JSE of those linked units over the 30 business days prior to the date of allotment, issue or disposal as the case may be, adjusted for a distribution where the ex date in respect of the distribution occurs during the 30 day period in question."

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

10. ORDINARY RESOLUTION 7: ISSUE OF LINKED UNITS FOR CASH

"Resolved that, pursuant to the MOI of the company, the directors of the company be and are hereby authorised until this authority lapses at the next annual general meeting of the company, provided that this authority shall not extend beyond 15 months, to allot and issue linked units for cash subject to the Listings Requirements of the JSE and the Companies Act, 71 of 2008, as amended, on the following basis:

- a) the allotment and issue of linked units 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 linked units which may be issued for cash in terms of this authority may not exceed 43 401 056 linked units, being 10% of the company's issued linked units as at the date of notice of this annual general meeting. Accordingly, any linked units issued under this authority prior to this authority lapsing shall be deducted from the 43 401 056 linked units the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of linked units that may be issued in terms of this authority;
- c) in the event of a sub-division or consolidation of linked units prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;

- d) the maximum discount at which linked units may be issued for cash is 10% of the weighted average price on the JSE of those linked units over 30 days prior to the date that the price of the issue is agreed between the company and the party subscribing for the linked units;
- e) after the company has issued linked units for cash, within the period that this authority is valid, which represents 5% or more of the number of linked units 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 linked units 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 linked units 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 unitholders present 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 linked unitholders with and subject to the terms thereof."

In line with market practice and subject to the securing of all requisite approvals of holders of the company's linked units, the company may, while the authorisations contemplated by ordinary resolutions 6 and 7 and special resolution 1, set out in this notice remain operative, convert the company's linked unit capital structure (comprising ordinary shares linked to debentures) into an all share structure (the "capital conversion").

Should the capital conversion be implemented while any of the authorities granted to the company in terms of the resolutions set out in this notice remain operative, the relevant authorities shall apply mutatis mutandis to the company's securities as constituted post any such capital conversion.

Voting and proxies

Each of Rebosis' linked units comprises one ordinary share and one debenture. Certificated and own-name dematerialised unitholders are therefore advised that they must complete a form of proxy in order for their vote/s to be valid. The form of proxy for

certificated and own-name dematerialised unitholders is enclosed in this integrated annual report.

A unitholder 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 unitholder of the company.

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

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

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

Dematerialised unitholders 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 unitholders 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 unitholder and the CSDP or broker. Such unitholders are advised that they must provide their CSDP or broker with separate voting instructions in respect of the shares and the debentures in terms of their linked units.

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

Quorum

A quorum for the purposes of considering the resolutions above shall consist of three shareholders of the company personally present (and if the shareholder is a body corporate, the representative of the body

corporate) and entitled to vote at the annual general meeting. In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions above.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited (Ground Floor, 70 Marshall Street, Johannesburg), for the purposes of being entitled to attend, participate in and vote at the annual general meeting is Friday, 13 March 2015.

Electronic participation

The company has made provision for its unitholders or their proxies to participate electronically in the AGM by way of telephone conferencing. Should you wish to participate in the AGM by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10.00am on Monday, 16 March 2015 by submitting an email to the company secretary at mande@billiongroup.co.za, including an email address, cellular number and landline as well as full details of the unitholder'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 unitholders, written confirmation from the unitholder's CSDP confirming the unitholder's title. Upon receipt of the required information, the unitholder concerned will be provided with a secure code and instructions to access the e electronic communication during the AGM. Unitholders must note that access to the electronic communication will be at the expense of the unitholder who wishes to utilise the facility. Unitholders will not be able to participate in voting electronically.

By order of the board.

Company Secretary
Mande Ndema

Registered office

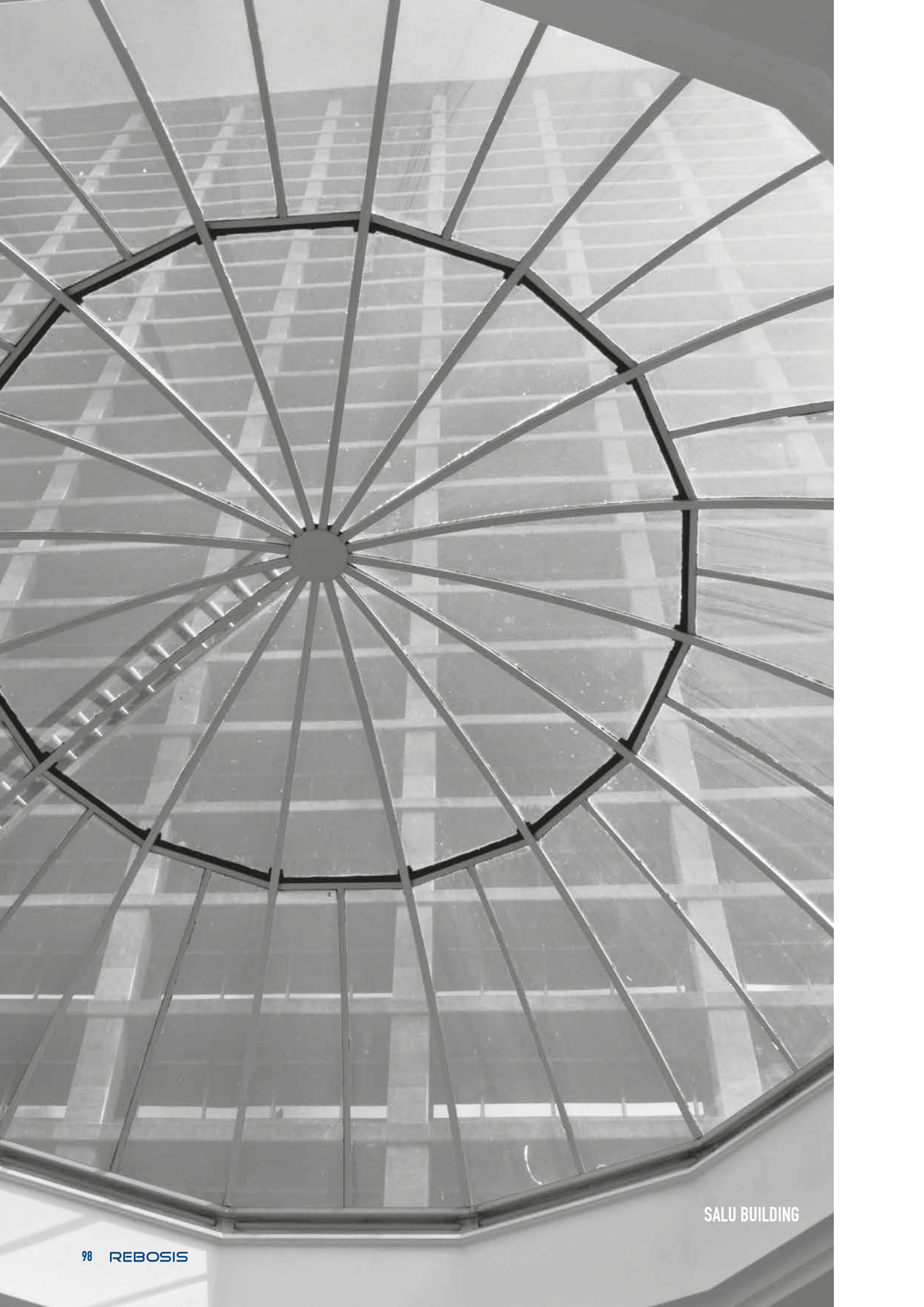
3rd Floor, Palazzo Towers West
Montecasino Boulevard

Fourways
2055
(PO Box 2972, Northriding 2162)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street

Johannesburg
2001



SALU BUILDING

FORM OF PROXY OF UNITHOLDERS

REBOSIS PROPERTY FUND LIMITED

Incorporated in the Republic of South Africa

Registration number 2010/003468/06

JSE share code: REB

ISIN: ZAE 000156147

(Approved as a REIT by the JSE)

("Rebosis" or "the company")

Each of Rebosis' linked units comprises one ordinary share and one debenture. Certificated and own-name dematerialised unitholders are therefore advised that they must complete a form of proxy for certificated and own-name dematerialised unitholders in order for their vote/s to be valid.

This form of proxy is for use by the holders of the company's certificated linked units ("certificated unitholders") and/or dematerialised linked units 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, 18 March 2015, 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 linked units who have not selected own-name registration. Such unitholders 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 _____ linked units
hereby appoint _____ of _____ or failing him/her,
_____ of _____ or failing him/her, the
chairperson of the annual general meeting as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the company to and at
any adjournment thereof.

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

	IN FAVOUR OF	AGAINST	ABSTAIN
1.1 Special resolution 1: General authority to enable the company (or any subsidiary) to repurchase linked units of the company			
1.2 Special resolution 2: Grant financial assistance to related and inter-related companies			
1.3 Special resolution 3: Approval of directors' remuneration for their services as directors			
1.4 Ordinary resolution 1: To re-elect S Zilwa as a director of the company			
1.5 Ordinary resolution 2: To re-elect T Seopa as a director of the company			
1.6 Ordinary resolution 3: To re-elect K Reynolds as a director of the company			
1.7 Ordinary resolution 4: To re-appoint members of the audit and risk committee			
Resolution 4.1 SV Zilwa (Chairperson)			
Resolution 4.2 AM Mazwai			
Resolution 4.3 TS Seopa			
Resolution 4.4 NV Qangule			
1.8 Ordinary resolution 5: To reappoint Grant Thornton (Jhb) Inc as auditors of the company			
1.9 Ordinary resolution 6: Authority to place the unissued linked units under the control of directors			
1.10 Ordinary resolution 7: General authority to issue linked units for cash			
1.11 Ordinary resolution 8: To authorise the signature of documentation			

Signed this _____ day of _____, 2015

Signature _____

Assisted by _____ (if applicable)

Please read the notes on the reverse.

NOTES TO THE FORM OF PROXY OF UNITHOLDERS

1. Each of Reboasis' linked units comprises one ordinary share and one debenture. Certificated and own-name dematerialised shareholders are therefore advised that they must complete a separate form of proxy for certificated and own-name dematerialised unitholders in order for their vote/s to be valid.
2. This form of proxy is to be completed only by those members who are:
 - holding linked units in certificated form; or
 - recorded in the subregister in electronic form in their own name.
3. Each unitholder is entitled to appoint one or more proxies (none of whom need to be a unitholder of the company) to attend, speak and vote in place of that unitholder at the annual general meeting.
4. Unitholders that are certificated or own-name dematerialised unitholders may insert the name of a proxy or the names of two alternate proxies of the unitholder'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 unitholders. 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.
5. A unitholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the unitholder 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.
6. A unitholder or his/her proxy is not obliged to use all the votes exercisable by the unitholder, 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 unitholder.
7. Forms of proxy must be lodged at, posted or faxed to the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107), to be received at least 48 hours prior to the meeting.
8. The completion and lodging of this form of proxy will not preclude the relevant unitholder 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 unitholder wish to do so. Where there are joint holders of linked units, 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 unitholders, will be accepted.
9. Where there are joint holders of any linked units, only that holder whose name appears first in the register in respect of such linked units needs to sign this form of proxy.
10. 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 unitholder concerned wishes to vote.
11. 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.
12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
13. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Computershare Investor Services Proprietary Limited.

CORPORATE INFORMATION

SHARE CODE: REB

ISIN: ZAE000156147

JSE SECTOR: Real Estate – Real Estate holdings and development

LISTING DATE: 17 May 2011

UNITS IN ISSUE: 386 531 577 (31 August 2014)

COMPANY REGISTRATION NUMBER

2010/003468/06

COUNTRY OF INCORPORATION

South Africa

WEBSITE

www.rebosis.co.za

DIRECTORS

SM Ngebulana (Chief Executive)

JA Finn** (Chief Financial Officer)

ATM Mokgokong* (Chairperson)

AM Mazwai*

WJ Odendaal*

NV Qangule*

KL Reynolds

TSM Seopa*

SV Zilwa*

* Independent non-executive

° Non-executive

** Resigned effective 30 November 2014

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 (Jhb) Inc

Chartered Accountants (SA) Registered Auditors

42 Wierda Road West

Wierda Valley, 2196

(Private Bag X10046, Sandton, 2146)

TRANSFER SECRETARIES

Computershare Investor Services

Proprietary Limited

Ground Floor, 70 Marshall Street

Johannesburg, 2001

(PO Box 61051, Marshalltown, 2107)

TRUSTEE FOR DEBENTURE HOLDERS

Java Capital Trustees and Sponsors

Proprietary Limited

2 Arnold Road, Rosebank, 2196

(PO Box 2087, Parklands, 2121)

SPONSOR

Java Capital Trustees and Sponsors

Proprietary Limited

2 Arnold Road, Rosebank, 2196

(PO Box 2087, Parklands, 2121)

LEGAL ADVISERS

Bowman Gilfillan

165 West Street

Sandton, 2146

(PO Box 785812, Sandton 2146)

QUERIES RELATING TO INTEGRATED REPORT

Kameel Keshav

CFO

(appointed 1 December 2014)

kameel@rebosis.co.za



www.rebosis.co.za

REBOSIS
PROPERTY FUND