

Integrated
Annual Report

2017





www.rebosis.co.za

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WOOLWORTHS



Rebosis
at a Glance



Seven core values | 223 staff

905 075 m² GLA | 52.6 million visitors

Rebosis is the pre-eminent listed black property fund

About This Report

SCOPE AND BOUNDARY OF THIS REPORT

Rebosis is a black real estate investment trust (REIT) listed on the main board of the JSE in the Real Estate Investment Trusts: Diversified REITS sector. The company has a diversified property portfolio comprising retail, office and industrial properties. Rebosis has continued its uninterrupted record of posting annual distribution growth. This year, the company celebrates its 6th year on the JSE, and a 6-fold growth in its assets in that time.

This, our seventh integrated annual report, presents the integrated performance of the group for the year 1 September 2016 to 31 August 2017. It is primarily targeted at our funders, our staff and our tenants, both current and future.

During April 2017, Rebosis issued a new class of Rebosis A-ordinary share by replacing the Ascension A shares. As a result, Ascension is now a wholly owned subsidiary of Rebosis property fund and was duly delisted.

On 1 March 2017, Rebosis sold 29.90% of its shares in New Frontier Properties Limited to a B-BBEE consortium led by N.Gugushe and HH Bubu.

During the year ended 31 August 2017, Rebosis acquired 100% of the asset and property management services business from the Billion Group. This resulted in Rebosis taking over the staff that previously managed the fund on behalf of the Asset Manager as well as the Property Manager. The report therefore includes the aspects relating to human capital in more detail.

Rebosis strives to communicate content that is useful and relevant in an open and balanced manner. The directors have identified the issues that materially impact the group's ability to create and sustain value, now and in the future. The report therefore complies a measured account of the group's approach to sustainability, that should enable its readers to reasonably evaluate Rebosis' ability to create and sustain value over the short-, medium- and long-terms.

CORPORATE INFORMATION

The group's executive directors are Andile Mazwai (Chief Executive Officer), Marelise de Lange (Chief Financial Officer) and Zandile Kogo (Director). They can be contacted at the registered office of the company. For additional contact details please see the inside back cover.

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

KEY DATA

(Registration number: 2010/003468/06)
 REA and ISIN: ZAE000240552
 REB and ISIN: ZAE000201687
 JSE Main Board sector:
 Real Estate – Real Estate holdings and development
 JSE share code: REB
 Listing date: 17 May 2011
 Number of shares in issue:
 A ordinary shares: 63 266 012 (2016: Nil)
 Ordinary shares: 642 316 328 (2016: 530 178 149)

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

APPLICABLE REPORTING REQUIREMENTS

Rebosis complies in all material respects with the principles contained in the King IV Report, as encapsulated in the applicable regulations. Any King IV principles which have not been complied with are explained.

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

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

ASSURANCE

The company's external auditors, Grant Thornton Johannesburg Partnership, have independently audited the annual financial statements for the year ended 31 August 2017. Their unqualified audit report is set out on pages 73 to 75. The scope of their audit is limited to the information set out in the annual financial statements on pages 80 to 129.

The company's internal auditors, Kwinana and Associates Incorporated, have provided assurance to the Audit and Risk Committee on the effectiveness of the company's internal financial controls.

FORWARD-LOOKING STATEMENTS

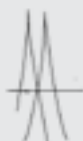
This integrated annual report contains forward-looking statements that, unless otherwise indicated, reflect the company's expectations as at 31 August 2017.

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.



Andile Mazwai
Chief Executive officer



Marelise De Lange
Chief Financial Officer

Five Year Review

	2017 R'000	2016 R'000 Restated*	2015 R'000 Restated	2014 R'000	2013 R'000
Revenue					
Property portfolio	1 856 451	1 276 217	1 009 880	855 946	565 209
Contractual rental income	1 949 509	1 302 003	896 124	747 837	522 757
Listed property securities income	-	-	60 262	48 107	-
Straight-line rental income accrual	(93 058)	(25 786)	53 494	60 002	42 452
Net facilities management income	21 951	23 109	21 051	17 891	16 833
Management fees received	5 416	-	18 891	9 812	-
Sundry income	37 444	1 233	1 707	729	630
Total revenue	1 921 262	1 300 559	1 051 529	884 378	582 672
Operating costs	(416 276)	(370 752)	(226 735)	(207 290)	(132 658)
Administration costs	(142 457)	(63 040)	(111 831)	(34 138)	(20 481)
Net operating profit	1 362 529	866 767	712 963	642 950	429 533
Gain on bargain purchase	237 121	-	53 756	-	-
Loss on disposal of investment in listed securities	(26 705)	60	-	-	-
Changes in fair values	1 170 737	1 488 427	136 935	227 687	(3 065)
Investment properties	1 362 689	2 355 245	133 508	364 402	5 852
Listed property securities	-	-	59 942	(50 712)	-
Straight-line rental income accrual	(93 058)	25 786	(53 494)	(60 002)	(42 452)
Derivative instruments	(98 894)	69 114	(3 021)	(26 001)	33 535
Profit from operations	2 743 682	2 450 154	903 654	870 637	426 468
Net finance charges	(758 101)	(440 652)	(282 078)	(185 104)	(130 030)
Finance charges – secured loans	(845 143)	(485 402)	(289 587)	(186 170)	(147 883)
Interest received	87 042	44 750	7 509	1 066	17 853
Profit before debenture interest and taxation	1 985 581	2 009 502	621 576	685 533	296 438
Debenture interest	-	-	(346 811)	(378 984)	(262 807)
Profit before taxation	1 985 581	2 009 502	274 765	306 549	33 631
Taxation	-	-	(13 499)	-	242 305
Profit from continuing operations	1 985 581	2 009 502	261 266	306 549	275 936
Profit from discontinued operations	651 853	(135 315)	1 009	-	-
Profit for the year	2 637 434	1 874 187	262 275	306 549	275 936
Investment property at fair value (note 3)	18 608 490	16 996 072	14 555 401	6 856 000	5 283 500
Investment property held for sale	212 689	1 156 698	-	-	-
Distribution/dividend per share (cents)	128.35	119.45	110.41	99.45	92.00

* Restated relates to discontinued operations refer to note 37

Who We Are

REBOSIS

PROPERTY FUND

Our Story: This is what we've done

- 2017 Sold **29,9% of New Frontier** to a Black Consortium
- 2016 Acquired **Forest Hill** and **Baywest** from the **Billion Group** and **internalised** the **Management companies**
- 2015 Acquired a controlling interest in **New Frontier Properties** which has **3 dominant UK shopping centres**
- 2014 Acquired **Ascension Property Fund** with **26 commercial** and **2 industrial** properties
- 2013 **Approved** as a **Real Estate Investment Trust (REIT)**
- 2012 Acquired **Sunnypark Shopping Centre** and **9 commercial** properties
- 2011 listed on the **JSE**, in the **largest property IPO** (initial public offering)
- 2010 Founded by **Sisa M Ngebulana**

Our Values: This is who we are



Our Strategy: This is where we are going

- De-risk** the balance sheet and **reduce loan to value** to **40%**;
- Dispose** of **non-core assets** and **recycle the proceeds** to **debt** and **repurchase** of **shares**;
- Diversify** the **funder base**

Our Performance: This is how we've done

Dividends

	2017	2016	2015	2014	2013
REA cps	240,82	n/a	n/a	n/a	n/a
REB cps	128,35	119,45	110,41	99,45	92,00
Total	R973m	R632m	R572m	R384m	R302m

* 120,41 Paid by Rebosis A ordinary share and 120,41 paid by Ascension (on a converted basis) A ordinary share.

Property Portfolio



RETAIL

- 6 high quality malls
- Baywest, Hemingways, Forest Hill, Mdantsane, Sunnypark and Bloed Street
- Strong national tenant profile
- Secure, escalating income streams
- Average contractual escalation of 6.8%

Portfolio by GLA 326 008 m²
Portfolio by value 47%

OFFICE

- 42 predominantly A and B grade well-located properties in nodes attractive to government tenants
- Let primarily to National Department of Public Works under long leases
- Average escalation of 8.3%
- Shielded from private sector e.g. tenant cash flow and insolvency related default

Portfolio by GLA 560 113 m²
Portfolio by value 52%

INDUSTRIAL

- 1 property in Johannesburg
- Industrial warehouse acquired in March 2013
- Lease underpinned by international listed parent company
- Escalation of 7.0%
- Portfolio by GLA 18 954 m²

Portfolio by value 1%

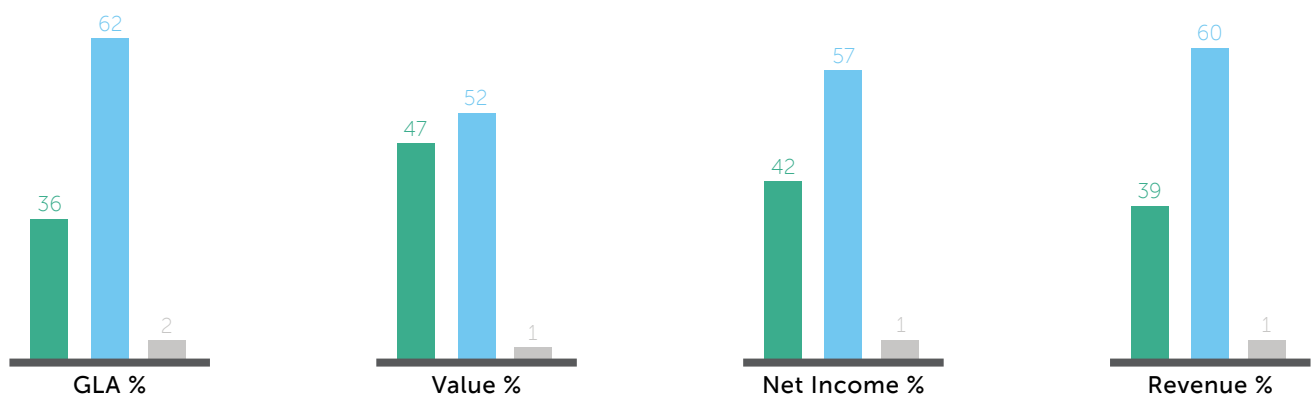
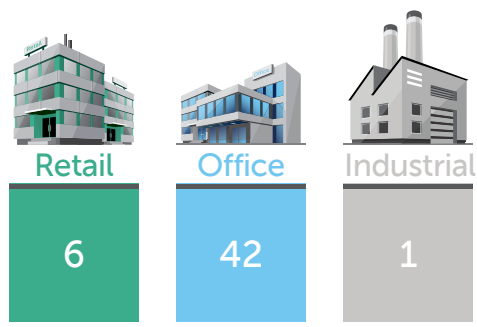
REBOSIS PROPERTY PORTFOLIO - LEASE EXPIRY PROFILE



Group Portfolio Summary

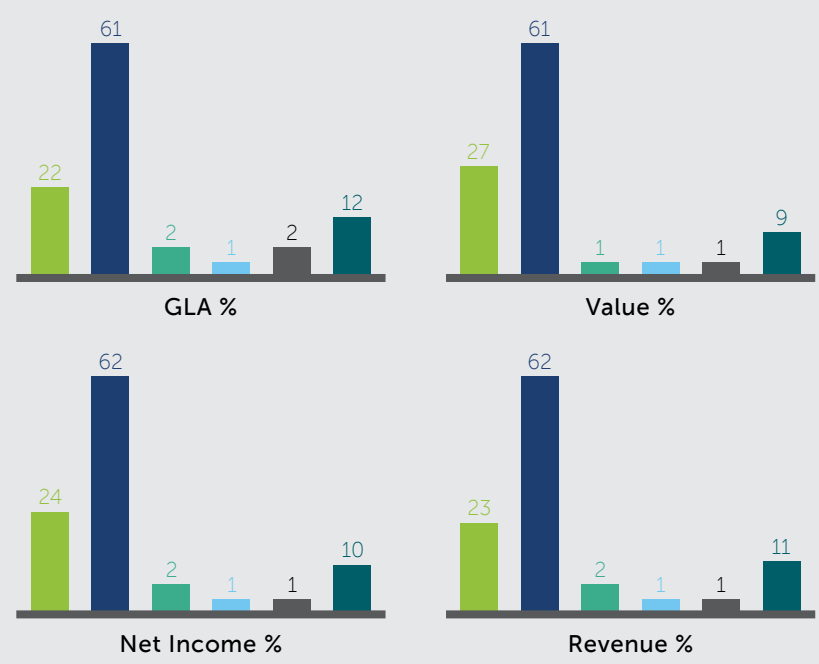
SECTORAL SPREAD %

Number of Properties



GEOGRAPHICAL SPREAD %

Number of Properties



Group Portfolio Summary (Continued)

Tenant profile %

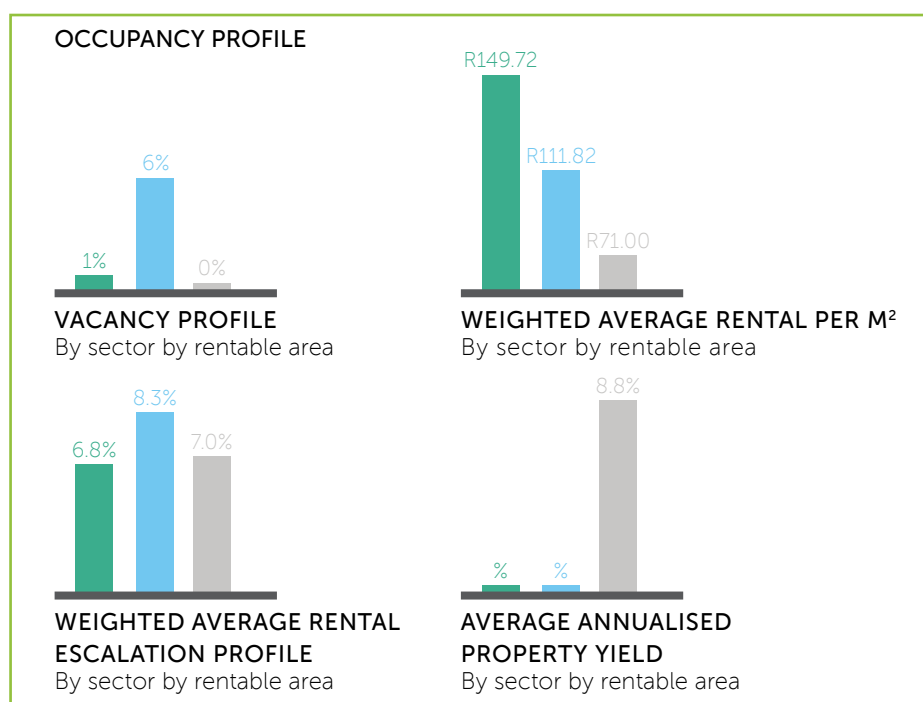
Rebosis' policy is to grade tenants on the following basis:

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

B = Medium sized companies and franchisees

C = Other small tenants

		Rebosis Property Portfolio	
		Gross monthly rental	GLA
A	Retail	31%	29%
	Office	49%	50%
	Industrial	1%	2%
Total A grade		81%	81%
B	Retail	8%	5%
	Office	3%	3%
	Industrial	-	-
Total B grade		11%	8%
C	Retail	2%	1%
	Office	6%	5%
	Industrial	-	-
Total C grade		8%	6%
Total portfolio excluding vacancies		100%	95%
Vacancy	Retail	-	-
	Office	-	1%
	Industrial	-	4%
Total vacancy		-	5%
Total portfolio		100%	100%
Total number of tenants in C Grade		694	
C grade	Retail	107	-
	Office	587	-
	Industrial	nil	-



Investment Property Profile

as at 31 August 2017

Building by Sector	Location	Total GLA m ²	Office GLA m ²	Retail GLA m ²	Valuation Rand	Value per m ² Rand	Weighted average rent per m ² Rand
Retail		326 008	1 423	324 585	8 853 490 000	27 157	149.7
Hemingways Shopping Centre	Eastern Cape	73 829	-	73 829	1 900 000 000	25 735	151.7
Mdantsane Shopping Centre	Eastern Cape	34 935	-	34 935	611 860 000	17 514	110.4
Sunnypark Shopping Centre	Gauteng	28 930	1 423	27 507	853 550 000	29 504	146.3
Bloed Street Mall	Gauteng	26 400	-	26 400	690 580 000	26 158	144.4
Forest Hill City	Gauteng	73 294		73 294	2 321 000 000	31 667	165.0
Bay West Mall	Eastern Cape	88 620		88 620	2 476 500 000	27 945	153.6
Office		559 753	520 447	39 666	9 682 000 000	17 286	111.8
Arbour Square	Gauteng	9 206	5 951	3 255	157 000 000	17 054	102.9
Bank of Lisbon	Gauteng	14 599	14 053	546	195 000 000	13 357	72.7
Liberty Building	Gauteng	33 885	33 885	-	662 000 000	19 537	108.0
SALU Building	Gauteng	30 354	30 354	-	686 000 000	22 600	108.2
Victoria Mxenge	Gauteng	24 720	24 720	-	668 000 000	27 023	92.9
124 Main Street	Gauteng	20 818	20 818	-	548 000 000	26 323	155.3
189 Schoeman Street	Gauteng	19 332	19 168	164	375 000 000	19 398	114.0
28 Harrison Street	Gauteng	20 984	20 140	844	254 000 000	12 105	99.4
18 Rissik Street	Gauteng	11 204	11 204	-	310 000 000	27 669	205.1
99 Market Street	Gauteng	11 659	11 659	-	162 000 000	13 895	108.0
64 Eloff Street	Gauteng	4 938	4 415	523	97 000 000	19 644	122.3
11 Diagonal Street	Gauteng	37 160	35 069	2 091	645 000 000	17 357	94.7
Medscheme Building	Gauteng	6 792	6 792	-	113 000 000	16 637	105.6
Infinity Office Park	Gauteng	12 681	12 681	-	249 000 000	19 636	129.1
373 Pretorius Street	Gauteng	13 340	13 340	-	249 000 000	18 666	138.5
Game Building	Gauteng	21 438	14 207	7 231	306 000 000	14 274	106.2
Schreiner Chambers	Gauteng	18 815	17 048	1 767	249 000 000	13 234	113.3
Surrey House	Gauteng	11 840	10 908	932	251 000 000	21 199	132.6
Bathopele Building	Gauteng	11 500	11 500	-	164 000 000	14 261	110.0

Investment Property Profile

as at 31 August 2017 (continued)

Building by Sector	Location	Total GLA m ²	Office GLA m ²	Retail GLA m ²	Valuation Rand	Value per m ² Rand	Weighted average rent per m ² Rand
Office (Continued)							
174 Visagie Street	Gauteng	13 537	13 537	-	253 000 000	18 690	131.7
NBC Building	Gauteng	10 000	10 000	-	186 000 000	18 600	131.3
*238 Roan Crescent	Gauteng	9 035	9 035	-	100 000 000	11 068	82.7
Mishumo House	Gauteng	6 154	6 154	-	104 000 000	16 900	107.3
Meyersdal Office Park	Gauteng	4 957	4 957	-	52 000 000	10 490	82.2
Kingfisher Office Park	Gauteng	1 405	1 405	-	19 000 000	13 523	96.7
VWL Building	Gauteng	17 989	17 989	-	173 000 000	9 617	96.2
Swiss House	Gauteng	8 008	6 902	1106	131 000 000	16 359	100.5
Jabu Ndlovu	KwaZulu-Natal	11 455	11 455	-	156 000 000	13 619	111.6
Revenue Building	KwaZulu-Natal	7 314	7 314	-	91 000 000	12 442	107.0
Sassa House	North West	11 665	11 665	-	155 000 000	13 288	86.6
Riverview	Mpumalanga	4 303	4 303	-	63 000 000	14 641	135.3
Riverpark	Mpumalanga	4 216	4 216	-	64 000 000	15 180	112.8
Prorom Building	Mpumalanga	6 431	5 474	957	85 000 000	13 217	116.1
45 on Castle	Western Cape	9 537	9 537	-	153 000 000	16 043	131.0
Atterbury House	Western Cape	26 245	23 059	3 186	444 000 000	16 918	110.2
14 Long Street	Western Cape	9 975	9 100	875	124 000 000	12 431	99.4
Spectrum House	Western Cape	7 550	7 292	258	113 000 000	14 967	124.7
Matrix House	Western Cape	9 001	8 076	925	81 000 000	8 999	82.0
Sigma House	Western Cape	3 751	3 305	446	71 000 000	18 928	143.1
Nedbank Centre	Western Cape	5 905	5 488	417	68 000 000	11 516	94.3
Bergstan House	Western Cape	2 838	2 108	730	28 000 000	9 866	98.0
Grand Central	Western Cape	33 577	20 164	13 413	628 000 000	18 703	122.0
Industrial		18 954	-	-	173 000 000	9 127	71.0
Antalis	Gauteng	18 954	-	-	173 000 000	9 127	71.0
Total		905 075	521 870	364 251	18 708 490 000	20 671	124.60

Assets held for sale

*238 Roan Crescent (Included)	100 000 000
Island Centre (Transferred 1/9/2017)	112 689 000

Our Stakeholders

Enduring partnerships within our stakeholders form a critical element of managing the risks and capitalising on the opportunities arising from our business activities. Key constituencies are considered to be groups who have an impact on Rebosis' business strategy and are materially impacted by our business activities. Our stakeholders include our employees, funders, visitors, tenants and suppliers. We recognise that our constituencies' interests are dynamic, they require ongoing analysis and management. We determine their needs and respond appropriately.

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

Rebosis is a member of the following industry bodies:

- **South African Institute of Black Property Practitioners** (SAIBPP)
- **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)



Approach



- The company's good reputation hinges on its relationship with its constituencies. The process for identifying and considering the legitimate interests and expectations is reviewed at least once a year by the board;
- The board oversees the establishment of mechanisms and processes that support community engagement;
- Stakeholders who could materially affect operations are identified, assessed and engaged with as part of the risk management process;
- Timely, relevant and accurate, information is provided as appropriate, while considering legal and strategic issues;
- The board ensures that minority interests are considered.
- Ensure the safety and security of tenants, shoppers and employees, as far as possible;
- Engage with tenants, financiers, analysts, regulators and local communities on risks and possible mitigation;
- Enhance local communities with corporate social investment;
- Working on continually improving and maintaining broad-based black economic empowerment (B-BBEE) credentials and employment equity;

Our Stakeholders (Continued)

Key Constituencies	What Matters to Them	How We Engage	Our Response
Employees	<ul style="list-style-type: none"> • Job security; • Career development and growth opportunities; • Clear and timeous communication; • Remuneration policy; • Code of Ethics and policies; • Skills retention; • Employment equity. 	<ul style="list-style-type: none"> • Job profiles linked to KPIs; • Market related packages and short term incentives; • Regular town hall meetings; • Employee wellness initiatives; • Participation in Corporate Social initiatives. 	<ul style="list-style-type: none"> • Motivating employees to deliver our strategy; • Employees who are aligned to our company values; • Skills attraction and retention as well as ongoing skills development; • Non-discrimination; • Hiring competent employees; • Ethical leadership; • Safe working environment.
Investors	<ul style="list-style-type: none"> • Distributions (consistency and growth); • Stable investment performance; • Accessibility of executives; • Timeous information; • Risk management; • Ability to execute on strategy; • Value extraction; • Corporate governance; • Capital appreciation. 	<ul style="list-style-type: none"> • JSE SENS announcements; • Pre-polling prior to results announcements; • Pre-close analyst discussions; • Integrated annual reports; • Investor presentations; • One-on-one meetings; • Regular telephone contact with investors. 	<ul style="list-style-type: none"> • Expectations and perceptions of investors are communicated to and addressed by the Board; • Transparent, accurate and timely communication.
Lenders/providers of capital	<ul style="list-style-type: none"> • Capital management; • Interest rate management; • Solvency and liquidity; • Governance and compliance; • Risk management; • Timely debt servicing; • Portfolio value; • Credit rating. 	<ul style="list-style-type: none"> • Contractually required information flow; • Regular communication. 	<ul style="list-style-type: none"> • Feedback from meetings is relayed to and dealt with at board level.



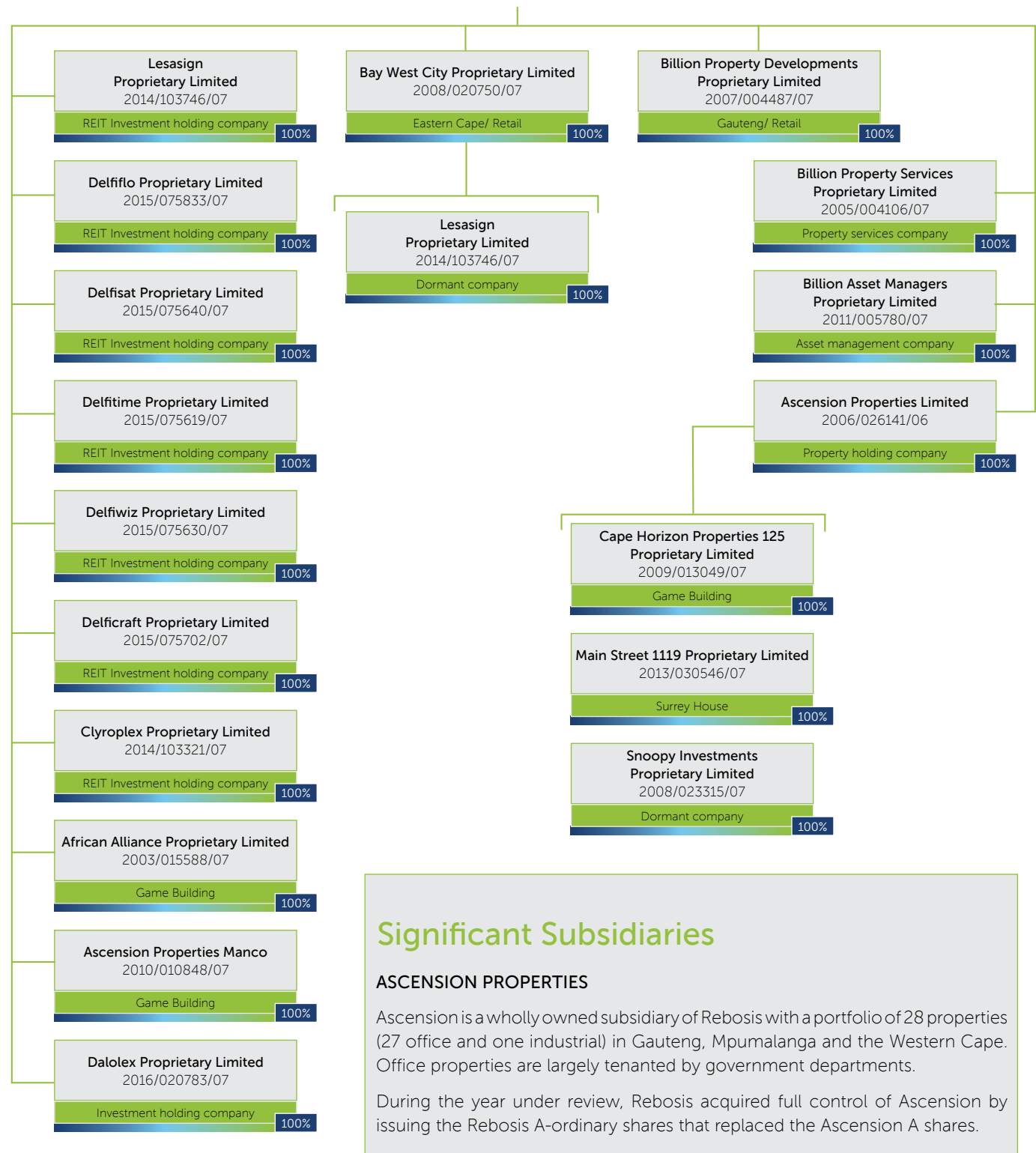
Our Stakeholders (Continued)

Key Constituencies	What Matters to Them	How We Engage	Our Response
Tenants	<ul style="list-style-type: none"> Reasonable rentals and escalations; Initiatives to enhance shopper experience and to attract new shoppers; Tenant and landlord communication; Mall security, management, cleanliness and maintenance; Supply of water and electricity; Consumer spending; Tenant mix improvements. 	<ul style="list-style-type: none"> Government – regular communication with the Department of Public Works; Retail – On-site property management teams; Print, web, social media and telephonic communication. 	<ul style="list-style-type: none"> Marketing projects and events to increase footfall; Effective security presence; Fun-filled malls that want to be visited.
Visitors and shoppers	<ul style="list-style-type: none"> Safe and secure shopping environment; Continuous improvement in shopping experience; Tenant mix improvements; Clear and timeous communication; Retail and entertainment offering. 	<ul style="list-style-type: none"> Shopper surveys; Social media and web communication; In-mall communication and signage. 	<ul style="list-style-type: none"> Convenient safe shopping experience; Unique experience and entertainment.
Local communities and civil society	<ul style="list-style-type: none"> Social and economic development; Investment into communities; Environmental impact. 	<ul style="list-style-type: none"> Environmental initiatives; Corporate Social Initiatives at our properties; Bursaries; Involvement in city improvement districts. 	<ul style="list-style-type: none"> Impacting our communities in a positive way.
Government and regulators	<ul style="list-style-type: none"> Tax compliance; Employment equity; JSE Listings Requirements; Laws and regulations. 	<ul style="list-style-type: none"> B-BBEE scorecard; Tax returns; Employment equity reporting. 	<ul style="list-style-type: none"> Compliance with laws and regulations.



Company Structure

REBOSIS PROPERTY FUND



Significant Subsidiaries

ASCENSION PROPERTIES

Ascension is a wholly owned subsidiary of Rebosis with a portfolio of 28 properties (27 office and one industrial) in Gauteng, Mpumalanga and the Western Cape. Office properties are largely tenanted by government departments.

During the year under review, Rebosis acquired full control of Ascension by issuing the Rebosis A-ordinary shares that replaced the Ascension A shares.



Retail Properties Acquired

(effective 01 September 2016)



A-Grade

73 294m² of
Retail Shopping

FOREST HILL CITY

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

Forest Hill City is located in Centurion, Gauteng and opened on 29 May 2014. This A-grade regional shopping centre comprises approximately 73 294m² of retail shopping tenanted by large international brands and major national retailers, with parking for 4 200 vehicles.

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

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

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

Retail Properties Acquired

(effective 01 September 2016) (Continued)



A-Grade

88 620m² of
Modern Shopping

BAYWEST MALL

BAYWEST CITY PROPRIETARY LIMITED
(trading as BAYWEST MALL)

Baywest Mall is an A-grade regional shopping centre offering 88 620m² of modern, safe shopping in Port Elizabeth. It opened on 21 May 2015.

The mall's retail mix includes a wide variety of international brands, major national retailers, a food court, diverse entertainment and various service offerings. Its anchor stores include Woolworths, Checkers, Pick n Pay, Game and Mr Price, amongst others. It has parking for 3 649 vehicles.

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

Baywest Mall is located along the N2 highway and is easily accessible as the off-ramps lead directly into the shopping centre.



Leadership and Management



"We are born to make manifest the glory of God that is within us.
It's not just in some of us, it's in everyone."

Nelson Mandela, April 27 1994 quoting Marianne Williamson

Board of Directors



DR ANNA T MOKGOKONG (60)

INDEPENDENT NON-EXECUTIVE DIRECTOR
CHAIRMAN,
BSc, MBChB, D Comm (hc)

Honorary Consul General of Iceland in Pretoria

Dr. Mokgokong is a co-founder and Executive Chairman of Community Investment Holdings (Pty) Ltd., she is a business icon in South Africa with widespread experience in Healthcare, Academia and Commerce, and globally recognised as a leadership figure.

She is a senior director of companies on the Johannesburg Stock Exchange as she serves on five listed companies namely: Non-executive Chairman of Afrocentric Investment Corporation, ReboSis Property Fund Limited and Jasco Electronics Holdings Limited and non-executive director of Shoprite Holdings Limited the largest retailer in Africa as well as Adcock Ingram Holdings Limited, a leading pharmaceutical manufacturer.

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

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

Board of Directors (Continued)



SISA NGEBULANA (51)

NON-EXECUTIVE DIRECTOR (Deputy Chairman)

BJuris, LLB, LLM

Date of Appointment: 12 April 2011

Sisa is the non-executive Deputy Chairman of Rebosis Property Fund Limited, director and Chairman of New Frontier Properties Limited and CEO of Billion Group.

Sisa, the former CEO of Rebosis having retired on 30 September 2017. He serves as non-executive Deputy Chairman, providing valuable strategic input to the Board with his property development skills and experience.

Sisa founded the Billion Group in 1998, Rebosis in 2010 and co-founded New Frontier Properties in early 2015. He has single handedly developed a number of regional shopping malls in SA, including Mdantsane City Shopping Centre, Hemingways Mall, Forest Hill City Shopping Centre, Bay West Mall in Port Elizabeth and BT Ngebs City Shopping Centre.

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

Sisa is a former President of SA Council of Shopping Centres and former director of Attfund Ltd, Construction Industry Development Board (CIDB) and Truworths.

He has received various domestic and international accolades, Entrepreneur of the Year 2006 (SA), Property Developer of the Year Award 2009 (SA), Pioneer Award 2014 (SA), African Business Excellence Award 2014 (UK House of Lords), Global Leadership Excellence Award 2016 (Global Leadership Congress), Best Real Estate CEO 2017 – SA (CEO Monthly Magazine - 2017) Global CEO Excellence Award), CEO Africa Award 2017 (CEO Today Magazine), Manager of the Year as Rebosis CEO (Socrates Committee Oxford UK 2017) and The Nkosi Ntsikayezwe Sigcau Award in recognition of the role he plays in social development and business (Eastern Pondo Kingdom, Pondo Culture and Heritage Festival, 2017).



ANDILE MAZWAI (46)

CHIEF EXECUTIVE OFFICER

BCom (Hons), Stockbroker

Andile was appointed the CEO of Rebosis with effect from 01 October 2017.

Andile is a non-executive director of the JSE, and the Chairman of its Self Regulatory Organisation Oversight Committee. He is the non-executive Governor of the National Stokvel Association of South Africa (NASASA), and serves on the board of St Mary's School, Waverley.

He is the former CEO of the NASASA and the former CEO of acclaimed stockbrokers Barnard Jacobs Mellet, before it was acquired by First National Bank in 2011.

His past leadership positions include, Chair of the JSE's Investment Committee, Governor of Kearsney College and Chairman of the Young Presidents Organisation's Johannesburg Chapter.

Board of Directors (Continued)



MARELISE DE LANGE (45)

CHIEF FINANCIAL OFFICER
B.com (Law), B.com (Hons) (Acc), CA (SA)

Marelise has more than 20 years' operational and financial experience in the financial and listed property sectors. She started her career at ABSA Bank in the structured finance division, before moving on to ABSA Capital as Business Manager – Structured Capital Market. Marelise then joined International Housing Solutions in 2008 as finance director, thereafter, joining JSE listed Vunani Group as group financial manager.

She played an integral role in the successful listing of Vunani Property Investment Fund (now Texton Property Fund Limited) where she was subsequently appointed as Financial Director. Marelise served on the board of Delta Property Fund Ltd as an Independent Non-Executive director, Chairman of the Remuneration and Investment Committees and also served as a member of the Audit and Risk Committee.



ZANDILE KGOGO (41)

EXECUTIVE DIRECTOR – RETAIL

Zandile started with Rebasis in retail developments, moved on to leasing and then headed up retail leasing for the portfolio. She has very strong retail background boasting more than 10 years of fashion retail experience (She has headed up retail operations in different provinces for over 6 different fashion retail brands (namely Markham, Foschini, Donna Claire, Fashion Express, Luella, Charles & Keith and RJL, 13 years of that spent in management, 10 Years in senior management. She then got an opportunity to head up retail operations in every Province in the country except for Northern Cape.

She has work previously for TFG, Unilever, Avon, Sonneberg, Hoffman and Galombik, BKS & Firstpro Engineering



FRANCOIS FRONEMAN (52)

INDEPENDENT NON-EXECUTIVE DIRECTOR
B. Com. (Hons), CA (SA), Member of IRBA

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



NOMFUNDO QANGULE (50)

INDEPENDENT NON-EXECUTIVE DIRECTOR
BCom, BCom (Hons), CTA, CA (SA), CAI

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

Nomfundo is also a non-executive director of Afrox limited, Hans Merensky Proprietary Limited as well as Nozala Investments Proprietary Limited

Board of Directors (Continued)



THABO SEOPA (53)

INDEPENDENT NON-EXECUTIVE DIRECTOR
BAcc, HDip Tax, MDP

He is the founder and Chairman of Awande Capital Partners an investment holding company. Thabo is the former Managing Director of Trudon Pty Limited.

Prior to this he spent over seven years as an investment banker with HSBC and UBS in corporate finance and mergers and acquisitions. Current board roles: Chairman of Awande Investment Managers, Reboasis Limited, Applemint (Pty) Ltd, Hilton College and a trustee of the Children's Hospital Foundation Trust.

Previous Board Directorship roles: Chairman of Metrobus, Johannesburg Property Company - member of the Audit Committee, Barnard Jacobs Mellet Limited, Pridwin Preparatory School, Trudon (Pty) Ltd and its subsidiaries, Member of the Telkom Group Executive Committee. He was also a member of the South African Institute of Stock Brokers and member of Young Presidents Organisation



MAURICE MDLOLO(54)

INDEPENDENT NON-EXECUTIVE DIRECTOR

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



JACO ODENDAAL (57)

INDEPENDENT NON-EXECUTIVE DIRECTOR
Personnel Management Diploma

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



MANDE NDEMA (44)

COMPANY SECRETARY
BSocSc, LLB, PMD (GIBS)

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

Executive Management Team



“There is no passion to be found playing small -
in settling for a life that is less than the
one you are capable of living.”

- Nelson Mandela

Executive Management Team (Continued)



Andile Mazwai (46)
CHIEF EXECUTIVE OFFICER
BCom (Hons), Stockbroker

Appointed the CEO of Rebosis from 01 October 2017.

Andile is a founding Board member of Rebosis. He was Chairman of the Investment Committee until his appointment as Chief Operating Officer in February 2017.



Marelise De Lange (45)
CHIEF FINANCIAL OFFICER
B.com (Law), B.com (Hons) (Acc),
CA (SA)

24 years' operational and financial experience in the financial and listed property sectors.



Zandile Kgogo (41)
EXECUTIVE DIRECTOR – RETAIL

13 years experience in the fashion retail industry and management.



Claude Rossouw (47)
Director: Facilities

Certified Trade: Millwright
Electrical Installation Electrician
National Certificate N4 & N5
(Mechanical & Electrical)

18 years' Facilities Management experience in the Property Industry



Faeheema Cupido (38)
Director: Commercial
Bcom (ManAcc) Bcom
(Economics)

14 years' experience in property industry



Andrew Glencross (49)
Director: Commercial

B (Tech) Real Estate, Nat. Dip.
Property Valuation,
Nat. Dip. Property Practice, PDP
(UCT), MIVSA,
Registered Associated Valuer.

25 years experience in listed and unlisted property sector



Juliana Zulu (37)
Head of Legal
BA Cultural and Literary Studies
(University of Cape Town);
LLB (University of Cape Town)

8 years legal property related experience



Jabulisa Mtungwa (29)
Head of Human Resources

BSocSci, Labour,
Organisational Psychology

3,7 years experience in property.
7 years HR experience



Christopher Hutchings (33)
Head: Marketing

IMM Diploma in Marketing
(Graduate School of Marketing)

9 years Marketing Experience



Rachel Klaasen (52)
GM Property Finance

Financial management/Human
resources management and
Business management Diploma.
Completed programme in retail
management at Unisa

27 years finance, operations and
administration experience

Chairman's Letter



The year in review was a difficult one for South Africa. It was characterised by poor economic growth, low job creation, complex political issues and several credit downgrades.

Low-income consumers came under increasing pressure, as especially food prices remained stubbornly high, dampening their real purchasing power. Middle and high-income earners also suffered a deterioration in their real disposable income per capita given the substantial increases in personal income taxes.

The true state of the economy reflected in the performance of most of the purely South African focused REITs, which ended the 2017 calendar year negatively, underperforming the J253 Index. The consensus outlook for the sector remains constrained, with many of these funds forecasting flat or contracting dividend growth for 2018.

It is therefore with great joy that I can report Rebois declared a dividend of 120.41 cents per Ordinary A share for the six months ended 31 August 2017. With a dividend of 120.41 cents per Ordinary A share for the six months ended 28 February 2017, this amounts to a total dividend of 240.82 cents for the year, an increase of 5.0% growth year-on-year, as promised.

The Fund also declared a dividend of 67.55 cents per Ordinary share for the six months ended 31 August 2017. With a dividend of 60.80 cents per Ordinary share for the six months ended 28 February 2017, this amounts to a total dividend of 128.35 cents for the year, an increase of 7.4% growth year-on-year which is within the 7% to 9% guidance provided for the financial year.

This performance was underpinned by our commercial office portfolio, demonstrating the stability of government as a tenant.

In addition, Rebois benefited from the full year contribution of Bay West and Forest Hill, two early stage, dominant regional retail centres. Rebois has deliberately invested in world-class assets in secondary nodes and townships. This strategy of serving all South Africans has paid dividend.

At the close of the reporting period, our portfolio was valued at R18.7 billion and consisted of six retail assets contributing 42% of net income, 42 commercial offices contributing 57% of net income and an industrial asset, contributing the remaining 1% of net income.

Chairman's Letter (Continued)

There has been much confusion around government's leasing policy, creating an impression that no framework exists. This is not so. Under the current structure, Rebosis successfully negotiated leases on 3, 5 and 7-year tenures with government. We do however look forward to the new Property Management Empowerment Policy which has been drafted in consultation with the industry. Once it is gazetted, it will codify the benefits of being a black-empowered fund.

The dire water shortage in the Western Cape highlights the fact that measurable corporate social investment and responsible corporate citizenship is not optional, but a business imperative. Our CSI report on page 56 will elaborate more on how we contribute to a sustainable South Africa.

Post year-end, we have seen green shoots of optimism in business confidence. This follows a successful elective conference by the ruling party in December and an orderly transition of power in February. President Ramaphosa's State of the Nation Address was well received by the markets, with the Rand rallying and yields on government bonds firming up. It is correct to be upbeat by his stance against corruption and investigations into state capture. At the same time, captains of industry must do some deep introspection, as the private sector was rocked by one of the largest corporate scandals in its history.

The Finance Minister described his budget as "tough but hopeful." This probably best summarises the outlook for the economy too. Higher taxes will further stretch households, but they stand to protect against a fiscal cliff. The path to recovery however remains long.

Taking into consideration the current macro-economic conditions and a stable operating environment, the Board believes that the ordinary dividend per share will grow at between 4% and 6% per share for the financial year to 31 August 2018, whereas the dividend for the Ordinary A share will grow by the requisite 5%.

On a personal note, I wish to give recognition to Sisa Ngebulana; the founder of Rebosis. I took great inspiration from Sisa during the challenges of listing Rebosis, and growing it into the substantial, high-quality fund that it is today.

I am honoured to have played a mentoring role in his development as Chief Executive of a public company and on behalf of the board welcome him in his new role as non-executive deputy chairman which he took up on 1 October 2017. I am pleased to have been able to retain Sisa in the Board's pool of property expertise.

The executive team remains under strong leadership from Andile Mazwai, who has been involved with Rebosis from its foundation, first as a non-executive director and chairman of the investment committee, then as Chief Operating Officer, and as Chief Executive from 1 October 2017. He has also served on the board of New Frontier Properties in the UK since its listing.

He is well supported by Chief Financial Officer Marelise de Lange and recently appointed Zandile Kogo, Director Retail. Zandile brings a wealth of experience in both developments and existing portfolios with more than 10 years of fashion retail experience, heading up Retail Operations in different provinces for over 6 different fashion retail brands. It delights me to report that the board has met its gender balance for the year and looks forward to its target of 50% women by 2019.

I wish to thank my fellow board members, and the executive team on their support, dedication and hard work during these tough times. My sincere gratitude also goes to our shareholders, funders, tenants and most importantly, our shoppers for their loyal support.



Dr Anna Mokgokong
Chairman

28 February 2018

Chief Executive Officer's Report



It gives me great pleasure to report that Rebosis continued to grow, and delivered distributions in line with the board's guidance. Rebosis enjoys a sovereign underpin to its commercial portfolio which, by its nature, proved immune to the economical and political climates. Economic growth in South African remained constrained, but our well-located shopping centres proved competitive.

The diversified nature of our enlarged portfolio as well as concerted asset management initiatives and a conservative approach to risk management supported a 7.4% growth in the dividend to the ordinary shares to 128.35 cents per share and a 5% requisite growth in the A-ordinary shares to 240.82 cents per share respectively.

HIGHLIGHTS

During the year, we embarked on a capital recycling programme and disposing of Island Centre, a 24 195m² industrial asset in Paarden Eiland, Cape Town for R115 million. We also commenced with the conversion of a 11 665m² office building in Mahikeng to a 633-bed student residence, for 2018 student enrolment.

Our results were supported by the internalisation of the management company, resulting in an additional saving of R27.9 million for the year.

In a unique empowerment transaction, Rebosis reduced its interest in subsidiary New Frontier Properties from 67.6% to 37.7% by disposing of 45 679 653 New Frontier shares to a broad-based black empowerment consortium for an adjusted consideration of R868 million. I will elaborate further on Rebosis' strategy on New Frontier Properties

and the rationale for the transaction under the heading Corporate Activity below.

Rebosis' debt expiry profiles were extended during the year under review, and new hedges totaling R4.2 billion were entered into. Our Chief Financial Officer, Marelise de Lange elaborates more on this in her report on pages 34 and 35.

OPERATIONAL PERFORMANCE

The defensive nature of Rebosis' portfolio is largely attributable to its commercial office underpin, mainly let to national and provincial government on long-term leases. The commercial office portfolio comprises 42 properties (excluding a property held for sale) with a portfolio occupancy of 94.1%. It recorded like-for-like net income growth of 6.5% on the prior year.

The retail portfolio has three assets each in Gauteng and the Eastern Cape differentiated by their quality, size, location and entertainment offering. It has an aggregate value of R8.9 billion, comprising 326 008m² of gross lettable space. The team's ongoing leasing and marketing activities have yielded desired results, with the shopping centers attracting 52.6 million visitors during the financial year, up 1.9% on the prior year. Net retail property income (on a like-for-like basis) commensurately increased by 6.6% to R263 million and trading densities across the portfolio increased 4%.

Vacancy rates of 3.1% were reported for the retail portfolio during the year under review. The blended overall portfolio vacancy rate was 4.9%.

Chief Executive Officer's Report (Continued)

A summary of our retail portfolio is as follows:

Gauteng

■ Bloedstreet Mall

- Bloedstreet Mall sits above Pretoria's main taxi rank which services 40 routes. The project to join the east and west wings with a bridge over Lilian Ngoyi street has delivered a solid 6.4% increase in trading densities and higher footfall.
- 10 leases totalling 1 882m² were renewed at an average rate of R193/m², representing a positive reversion of 6.2%



■ Sunnypark

- Sunnypark was established in 1974 and has been continually refurbished to remain modern.
- Management is focusing on optimising the tenant mix in order to remain relevant to the evolving demographic of Sunnyside and thereby address the slippage in footfall and trading density growth.
- 9 leases totalling 1 570m² were renewed at an average rate of R177.23/m², representing a positive reversion of 6.1%



■ Forest Hill City

- Forest Hill is a new centre in one of South Africa's fastest growing residential nodes. It differentiates itself in a competitive market with an unparalleled entertainment offering of modern movies, a bowling arcade, an ice rink and a heated wave pool.
- 20 leases were renewed, totalling 2 882m². Non-performing leases of 178m² were terminated. New contracted escalations were down 1.8% at R279.22/m².



Eastern Cape

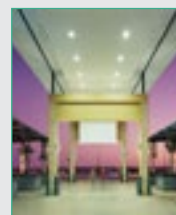
■ Hemingways Mall, East London

- Ahead of its tenth anniversary, the centre is due for a refurbishment of its food offering which will further position the mall as the city's premier shopping destination.
- 11 leases totalling 4 075m² were renewed at R219.89/m², representing a positive reversion of 7.1%. Trading densities improved by 4.4%.



■ Mdantsane City

- Now in its tenth year, the centre is well established and has become a catalyst for infrastructure development. The Fund is planning an expansion in the near-term to meet the growing needs of its community and tenants.
- 18 leases were renewed, totalling 3 705m² at R140.72/m², representing a positive reversion of 9.5%. Trading densities were up 3.0% on the prior year, and vacancies are effectively zero.



■ Baywest Mall, Port Elizabeth

- Baywest City is the flagship asset in the portfolio, and is one of the largest malls in the country.
- As an early stage mall, it has shown an impressive 10.5% growth in trading density, and is set to benefit from the continuing development of the precinct by The Billion Group.



The Funds' portfolio was revalued by independent valuers, LDM Valuation Solutions for the commercial and industrial portfolios and Mills Fitchet for retail portfolio. The growth in the portfolio of 45.3% year-on-year to R18,82 billion for the group (excluding New Frontier) is as a result of the acquisitions of Baywest Mall and Forest Hill City shopping centres.

Fair value gains for the year under review were driven by several factors, the most important being lower vacancies and positive rental reversions.

Chief Executive Officer's Report (Continued)

CORPORATE ACTIVITY

New Frontier Properties' strategy

Rebosis acquired a controlling interest in New Frontier Properties in 2014 to grow its retail portfolio into the United Kingdom and diversify its income stream.

Unfortunately the investment case for UK retail assets was marred by the decision of the United Kingdom to leave the European Union.

In light of the changed investment landscape, the New Frontier Board recalibrated its strategy to pursue the acquisition and development of logistics warehousing in key centres in the UK and central Europe.

In November 2017 New Frontier announced the acquisition of a 78,265 sq ft (7 271 m²) logistics property in Dublin, Ireland. The property is let to Viking Direct (Ireland) Limited, a global company forming part of Office Depot (one of the largest suppliers of office stationery in the world), on a 20-year full repairing and insuring lease from 24 August 2007 at a rent of €743,518 per annum.

Rebosis is committed to supporting the next two acquisitions.

New Frontier Properties' B-BBEE transaction

The empowerment transaction fulfilled several strategic goals for Rebosis. It allowed us to reduce our shareholding in New Frontier, de-consolidate our investment, introduce new shareholders and improve our IFRS gearing levels.

It further added to the role we play in transforming the listed real estate space, as the transaction created a vehicle through which black people can participate in the U.K. and European property markets over a five-year horizon.

As New Frontier steadily recalibrates its business strategy post Brexit, focusing on the rapidly growing logistics sector in the UK and Europe, Rebosis will remain a supportive non-controlling shareholder.

STRATEGIC OUTLOOK

The Fund is focused on strengthening its balance sheet through disposals in its office portfolio and by diversifying its debt book.

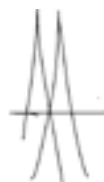
Rebosis' relatively high gearing is as a result of last year's R4.9bn retail portfolio acquisition. The objective is to reduce this through disposals of assets in the commercial portfolio.

This strategy will realign the Fund to its retail bias, and the Board is confident that this will give cause for the Fund to rerate in-line with other retail REITs.

APPRECIATION

On behalf of the executive team and staff, I wish to thank Mr Sisa Ngebulana for his leadership and vision over the past seven years. I look forward to his continued guidance and insights on the board. I would also like to thank the board and Dr Anna Mokgokong in particular for their support. To my fellow executives and the broader Rebosis team – your delivery has been exemplary despite difficult and complex circumstances – thank you for your continued passion and dedication.

And finally, I would like to thank our shareholders and funders for their continued support. I look forward to building a stronger Rebosis with you.



Andile Mazwai
Chief Executive

28 February 2018



Chief Financial Officer's Review



Distributable income increased by 53.9% from R632.8 million in the prior year to R973.7 million for the reporting period. This performance was mainly supported by the full year contribution of the two large retail assets acquired in the 2017 financial year and includes an antecedent dividend of R55.4 million for shares issued during the year of (FY16:R43.7 million).

Net property income derived from the enlarged Rebosis portfolio increased from R1 023.5 million in the prior financial year to R1 467.5 million for the year under review.

The Group's 100% interest in Ascension delivered net property income of R417.1 million. In the prior year, it derived net property income of R114.2 million from its 69% interest.

Anticipated dividends from New Frontier Properties decreased from R146.8 million in the prior year to R114.5 million because of the disposal of 29.9% of the shares held by Rebosis to a broad based black economic empowerment consortium (led by N Gugushe and HH Bubu).

Fund management expenses increased considerably from R12.7 million in the 2016 financial year to R128.6 million, mainly because of the internalisation of the asset management function and property management function. The R128.6 million included R40.8 million transaction costs for the acquisition of the two malls and services businesses from Billion.

Net interest of R758.1 million was paid during the reporting year, compared to R440.6 million in the comparative period, and relates mainly to interest on an additional R3.7 billion debt facility towards the Billion acquisition transaction. Other income of R37.4 million (FY16:R1.1 million) relates to fees earned from the vendor loan to the B-BBEE consortium.

ACQUISITIONS AND DISPOSALS

During the 2017 financial year, the Group focused on bedding down its recently acquired retail and commercial office portfolios.

Island Centre, a 24 195m² non-core asset in Paarden Eiland, Cape Town was disposed of for R115 million during the year under review. Further assets valued at R212.7 million were held for sale during the reporting year and expected to transfer during the new financial year.

With effect from 1 March 2017, Rebosis disposed of 29.9% of its interest in subsidiary New Frontier Properties to a B-BBEE consortium for a total consideration of R917 million. There were no cash proceeds in the current year from the sale as the transaction was vendor financed at prime plus 2%.

As a result of the disposal, New Frontier is deconsolidated and shown as a discontinued operation.

Chief Financial Officer's Review (Continued)

CASH MANAGEMENT

After deducting interest, all net property income, asset management income and management fees received are distributed to shareholders semi-annually. Between distributions, cash collected is regularly applied to revolving debt facilities in order to minimise interest payable.

FUNDING

As at 31 August 2017, Rebosis' borrowings increased from R9.3 billion to R9.7 billion. The increase is due to additional debt of R3.7 billion for the acquisition of the two malls and services business, contrasted by a net repayment of R100 million of debt and the deconsolidation of R3.2 billion of New Frontier debt. The weighted average cost of borrowings increased from 9.1% to 9.4% mainly due to increased cost of additional debt.

The requirements of BASEL III has had a negative impact on interest rates, ranging from 220bps to 240bps above JIBAR, compared to pre-BASEL III levels of JIBAR +180bps to 200bps.

Although the Group's primary drive is to reduce its loan-to-value during the current financial year, it is confident in its ongoing ability to secure debt funding at market rates. Going forward, the Group's strategy is to continue diversifying its funder base and managing its debt maturity profile. Debt is secured against a common collateral pool.

HEDGING AND DEBT MANAGEMENT

New interest rate hedges were negotiated, extending the hedge maturity profile from 2.7 years to 4.3 years.

The fund has R1.7 billion in interest rate caps at an average rate of 6.65% and R5.8 billion interest rate swaps at a rate of 7.47%. Cross currency swaps of R750 million have an average rate of 1.74%. There are currently swap/fixed arrangements in place for 83.5% of the debt.

Interest cover declined slightly from 2.9 times to 2.3 times.

The weighted average years to maturity was 2 years and further extensions have been agreed to extend the profile to 4 years.

RISK MANAGEMENT

Management will continue to focus on risk management of the investment portfolio profile and effective balance sheet control. Risks are reviewed on an ongoing basis specifically risks relating to financial exposure.

The debt expiry profile continues to show improvement with a larger portion of debt fixed.

The Department of Public Works accounted for 25.1% of total rental income exposure (down from 30% in the prior reporting year) and no single retail tenant represented more than 2.7% of total rental income (2016: 3%).

OUTLOOK

From a financial perspective, the focus for the current year will remain on efficient balance sheet management with particular focus on debt levels, cash flow and costs.



Marelise De Lange
Chief Financial Officer

28 February 2018





Governance



As a corporate citizen, Rebois has a responsibility to deliver value to its stakeholders, not only by developing a sustainable property portfolio, but also through social investment programs that have been developed to benefit the local communities surrounding our business activities. With these programmes, we are able to ensure continued sustainable investment.

Corporate Governance Report



The Rebosis board ensures effective control over the company. It sets the strategy and continually monitors its implementation within the value system and risk tolerance of the company.

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. The Board's charter and key governance policies are available at www.rebosis.co.za.

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

The responsibilities of the Chairman 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 Chairman provides leadership to the board in all deliberations ensuring independent input, and oversees its efficient operation with the assistance of the Company Secretary.

The Chief Executive Officer, is responsible for proposing, updating, implementing and maintaining the strategic direction of Rebosis as well as ensuring controlled operations. In this regard, the CFO, and the executive management assist him.

Evaluation of the Board's Effectiveness

As required in the King IV Code (Principle 9) the Board undertook an annual effectiveness review of its performance as a Board and its Committees. This was performed with the assistance of an independent service provider.

The evaluation was positive. The Board was found to have discharged its fiduciary duties in a balanced, transparent and effective manner. It scored particularly well in the areas of strategy, succession planning and diversity.

Committees

The Board has established five committees to assist in the discharging of its collective responsibilities, namely the; Audit and Risk, Remuneration, Nominations, Investment and Social & Ethics committees. All committee charters are available at www.rebosis.co.za.

Corporate Governance Report (Continued)

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

Board Committee	Chairman (attendance)	Members (attendance)	Classification of members	Independence	Number of meetings	<75% attendance
Audit & Risk	Francois Froneman (2/2)	Thabo Seopa (3/3) Nomfundo Qangule (3/3)	3 INED	100%	3, this has been increased to 4 for FY2018	none
Responsibility	A mandatory committee in terms of the Companies Act, it is responsible for: <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 					

Board Committee	Chairman (attendance)	Members (attendance)	Classification of members	Independence	Number of meetings	<75% attendance
Investment	Maurice Mdlolo (3/3)	Sisa Ngebulana (4/4) Jaco Odendaal (4/4) Thabo Seopa (4/4)	3 INED 1 NED	75%	4	none
Responsibility	Assisting the board in setting the company's investment policy <ul style="list-style-type: none"> • Evaluating transactions in respect of the property portfolio, portfolio management and the review and approval of property budgets and valuations • Evaluating proposed unbudgeted capital expenditure which exceed authority limits • Reviewing the annual valuations of the property portfolio 					

Board Committee	Chairman (attendance)	Members (attendance)	Classification of members	Independence	Number of meetings	<75% attendance
Social & Ethics	Thabo Seopa (4/4)	Marelise De Lange (3/3) Zandile Kogo (0/0) Nomfundo Qangule (4/4)	2 INED 2 ED	50%	4	none
Responsibility	Overseeing the good corporate citizenship of the group on behalf of the board					

Corporate Governance Report (Continued)

Board Committee	Chairman (attendance)	Members (attendance)	Classification of members	Independence	Number of meetings	<75% attendance
Remuneration	Nomfundo Qangule (2/2)	Andile Mazwai (2/2) Jaco Odendaal (2/2) Thabo Seopa (2/2)	3 INED 1 ED	75%	2	none
Responsibility	Recommending to the board executive remuneration packages and policies, non-executive remuneration as well as the Remuneration Policy for the group as a whole.					

Board Committee	Chairman (attendance)	Members (attendance)	Classification of members	Independence	Number of meetings	<75% attendance
Nominations	Dr Anna Mokgokong (2/2)	Andile Mazwai (1/1) Sisa Ngebulana (2/2) Maurice Mdlolo (1/1)	3 INED 1 ED	75%	2	none
Responsibility	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.					

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.

The following appointments were made during the year;

- Zandile Kogo, 3rd November 2017
- Francois Froneman, 8th February 2017
- Maurice Mdlolo, 8th February 2017
- Marelise De Lange, 1st March 2017

Corporate Governance Report (Continued)

Rotation

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

Company Secretary

The company secretary is Mr Mande Ndema. The board is satisfied that an arm's length relationship is maintained between the board and the company secretary through the provisions of the service agreement entered into between Mr Ndema and the company, which limits the duties of the company secretary to only those related to the corporate governance of the company and the administration of company secretarial documentation. There is a written policy and/or procedure for the formal annual evaluation of the company secretary by the chairman of the board in respect of statutory/governance responsibilities. The board considers Mr Ndema, who is a lawyer by trade, suitably skilled and qualified to act in accordance with, and update the directors in terms of, the King IV Report, Companies Act and other relevant regulations and legislation.

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

The specific role and functions of the company secretary include:

- providing the directors, collectively and individually, with detailed guidance on their duties, responsibilities and powers;
- providing information and advice on laws, legislation, regulations and matters of ethics and good governance relevant to the company;
- ensuring compliance with laws and regulations;
- properly recording, inter alia, the minutes of board, committee and unit holder meetings, meeting attendance, resolutions, directors' declarations of personal interests, and all notices and circulars issued by the company; and
- preparing the notice of annual general meeting.



Mr Mande Ndema
Company Secretary
28 February 2018

Compliance Framework

LEGAL COMPLIANCE

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

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

Rebosis continues to expand the checklist of requirements to incorporate all the requirements of the JSE Listings Requirements, King IV 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 IV APPLICATION

From 1 October 2017, all JSE listed companies are required to issue annual reports and circulars that comply with the King IV Report on Corporate Governance for South Africa 2016 (King IV). Rebosis has accordingly benchmarked our governance practices against the principles of King IV. This King IV application register explains how Rebosis complies with King IV.

Leadership	Principle 1: The governing body should lead ethically and effectively.
	The board has approved a code of conduct and ensures that its own and management's conduct set the example for how the company's values are conducted. Measures are in place to ensure that all board members have sufficient working knowledge of the company, its industry, and all key laws, rules, regulations, codes and standards
Organisational Ethics	Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.
	The Board has assumed responsibility for the ethics of the company by having established a Code of Business Ethics that it ensures is implemented. The Code of Business Ethics is reviewed annually
	The board ensures compliance with the Code of Conduct is integrated into the strategy and operations of the company. The group's ethics are contained in its vision; strategies and operations; its decisions and conduct; and the way it treats its internal and external stakeholders.
	The board has ensured that a code of conduct and ethics-related policies, through which ethical standards are clearly articulated, have been established and implemented. These codes and policies are updated by the board as required The development of an induction programme for new directors meets both the following requirements:- It is tailored to the needs of both the company and the new director; and - It enables new directors to contribute effectively as quickly as possible. A formal induction program is in place for new directors which includes the distribution of a comprehensive induction pack which include presentations of the property industry in which the company is involved. There is a whistle blowing hot line in place within the company which is independently managed
Responsible corporate citizenship	Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.
	The social and ethics committee manages its corporate citizenship responsibilities through a standing safety, health, environmental, quality etc. The board ensures that the company is a responsible corporate citizen, by complying with all laws of the country
Strategy and performance	Principle 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.
	The board informs and approves strategy and ensures that the strategy is aligned with the purpose of the company, the value drivers of its business and the legitimate interests and expectations of its stakeholders.
	The board takes account of the legitimate interests and expectations of its stakeholders in its decision-making in the best interests of the company. The board discloses if the company is a going concern. The audit & risk committee continuously reviews a documented assessment by the management of the going concern premise of the company.

Compliance Framework (Continued)

Reporting	Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long term prospects.
	<p>The company has controls to enable it to verify and safeguard the integrity, i.e. accuracy and reliability, of its integrated report. The board ensures that the integrated report sets out:- the positive and negative effects of the company's operations on the environment and society; and - the plans to improve the positive effects and remove or reduce the negative effects in the financial year ahead. The integrated report discloses details of how the board has satisfied itself that risk assessments, responses and interventions are effective</p> <p>The board ensures that the reporting framework complies with the Companies Act of 2008, as amended, and the JSE listing requirements.</p>
Primary role and responsibilities	Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation.
	<p>The board's role, responsibilities, membership requirements and procedural conduct are documented in a board charter that is reviewed from time to time.</p> <p>All directors to full access any company information they might require.</p> <p>The board is fully involved with approving policy and planning by managing the strategy of the company</p> <p>The board has a board charter which is reviewed annually and updated as and when required</p> <p>The Board Charter stipulates that the board should take independent external professional advice, at the Company's costs, for the proper execution of their duties and responsibilities</p> <p>The board meets at least four times a year. Attendances at these meetings are reported in the integrated report</p>
Composition	Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.
	The board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period
Committees	Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.
	The board ensures that suitable candidates, who have suitable qualifications, from the board are appointed to the subsidiary committees, so as to achieve the objectives of the board committee
Evaluations of the performance	Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.
	<p>The board determines its own role, functions, duties and performance criteria as well as that for directors and board committees. An annual effectiveness self-evaluation is undertaken in respect of the board and its sub-committees and for the year under review, the board satisfied itself that it and its sub-committees operated effectively.</p> <p>In addition, the Chairman also ensures the board operates effectively by regularly engaging with the non-executive directors on their performance and other matters that may need to be raised with Exco. Any pertinent matters of concern are conveyed by the Chairman to the Chief Executive Officer and filtered down to Exco.</p>
Appointment and delegation to management	Principle 10: The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.
	<p>The Chief Executive Officer (CEO), Andile Mazwai, is responsible for executing strategy and the day-to-day business of the company.</p> <p>The board is satisfied that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised.</p> <p>The company secretary is empowered and authorised to provide corporate governance services to the board and management.</p>

Compliance Framework (Continued)

Risk governance	Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.
	<p>The board's responsibility for risk governance is expressed in the board charter and risk policy and plan.</p> <p>The board ensures that appropriate risk management programmes are in place and monitors their implementation against key risk indicators.</p> <p>Each year the board evaluates the company's risks against current realities and resets risk tolerances as necessary.</p> <p>The board has delegated the management of risk to the group's management team, which executes this responsibility through processes within an established risk management policy, online risk tool and governance framework.</p> <p>The board has an approved risk policy</p> <p>An overview of the arrangements for governing and managing risk is included in the report of the audit & risk committee in the integrated report and the annual financial statements</p>
Technology and information governance	Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.
	<p>The board is responsible for IT governance.</p> <p>Management is responsible for the implementation of all the structures, processes and mechanisms for the IT governance framework</p> <p>Management regularly demonstrates to the board that the company has adequate business resilience arrangements in place for disaster recovery.</p> <p>The board ensures that an Information Security Management System is developed, implemented and recorded that ensures security (confidentiality, integrity and availability of information).</p> <p>Business strategies and objectives and the role of IT in achieving them are clear</p>
Compliance governance	Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.
	<p>The board ensures compliance with all relevant South African legislation, including REIT, King IV and JSE Listings Requirements. Compliance with laws, rules, regulations and relevant codes is integral to the company's risk management process. The audit and risk committee is responsible to ensure that an appropriate compliance framework is in place and that non-compliance is reported and to review significant risk matters. The social and ethics committee has also been mandated to monitor the effectiveness of compliance management.</p>
Remuneration governance	Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.
	<p>The remuneration committee is responsible for compensation of all executive directors, senior management as well as non-executive directors. The executive remuneration is aligned with the Company's approach of rewarding directors and senior executives fairly and competitively. The remuneration of non-executive directors is approved by shareholders at the annual general meeting of the Company each year.</p> <p>The remuneration philosophy seeks to reward executive directors and other senior management for individual and company performance. The remuneration policy provides a framework for remuneration to attract, retain and motivate employees to achieve the strategic objectives of the organisation, within its risk appetite and risk management framework.</p> <p>The remuneration committee assists the board in approaching and administering remuneration. Remco comprises only independent non-executive directors, which monitors and strengthens the credibility of the executive remuneration system.</p> <p>A non-binding approval of the remuneration policy is placed before shareholders at the annual general meeting of the company.</p> <p>Non-executive fees comprise a base fee and attendance fee per meeting.</p> <p>The remuneration policy and the implementation report is tabled every year for separate non-binding advisory votes by shareholders at the annual general meeting.</p> <p>The remuneration policy and the implementation report is tabled every year for separate non-binding advisory votes by shareholders at the annual general meeting.</p>

Compliance Framework (Continued)

Assurance	Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.
	Internal controls are established not only over financial matters, but also operational, compliance and sustainability issues. The audit and risk committee is responsible for the assurance provided by the external auditors, and internal audit. The social and ethics committee is responsible for the assurance in respect of the B-BBEE certification, Health & safety issues, whistleblowing, CSI and other sustainability issues.
	The audit and risk committee ensures that the internal audit function is subjected to independent quality reviews when appropriate.
	The board, through the board committees, operates within the confines of the JSE regulations, Companies Act, King IV and framework to integrated reporting to determine the approach and direction of the external reporting.
	The board and its committees rely on management's knowledge and expertise of the various areas requiring assurance in order to scrutinise and validate the results of all external reports.
	The internal audit function is independent and objective. The function reports administratively to the CFO and functionally to the Chairman of the audit and risk committee
Stakeholders	Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.
	Stakeholders have been identified as one of our four key strategic pillars, therefore stakeholder risks and concerns are carefully considered when reviewing and refining strategy. The CEO and the CFO continuously engage with investors and analysts. The board has adopted a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the company
	The board has delegated the development of the strategy to management
	The board has adopted communication guidelines that support a responsible communication programme. Stakeholder communication is through SENS announcements and the required integrated, interim and provisional reports of the company. Stakeholders are welcomed at any general meeting of the company.
	The board encourages shareholders to attend the AGMs.
	The CEO, CFO, Company Secretary, chairperson and chairpersons of the audit and risk committee as well as the social and ethics committees are available to answer shareholder's queries at the annual general meeting
The external audit partner regularly attends the annual general meeting of the Company	

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.

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

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

RISK	IMPACT	MITIGATION STRATEGIES
Investment property portfolio		
Damage to investment property	<ul style="list-style-type: none"> Financial loss to the company Reduced asset value 	<ul style="list-style-type: none"> Comprehensive insurance policy based on replacement value of investment property Regular review of insurance policies and insured values
Operational performance		
Vacancies and rental default	<ul style="list-style-type: none"> Reduced profitability and ROI for shareholders Declining property valuations Reduced net asset values Risk of breach of financial covenants 	<ul style="list-style-type: none"> Strong focus on tenant relationships Targeted leasing strategy by a driven and highly focused leasing team Early renewal negotiations Credit checks
Water Crises Risk	<ul style="list-style-type: none"> Harmful effects on human health and economic activity Inability to supply tenants with an essential service resulting in higher vacancies 	<ul style="list-style-type: none"> Facilities have backup water tanks that facilitate providing water for a week in the event of disruption Force majeure clauses invoked resulting in loss of income
Utility supply Risk	<ul style="list-style-type: none"> Shut down of process Reputational risk Loss of revenue 	<ul style="list-style-type: none"> Implementation of alternative energy sources

Risk Report (Continued)

RISK	IMPACT	MITIGATION STRATEGIES
Financing		
Interest rate risk	<ul style="list-style-type: none"> Increased cost of borrowings will reduce distributions to unit holders 	<ul style="list-style-type: none"> Hedging strategies in place for at least 75% of debt
Capital Structure risk	<ul style="list-style-type: none"> Inability to raise new capital Potential to incur too high cost of capital Potential breach of loan covenants 	<ul style="list-style-type: none"> The Board has set parameters which are acceptable to Stakeholders
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 Share 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 Disaster recovery program Cloud solutions for data recovery
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
People		
Loss of key personnel	<ul style="list-style-type: none"> Inability to deliver commitments to Stakeholders 	<ul style="list-style-type: none"> Succession plan and short and long term incentives to retain key personnel





Remuneration
Committee Report



Chairman's Report



The Remuneration Committee (the Committee) recognises the increased need for stakeholder engagement, and the Company will continue to engage with major shareholders in this regard.

During the year, the Committee dealt successfully with a number of key issues which include:

- review of non-executive directors' fees; and
- review of executive director's and management's remuneration

We recognise the importance of incentivising our employees and management. We believe that strongly committed employees and management promote the Group's growth, quality, efficiency and strategic focus areas.

It is imperative for us to ensure we prevent the loss of key skills. The committee, in collaboration with the Board, strives to address challenges faced to ensure future success. We endeavour to design and continue calibrating our executive remuneration, in a manner that promotes the achievement of key business objectives in order to qualify for variable remuneration.

The Committee is of the opinion that the Group's Remuneration Philosophy delivered a sound value proposition to employees in the past year, and improved employee retention rates support this. Our employee reward and recognition initiative was developed to ensure a broader application of recognition at all levels in the Company. It recognises when individual and Group performance goes beyond expectation and continues to drive the correct behaviour. The performance of the share price and resultant lack of retention value offered by a long-term incentive scheme is, however, of concern. The value proposition to senior managers is a key item on the Committee's agenda for 2018.

The Committee is sensitive to the global issue of wage disparity; between genders, amongst races and between high and low earners. In this regard, it is satisfying to report that of the approved 6,5% approved salary increase, the executive received 5,5% whereas the lowest earners received 7,5%. Further, the Company has applied a voluntary minimum wage of R48'000 per annum as well as a Company funded medical benefit for employees earning R15'000 or less per month.

The Committee solicits and receives independent, external professional advice on matters within the scope of its duties.

A handwritten signature in black ink, appearing to read 'Nomfundo Qangule'. The signature is stylized and written over a faint, illegible background.

Nomfundo Qangule
Chairman: Remuneration Committee

28 February 2018

Remuneration Policy Report

Introduction

In embracing positive governance and effective disclosure, our remuneration policy and implementation are explained in compliance with King IV and draft guidelines and practice notes of IoDSA. The remuneration policy report and the accompanying remuneration implementation report (implementation report) are to be tabled at the upcoming annual general meeting and are to be subject to separate non-binding advisory votes by shareholders.

Through these non-binding advisory votes, the shareholders express their views separately on the remuneration policy and the implementation thereof as disclosed in the implementation report.

We will continue to engage with shareholders as well as other stakeholders regarding our remuneration policy and in particular, be sensitive to our employees' needs and the requirements of the Company to retain its talented and skilled people.

Remuneration Philosophy

Rebosis is committed to providing a fair and competitive remuneration program that will attract, retain and reward high-performing employees who are committed to the attainment of individual and group results and the achievement of organisational goals.

Rebosis is committed to paying market related salaries, and working towards providing pay guidelines to ensure that employees are paid fairly and equitably for the jobs they perform, while accommodating differences and changes in job requirements, labour markets and the economy.

Our remuneration objectives have been designed to encourage prudent risk-taking, while attracting and retaining top talent necessary to see the company through to success.

The objectives of the Remuneration Philosophy are to ensure shareholder alignment, compensation of executives through an objective framework that aims to strengthen the relationship between pay and performance.

The Philosophy aims to achieve the following:

- Exercise discretion within a framework designed to make appropriate trade-offs between risk and reward and apply a thoughtful balance by keeping a meaningful portion of incentives at risk for future performance outcomes.
- Appoint independent directors to the Committee, to provide an independent review and approval of the organisation's overall remuneration philosophy and policy.
- Promote understanding of the design and implementation of incentive programs by outlining remuneration policies, procedures and practices in public disclosures.
- Attract and retain talent by remunerating employees based on skills, contributions and risk-adjusted performance demonstrated over time, balanced with appropriate recognition for short-term results and contributions for the successful execution of the company's strategy.
- Clearly and consistently communicate Rebosis' approach to remuneration throughout the year, cascading such communications to employees through key value statements.

Rebosis' Remuneration structure includes:

Guaranteed Package

Remuneration is structured in a Guaranteed Package manner, which is a fixed cost to employment based on competitive market relatedness. Rebosis remuneration packages have a cash or salary component, a retirement benefit and death and disability benefit that forms the Total Cost to Company Package. An inflationary increase of 6,5% was approved by the Board for employees and will be effective 1 January 2018.

Remuneration Policy Report (Continued)

Performance Management

Rebosis has a performance management system in place whereby managers and employees complete formal performance appraisals biannually. The evaluation is based on key performance areas, extra-mile effort and peer review which includes how the employee manages his or her relationships within the organisation and towards external stakeholders. This gives a holistic evaluation of performance of an employee within the larger company structure. This ensures that employees are aligned with the company strategy and values and that they take ownership of performance, their career advancement and personal and professional development. Performance targets are reviewed annually and aligned with the group strategy.

Short-Term Incentive Scheme

Rebosis has a bonus program that supports its reward-for-performance philosophy whereby bonuses, when granted, are dependent on company performance, individual performance, and affordability.

Managers and executives are eligible to participate in the scheme. The performance appraisal scores an individual's performance between 0% and 150%. An individual can earn up to 100% of his or her annual CTC on the following basis:

1. No bonus below 75% of agreed output (not met),
2. Up to 10% of CTC between 75% - 100% output (meets expectations),
3. Up to 50% of CTC between 100% - 125% output (exceed expectations), and
4. Up to 100% of CTC above 125% of agreed output (exceptional performer).

Executive management reserves discretion on these outcomes to ensure fairness and to guard against irresponsible outcomes, and these are reported to the Remuneration Committee.

Staff members not eligible for the scheme receive a 13th cheque, on condition that they scored at least 75% on their performance appraisal.

Short-Term Retention Scheme

Managers and executives who are awarded a short-term incentive (bonus) receive 50% in the year of award, and 25% in each of the following two years.

Employee Benefits

All our employees participate in a provident fund with a group life benefit that includes, death, disability and funeral benefits. Leave days are at 20 days per annum and increase by 5 days with every 5 years of completed service to 25 and after 10 years of completed service to 30 days per annum. The company pays 50% salary during 4 months of maternity leave and allows for 10 days study leave per annum for approved qualifications. The Rebosis Board approved the implementation of Primary-Care medical aid under Discovery for employees earning below R180 000 per annum. This wonderful benefit allows employees the day-to-day medical attention as well as a trauma benefit for in hospital cover.

Rebosis believes that the health of its employees is essential to its success. As such, Rebosis has collaborated with ICAS in order to assisting employees to seek professional help in order to deal with the challenges that impact on their personal and interpersonal work relationships. ICAS provides life skills, and assists with awareness and education programmes to promote healthy lifestyle choices and coping skills while building capacity for managers to use the service as well as identifying distressed employees and referring them to appropriate resources.

These benefits are above the minimum standards set out in the Basic Conditions of Employment Act (2002).

Remuneration Implementation Report

This implementation report discloses the remuneration outcomes on a named individual basis, for each executive director.

Executive managers individually performed against the set targets.

All individuals are subject to the Company's standard terms and conditions of employment, specifically as they relate to the employment contract and conditions relating to termination.

Remuneration outcomes – total remuneration

2016/2017 total remuneration outcomes are provided on a name and role basis for the current and prior financial years.

Directors Remuneration

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Remuneration of executive directors				
AM Mazwai (appointed 8 February 2017)	1 924	-	1 413	-
Salary and allowances	1 304	-	1 304	-
Other benefits and payments	109	-	109	-
<i>For services as Director of New Frontier Properties Limited</i>	511	-	-	-
M De Lange (appointed 1march 2017)	1 434	-	1 356	-
Salary and allowances	1 188	-	1 188	-
Other benefits and payments	168	-	168	-
<i>For services as Director of New Frontier Properties Limited</i>	78	-	-	-
SM Ngebulana	6 410	6 451	5 733	5 856
Salary and allowances	4 037	3 496	4 037	3 496
Other benefits and payments	431	257	431	257
Performance bonus	1 265	2 103	1 265	2 103
Paid by subsidiary				
<i>For services as Director of Ascension Properties Limited</i>	218	145	-	-
<i>For services as Director of New Frontier Properties Limited</i>	460	450	-	-
K Keshav (resigned 31 March 2017)	2 714	4 385	2 300	3 007
Salary and allowances	1 343	1 724	1 343	1 724
Other benefits and payments	178	182	178	182
Performance bonus	779	1 100	779	1 100
Paid by subsidiary				
<i>For services as Director of Ascension Properties Limited</i>	-	635	-	-
<i>For services as Director of New Frontier Properties Limited</i>	414	743	-	-
			August 2017 R'000	August 2016 R'000
Remuneration of non-executive directors				
ATM Mokgokong			568	550
AM Mazwai (executive from 8 February 2017)			165	1 132
WJ Odendaal			284	205
KL Reynolds (resigned 13 April 2016)			-	225
NV Qangule			365	325
TSM Seopa			422	435
MM Mdlolo			149	-
GFvL Froneman			160	-
Total			2 113	2 872

Non-Binding Advisory Vote

This Remuneration Implementation Report and the Remuneration Policy will be tabled at the Company's next Annual General Meeting for a non-binding advisory vote.

In the event that less than 75% support is achieved for either vote, Rebasis will invite dissenting shareholders to send reasons for such votes in writing whereafter further engagements may be scheduled.



 Social & Ethics
Committee Report 

Social & Ethics Chairman's Report



The mandate of the Social & 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 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 Act.

Terms of Reference

The Committee's terms of reference cover the following areas:

1. Social • Community development • Donations and sponsorship • Reduction of corruption • 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 • Prevention of unfair discrimination
4. Market place • Broad-based Black Economic Empowerment • United Nations Global Compact Principles • Global best practice, including OECD

Membership and Attendance

The committee comprised of three non-executive directors: myself, in the chair, Nomfundo Quangule and Ken Reynolds (resigned 13 April 2016). Marelise de Lange (appointed 1 March 2017) replaced Mr Reynolds on the committee. The Chief Executive and members of management are invitees. Details of meetings attendance are set out on pages 39 and 40. I thank Ken for his sage and sensible contribution to the Committee.

Promoting Ethical Conduct

The group has an ethics policy and a code of conduct, which guides its business practices. The ethics policy seeks to reinforce the company's many policies, principles and practices through providing clarity on expectations and underlying matters of principle. The key aspects of the ethics policy are how business is conducted, the group's societal contribution and handling of people, the need for employees to speak out about wrong doings, conflicts of interest, the legitimate interests of the business, application of law, policies and procedures, corporate governance matters and individual accountability. The code of conduct provides guidance on matters such as conflicts of interests, acceptance and giving of donations and gifts, compliance with laws and the dissemination of confidential information.

Social & Ethics Chairman's Report (continued)

Whistle Blowing

Rebosis subscribes to the 10 Principles in the Areas of Human Rights, Labour, Environment and Anti-Corruption. As such, we have a whistleblowing hotline in place that allows employees, internal and external stakeholders a platform to report, in their language, bribery corruption and wrongdoing in the workplace. The Hotline received one report for 2017 which was investigated and resolved successfully by Human Resources and Management.

Black Economic Empowerment

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 B-BBEE Act, No. 53 of 2003, its associated Codes of Good Practice as well as the Property Sector Charter's Broad-based Black Economic Empowerment (B-BBEE) Codes of Good Conduct.

In this regards, I note with satisfaction the Company's black empowerment transaction which sold approximately half of its interest in New Frontier Properties to a black consortium.

Water Scarcity

The severe drought affecting the Western, Eastern and Northern Cape provinces is a stark reminder that South Africa is a water scarce country.

I am proud to report that the Company has implemented water saving measures which in most cases have reduced consumption to below the restrictions imposed by the local authorities. In the event that Cape Town implements Schedule 7 restrictions (known as Day Zero), Rebosis has tested contingencies that will allow its building to provide sanitation at an acceptable level of safety and hygiene. I wish to thank our tenants in their cooperation in this regard.

Human Rights & Labour Practice

Rebosis complies with employment laws and is committed to protecting human rights. Our code of ethics and our disciplinary code are communicated to all employees. We have zero tolerance for discriminatory behaviour.

Corporate Social Investment

The company's corporate social investment programme (CSI) is managed internally which ensures that we focus on addressing the needs in communities surrounding our properties and those affected by our business operations.

Rebosis has invested in the tertiary education of nine previously disadvantaged students who are studying towards qualifications in the built environment and business operations. The company exposed them to formal employment through vacation work and job shadowing.

Some of our CSI initiatives include;

- **Partners for Possibilities.** A programme that allows volunteer employees to partner with underprivileged schools where they identify and provide resources that make a sustainable difference.
- **Stop Hunger Now.** Our malls made stations available for our shoppers to pack thousands of meals for poor neighbouring communities surrounding our shopping centres in the Eastern Cape and Gauteng.
- **Odirile Centre.** This is an amazing institution caring for the physically and mentally disabled. It form part of our Mandela day initiative, where staff got an opportunity to spend the day at the centre giving with their time and talents by developing infrastructure, planting trees and entertaining the children of the centre.
- **The South African Medical and Education Foundation** as well as **Field of Dreams** received funding to continue their initiatives to better the lives of communities in Cape Town and Hartebeespoort respectively, through the delivery of education and medical projects.

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.



Thabo Seopa Social
Chairman, Social & Ethics Committee

28 February 2018

Black Economic Empowerment

REBOSIS HAS A PROUD LEGACY IN BLACK EMPOWERMENT, AND IN PARTICULAR THE ASPIRATION OF BLACK PEOPLE TO OWN PROPERTY, AS A FACTOR OF PRODUCTION.

**REBOSIS: A LEVEL 2
B-BBEE CONTRIBUTOR**

Rebosis was the first black-managed and substantially black-owned property fund to list on the JSE. In this tradition of firsts, Rebosis vendor financed a black consortium, chaired by Nkosi-Yawo Gugushe, to acquire 29,9% of New Frontier Properties.

New Frontier is a Real Estate Investment Trust with dominant retail centres in the English towns of Blackpool, Middlesbrough and Burton-Upon-Trent valued at £272 million. It is listed on the Mauritian Stock Exchange and the Johannesburg Stock Exchange.

Rebosis advanced a loan to a B-BBEE Special Purpose Vehicle (BEE SPV) to enable it to fund the acquisition of the share in New Frontier, payable over an initial five-year term, extendable for an additional five years. The loan is in addition to an equity contribution by the BEE SPV in the form of risk capital as far as it relates to the transaction, that will be offset against the vendor loan. The vendor has an option to substitute the loan with bank finance and is currently considering the option.

This transaction demonstrates Rebosis' commitment to transformation in the listed space. Prior to the implementation of the transaction, Rebosis held an approximately 67.6% shareholding in New Frontier. Rebosis considers its investment in New Frontier as important and strategic in nature, and its current intention is to maintain a material and influential holding. However, Rebosis does not consider it necessary for it to maintain a controlling position in New Frontier.

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

	Black	White	Total
Male	1	3	4
Female	4	2	6
Total	5	5	10



Environmental

WHAT IS NATURAL CAPITAL

Natural capital can be defined as the world's stocks of natural assets which include geology, soil, air, water and all living things. It is from this natural capital that humans derive a wide range of services, often called ecosystem services, which make human life possible.

WHAT NATURAL CAPITAL MEANS TO REBOSIS

As a property company which does not undertake development, ReboSis is regarded as having a relatively low environmental impact. Despite this, the company acknowledges that its operations and the operations of its tenants in its properties have a material impact, especially in relation to scope 2 carbon emissions.

"Scope 2 are also referred to as Energy Indirect GHG (Greenhouse Gas Emissions – GHG), and are defined as; "emissions from the consumption of purchased electricity, steam, or other sources of energy (e.g. chilled water) generated upstream from the organisation"

HIGHLIGHTS:

Power quality project at Schreiner Chambers

Water flow reduced by 70% in 8 buildings

80% of waste water recycled at retail centres

REBOSIS ENVIRONMENTAL STRATEGY

TARGET	ACHIEVED	LOOKING AHEAD
Electrical consumption: Average of 1% reduction across buildings	Electricity: 1 % estimated reduction achieved in 2017	Electrical: 9 Energy-efficient LED projects planned subject to budget approval
Recycling: 5% improvement at all retail centres (Baseline 65%)	Recycling: 80% estimated reduction in 2017	Recycling: Ongoing monitoring and training at each building on applying best practices in managing waste
Carbon emissions: to align with reductions in electricity consumption		Scope 2 carbon emissions: to set a baseline for reductions and align with electricity reduction

Health and Safety

REBOSIS IS COMMITTED TO PROVIDING A SAFE, HEALTHY AND HYGIENIC WORKING ENVIRONMENT FOR ITS REPRESENTATIVES AND SUPPLIERS AS WELL AS FOR ITS TENANTS AND THEIR PATRONS. THE COMPANY IS COMMITTED TO MAINTAINING A WORKING ENVIRONMENT THAT IS FREE FROM ANY DANGER OR HAZARD TO THEIR EMPLOYEES AND THE PUBLIC AND AT ALL TIMES CONSIDERING THE POSSIBLE IMPACT ON THE ENVIRONMENT.

To this end, strict adherence with the Occupational Health and Safety Act, 85 of 1993 is enforced at all properties and in all operations. Rebosis has policies in place which accordingly govern health and safety at all Rebosis' premises. These policies are in place to govern the following:

- To provide a guideline on Health and Safety which is of a high standard, and subject to continuous review and improvement to meet ever changing challenges in the industry.
- To comply with the requirements of the relevant statutory provisions relating to Health, Safety, and environmental matters as these affect employees, customers, contractors and the public at large.
- Ensure that all employees stay informed of their responsibilities with regard to health, safety and environmental matters and that staff implement health and safety measures effectively.
- Encourage employees to participate in the prevention of accidents and incidents in the working environment, through continuous high quality training and awareness programmes.

To achieve the above objectives, we are committed to the following principles:

- Establishing arrangements for the effective organisation, planning, monitoring and reviewing of health and safety policies and procedures.
- Setting ourselves challenging targets and objectives to ensure continual improvement in standards of health and safety management.
- Communicating the above to all managers, employees and regular contractors through regular updates and meetings.
- Complying with relevant health and safety legislation and other requirements.
- Encouraging the use of industry best practices wherever reasonably practicable.

The health and safety performance of Rebosis continues to be of a high standard and the number of accidents and incidents remains at a low level.

The company's health and safety culture has improved over the last year, with significant commitment to personal development in this area.

This is shown in the number of health and safety training courses attended by staff and management.

Rebosis Property Fund has a formal HIV/Aids policy in place, the primary objectives of which are:

- To promote equality and non-discrimination between individuals with HIV infection and those without and between HIV/AIDS and other comparable health/medical conditions.
- To create a supportive environment so that HIV-infected employees are able to continue working under normal conditions in their current positions for as long as they are medically fit to do so.
- To subscribes to the protection of human rights and dignity of people living with HIV/AIDS as an essential prerequisite for the prevention and control of HIV/AIDS.
- To recognise the right of employees to privacy and confidentiality. The Company will not coerce any employee into revealing his / her HIV status.
- To allocate adequate financial resources to ensure the implementation, monitoring and evaluation of all aspects of the policy.

HIV/AIDS Programme

The HIV/AIDS programme of the Company shall give all employees access to:

- Information, education and communication activities to promote understanding and awareness of HIV and AIDS.
- Support for both infected and affected staff through peer educators or other appropriate support structures.

Social & Human

It is Rebosis' aim to make a long term sustainable difference and as such a company Stop Hunger Now was a campaign that we believed would bring us closer to the community where community and Rebosis staff packed thousands of meals for poor neighbouring communities in Baywest, PE and Hemingway's, East London. This year a contribution of R300 000 was made to this international campaign.

Further to this in 2017 Rebosis adopted Odirile Centre for the disabled as our Nelson Mandela Day initiative. Staff got an opportunity to spend the day at the centre giving with their time and talents by developing infrastructure, planting trees, playing with the children of the centre as well as giving Gifts. Rebosis contributed a total R397 116, 39 to Odirile Centre for the disabled.

The South African Medical and Education Foundation as well as Field of Dreams also received CSI funding to continue their initiatives to better the lives of communities in Cape Town and Hartebeespoort, respectively through the delivery of education and medical projects. Rebosis contributed R200 000 in 2017 to the SAME foundation and R250 000, respectively to Field of Dreams towards building a community clinic.

Hemingways Mall CSI Breakdown 2016 / 2017

Highlighted Events:

1. SANBS Blood Donation Clinics

December 2016 and July 2017

Donation drives hosted at Hemingways Mall, participating in this national CSI's aggressive campaigns highlighting the crucial shortages for blood donations in South Africa. These events are hosted at empty stores and throughout walkways and Hemingways Mall contributes by offering space for free as well as utilising our Social Media accounts and Tenant Communication groups to drive donations.

R2, 600 in space sponsorships were offered and a total of **32 units** of usable blood donations were received.



2. NSRI Ocean Safety Week

February 2017

As a coastal city shopping centre, Hemingways Mall supports the local NSRI in their ongoing fund raising initiatives to assist the organisation in purchasing and maintaining crucial equipment to help safeguard all visitors to the Metro's beaches.

R6, 500 in space sponsored, **R58, 950** raised.



Social & Human (Continued)

3. CHOC Have a ♥ for kids with cancer

February 2017

This initiative was supported in conjunction with pupils from Clarendon High School in which Hemingways Mall provided the organisation with space from where the community was invited to create heart cards at a fee in aid of young children suffering from cancer.

R1, 300 in space sponsored to Choc, **R4, 000** in sponsorships raised and **R21, 350** in FREE PR received via Tiso Black Star publications.

4. CANSA Shavathon

February 2017

Annual national campaign in which CANSA invite the community to hair shaving and spraying events taking place throughout South Africa.

R2, 500 in space sponsored, **R4, 000** in sponsorships raised and **R58, 503** in FREE PR received via Tiso Black Star publications.

5. Sakhisizwe School Shoe Drive

March 2017

5 primary schools, situated in the township of Duncan Village East London, were visited at which time a total of 532 previously disadvantaged scholars each received a brand new pair of school shoes in a drive to support local children on their road to a better future.

R50, 000 in school shoes were sponsored by Rebois Property Fund and **R121, 747** in FREE PR was received across various platforms including print and social media outlets.



Social & Human (Continued)

6. Rise Against Hunger – Mandela Day 2017

July and August 2017

This event consisted of three meal packing sessions of 10 lines each. Sessions were scheduled at 10am, 12pm and 2pm.

Rebosis Contribution	R150, 000 (15 lines)
Local business contribution	R96, 000 (8 lines)
Rise Against Hunger contribution by national sponsors	R84, 000 (7 lines)

A total of 162, 000 children meals were packed on the day of which a total of 81, 000 of these were contributed by Rebosis Property Fund and will be distributed to previously disadvantaged members of our community through schools and organisations earmarked by Hemingways Mall.

They include:

- Hope Schools
- Stoney Drift Dump Crèche
- New Start Day Care
- Haven Wellness Centre, and others...

A total of **R165, 000** was spend on this campaign (R150, 000 Rebosis + R15, 000 Hemingways Mall)

Total free media received	R856, 768
Total product and service sponsorships received	R231, 230
Grand total received:	R1, 087, 998

With the assistance from Rebosis Property Fund in sponsoring of FREE premises, Rise Against Hunger has now made Hemingways Mall their head office for the Eastern Cape, and from August 2017, the organisation has been packing meals to be distributed throughout the metro on a monthly basis.

Value of these premises are calculated at **R97, 916** per month.



Social & Human (Continued)

HEMINGWAYS MALL CSI REPORT JULY 2016 TO JULY 2017

Month	Initiative	Cash Contribution	Value in Space Sponsored	Amount Raised	PR Generated
DECEMBER '16	SANBS - Blood Clinic	R 0	R1, 300	18 units of blood	R 0
FEBRUARY '17	NSRI - Ocean Safety Week (expo)	R 0	R6, 500	R58, 950	R 0
	CHOC - Have a heart for kids with cancer	R 0	R1, 300	R4, 000	R21, 350
	CANSA - Shavathon	R 0	R2, 500	R4, 000	R58, 503
MARCH '17	SAKHISIZWE - Shoe Drive	R50, 000	R 0	432 pairs of shoes	R121, 747
	Rebosis Property Fund			distrinuted - Duncan Village	
MAY '17	ST BERNARDS HOSPICE - medical checks	R 0	R1, 300	200 medicals	R 0
JULY '17	RISE AGAINST HUNGER - Mandela Day	R150, 000	R18, 000	R210, 000	R733, 488
	Rebosis Property Fund			(meal ingredients)	Daily Dispatch
	SANBS - Blood Clinic		R1, 300	14 units of blood	R 0
AUGUST '17	RISE AGAINST HUNGER - monthly venue	R 0	R97, 916,88	R 0	R 0
	free hire as donation				
TOTAL		R250, 000 (Rebosis)	R130,116,88	R276, 950	R935, 088
		R100, 000 (Hemingways)			
				Rise Against Hunger monthly venue sponsorship calculated by average rental at centre per m ² =	R 214.73
				Multiplied by venue m ² =	456
				Value	R97, 916,88

Breakdown:

MDANTSANE CITY CSI REPORT September 2016 to August 2017

■ CHRISTMAS FOOD PARCELS – December 2016

60 food parcels were distributed to senior citizens who are on our Sunshine Club Loyalty programme this Christmas. This was made possible by our photographer M&T Photolab who donated **R5000** from photos taken with Santa and 50 goody packs were donated to Mrs Ngebulana's feeding scheme.

■ REBOSIS SCHOOL SHOE CAMPAIGN – January 2017

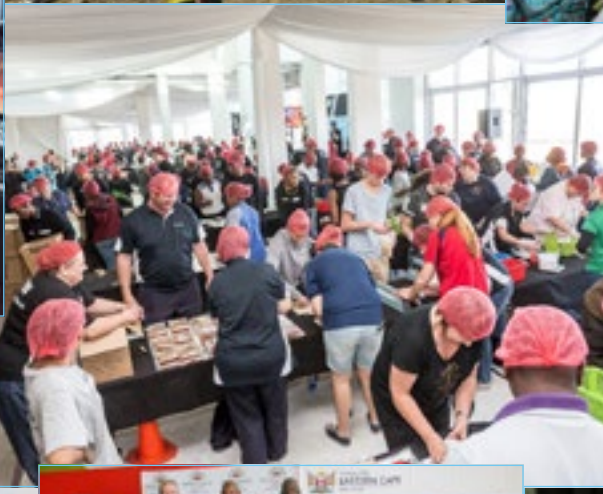
- Mdantsane City on behalf of Rebosis Property Fund handed over 371 school shoes to 9 underprivileged schools from Mdantsane Township and surroundings.
- The MEC of Education, Mr Makhuphula and the District Manager, Mr Mnguni came to witness and motivated school teachers, pupils and showed gratitude to Rebosis for the great initiative.
- Rebosis therefore gained huge publicity through this initiative

DONATE A PAD (sanitary towel) – JULY 2017

Mdantsane City collected pads in the month of July in order to assist school learners from poor backgrounds with alleviating lack of sanitary towels and rather stay at home and not attend school.

MANDELA DAY – JULY 2017

Mdantsane City in partnership with Pick n Pay and Shoprite distributed condoms from Notyatyambo Health Clinic at the HIGHWAY intersection ON Mandela Day. We also assisted with cleaning of the CLINIC's surroundings.





Annual Financial Statements



During the annual reporting period the following financial milestones were recorded in the financial statements of Rebosis. Further highlighting **Rebosis' commitment to ensuring a low-risk high growth fund that is sustainable.**

Directors' Responsibility and Approval

The directors are required in terms of the Companies Act, 71 of 2008, as amended, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the group as at the end of the year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the group and company's cash flow forecast for the 12 months to 31 August 2018 and, in the light of this review and the current financial position, they are satisfied that the group and company has or has access to adequate resources to continue in operational existence for the foreseeable future.

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

The external auditors are responsible for independently auditing and reporting on the group and company's financial statements.

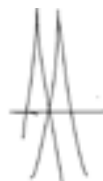
The financial statements (Pages 80 to 129) have been examined by the group's external auditors and their report is presented on pages 73 to 75.

Approval of the Annual Financial Statements

The annual financial statements were approved by the board on 22 February 2018 and are signed on its behalf by:



Dr Anna Mokgokong
Chairman



Andile Mazwai
Chief Executive Officer

28 February 2018

Certificate by Company Secretary

In terms of the Companies Act, 71 of 2008, as amended ("the Act"), I declare that to the best of my knowledge, for the year ended 31 August 2017, Rebois Property Fund Limited has lodged with the Registrar of Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and that such returns are true, correct and up to date.



Mande Ndema
Company Secretary

28 February 2018

Audit and Risk Committee Report



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

The Committee is chaired by independent non-executive director Francois Froneman and further comprises independent non-executive directors Thabo Seopa and Nomfundo Qangule. The board of directors is satisfied that these directors act independently for the purpose of the committee. The CEO, CFO, External Auditor and Internal Auditor are present at meetings by standing invitation.

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

The Committee meets at least three times a year and special meetings are convened when necessary. Details of attendance by members of meetings, for the year under review, are set out on pages 39 and 40.

Responsibilities

The Audit and risk committee has an independent role with accountability to both the board and shareholders. The committee does not assume the function of management, which remains the responsibility of the executive directors, officers and other senior members

of management. The duties and responsibilities of the members of the committee are set out in the audit and risk committee terms of reference, which is approved by the board. The committee fulfils an oversight role regarding the company's integrated report and the reporting process, including the systems of internal financial control.

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

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

- nominate 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 auditors 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

Audit and Risk Committee Report (Continued)

- 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

Key focus areas for the committee during the 2017 financial year have been:

- to obtain an understanding to the requirements of external auditors to report on significant matters impacting on their review
- King IV requirements and auditor independence and the presence and the prospect of mandatory audit firm rotation
- the potential impacts of IFRS 16 to the extent applicable to the company

External Auditor

The Audit and Risk Committee has satisfied itself that the external auditor is independent of the company, which includes consideration of compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regularity 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 is satisfied of the required independence of the external auditors, Grant Thornton Johannesburg Partnership, from Rebosis, as set out in section 94(8) of the Companies Act, after considering the following factors:

- Representations made by Grant Thornton Johannesburg Partnership to the committee.
- The criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies.
- The auditor does not receive any remuneration or other benefit from Rebosis, except as external auditor.
- The auditor's independence was not prejudiced as a result of any previous appointment as auditor.

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 2017.

The external auditors are invited to and attend all Audit and Risk Committee meetings and are required to meet independently with the committee at least annually.

Findings by the external auditors arising from their annual statutory audit are tabled and presented at an Audit and Risk Committee meeting following the audit. The Committee endorses action plans for management to mitigate noted concerns. The external auditor has expressed an unqualified opinion on the financial statements for the year ended 31 August 2017.

The committee has nominated, for election at the annual general meeting, Grant Thornton Johannesburg Partnership as the external audit firm and Michelle da Costa as the designated auditor responsible for performing the functions of auditor for the 2018 financial year. The Audit and Risk committee has satisfied itself that the audit firm and designated auditors are accredited as such on the JSE list of auditors and their advisers.

Pre-approval of Non-audit Services

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

Appointment of Internal Auditors

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

Internal Controls

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

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

Audit and Risk Committee Report (Continued)

Risk Management

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

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

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

Compliance

The Audit and Risk Committee oversees the compliance with accounting standards and financial reporting requirements.

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

Expertise and Experience of CFO and the Finance Function

The Audit and Risk Committee has considered and is satisfied with the expertise and experience of the CFO, Marelise de Lange.

Further, the committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the financial function and experience of the senior management responsible for this.

Annual Financial Statements

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

Going Concern

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

Recommendation of the Integrated Report of Approval by the Board

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



Francois Froneman

Chairman of the Audit and Risk Committee

28 February 2018

Independent auditor's report

Report on the financial statements

Opinion

We have audited the consolidated and separate financial statements of Reboasis Property Fund Limited (the group) set out on pages 80 to 129, which comprise the statements of financial position as at 31 August 2017, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group as at 31 August 2017, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following key audit matters relate to the consolidated and separate financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment property – Group (R18.6 billion) and Company (R9.3 billion)</p> <p>Significant judgement is required by the directors in determining the fair value of investment property.</p> <p>As disclosed in note 3 to the financial statements, the portfolio is valued annually by independent valuers.</p> <p>For the year under review the directors utilised one valuer for the retail portfolio and one for the industrial and office portfolio.</p> <p>Note 3 also sets out the most significant inputs into the valuations, all of which are unobservable. The valuations were based on discounted cash flow models.</p> <p>The valuation of investment property is considered a key audit matter due to the significance of the balance, the significant judgements associated with determining fair value and the sensitivity of the valuations to changes in assumptions.</p>	<p>We performed the following procedures amongst others:</p> <ul style="list-style-type: none"> Assessed the competency and objectivity of the independent valuers. This included verifying professional qualifications and registrations and making an assessment of the independence and appropriateness of the valuers used for each component of the portfolio; Assessed the robustness of the Board's processes relating to the valuations. This includes review by the appropriate level of the Board of both inputs and assumptions as well as the end result of the valuation; Compared the significant assumptions and judgements against historical inputs and market data where available; Investigated unexpected movements; For a sample of properties, and with the assistance of our valuation experts, we scrutinised the calculations for accuracy, the inputs for reasonableness and recalculated the valuations; and Reviewed the adequacy of the disclosures in the financial statements, including disclosure on significant inputs and sensitivity analyses.

Independent auditor's report (Continued)

Key audit matter	How our audit addressed the key audit matter
<p>Business combinations - Group</p> <p>As disclosed in note 34 to the financial statements, on 1 September 2016 the Group acquired 100% of Billion Property Developments Proprietary Limited (owning Forest Hill City Mall), Baywest City Mall Proprietary Limited (owning Baywest City Mall), Billion Asset Managers Proprietary Limited (the asset management business) and Billion Property Services Proprietary Limited (the property services business). Based on the Board's judgement these acquisitions were considered to be business combinations.</p> <p>Due to the significance of these transactions, we identified this area as a key audit matter.</p>	<p>We performed the following procedures amongst others:</p> <ul style="list-style-type: none"> • Reviewed the Board's judgements relating to the treatment of the acquisitions as business combinations; • Obtained the Board's purchase price allocation calculations ("PPA's") and agreed amounts to underlying financial information; • Reviewed the valuation of assets and liabilities in the PPA. This relates mainly to the investment properties acquired in two of the business combinations to valuations performed; • Considered, based on our knowledge of the acquired businesses, whether the PPA's appear complete, in that all known assets and liabilities have been included including intangible assets; • Recalculated the goodwill or gain on bargain purchase arising and compared these to the amounts recorded; and • Reviewed the adequacy of the disclosure surrounding the business combinations in the financial statements against the requirements of IFRS 3 – "Business Combinations".

Other information

The directors are responsible for the other information. The other information comprises the Integrated Annual Report that includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the 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 misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

Independent auditor's report (Continued)

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and / or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

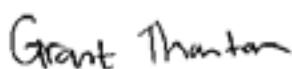
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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



GRANT THORNTON

Registered Auditors
Practice Number: 903485E

MA da Costa

Partner
Registered Auditor
Chartered Accountant (SA)
28 February 2018
@Grant Thornton
Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Directors' report

for the year ended 31 August 2017

The board has pleasure in submitting their directors' report for the year ended 31 August 2017.

Nature of Business

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

The group's portfolio, valued at R18,82 billion, comprises 49 quality grade retail, commercial and industrial properties located in Gauteng, the Eastern Cape, KwaZulu-Natal and Northwest Province.

At 31 August 2017, two of these properties valued at R212 million (2016: R1,156 billion) were classified as investment property held for sale.

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

Year Under Review

The results of the company are addressed in the reports of the Chairman and the Chief Executive Officer and are set out in the annual financial statements on pages 80 to 129.

Share Capital (Shares in Issue)

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

- 14 270 270 shares issued on 20 October 2016 for R11.10 per share;
- 49 840 696 shares issued on 15 December 2016 for R10.71 per share;
- 9 897 292 shares issued on 19 January 2017 for R10.71 per share; and
- 38 339 921 shares issued on 2 March 2017 for R12.65 per share.
- 210 000 shares bought back on 21 June 2017
- 63 266 01 A ordinary shares issued on 19 April 2017. For every 100 Ascension A Shares 19.342336 Rebosis A ordinary shares were issued

The company's authorised share capital comprises of 5 000 000 000 ordinary shares of no par value. Refer to note 16 for a reconciliation of the shares issued during the 2017 financial year.

Dividend Distributions

The following dividends were declared during the year under review:

- Dividend number 13 of 60,80 cents per share for the six months ended 28 February 2017
- Dividend number 14 of 67,55 cents per share for the six months ended 31 August 2017
- Dividend number 2 of 120,41 cents per share for the six months ended 31 August 2017

The total dividends per share for the year ended 31 August 2017, is 128.35 cents per share. Refer to note 33 for the detailed analysis.

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

Directorate

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

Directors' report

for the year ended 31 August 2017 (Continued)

Current directors

ATM Mokgokong (Chairman) [§]

SM Ngebulana (Deputy Chairman)[#]

(resigned as CEO and appointed as non-executive deputy chairman with effect from 1 October 2017)

AM Mazwai (CEO) *

(appointed as COO effective 8 February 2017 and subsequently as the CEO with effect from 1 October 2017)

M de Lange (CFO) *

(appointed effective 1 March 2017)

WJ Odendaal [§]

NV Qangule [§]

GFvL Froneman [§]

(appointed effective 8 February 2017)

MM Mdlolo [§]

(appointed effective 8 February 2017)

TSM Seopa [§]

Z Kogo*

(appointed effective 3 November 2017)

Resigned directors

K Keshav

(resigned effective 31 March 2017)

* *Executive directors*

§ *Independent non-executive directors*

Non-executive director

The number of board and committee meetings attended by each of the directors during the year is tabled in the Corporate Governance Report pages 38 to 41.

Directors' Interests

The interests of the directors in the shares of the company at 31 August 2017 were as follows:

	Beneficial		Total
	Direct	Indirect	
Executive directors			
SM Ngebulana	-	40 470 122	40 470 122
AM Mazwai	-	-	-
M de Lange	-	-	-
Non-executive directors			
ATM Mokgokong	-	-	-
GFvL Froneman	-	-	-
MM Mdlolo	-	-	-
WJ Odendaal	-	3 539 523	3 539 523
NV Qangule	-	-	-
TSM Seopa	-	-	-

Directors' report

for the year ended 31 August 2017 (Continued)

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

- Billion Group Proprietary Limited, an associate of SM Ngebulana, acquired 20 406 973 shares in Rebosis pursuant to clawback offer relating to the deferred payment;
- Abacus Holdings Proprietary Limited, an associate of WJ Odendaal, acquired 6 637 168 shares in Rebosis pursuant to clawback offer relating to the deferred payment
- AM Mazwai, acquired 60 000 shares in Rebosis;
- M de Lange, acquired 29 662 shares in Rebosis ; and
- Z Kogo, acquired 15 577 shares in Rebosis.

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

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

* Resigned 21 March 2017

Resigned 13 April 2016

Directors' Interests in Contracts

Sisa Ngebulana is both a director of Rebosis and a trustee and beneficiary of the Amatolo Family Trust, which owns 100% of the share capital of Billion Group Proprietary Limited ("BG") which in turn owned 100% of the share capital of the following companies:

- Billion Property Group Proprietary Limited ("BPG"), which owned 50% of Baywest City Proprietary Limited ("Baywest"), prior to the acquisition by the group.

Jaco Odendaal is both a director of Rebosis and a trustee and beneficiary of the Abacus Trust, which owns 100% of the share capital of Abacus,

Disposal of Assets

Disposal of assets will continue for R1.5 to R2 billion in the new financial year as indicated to shareholders. R212 million of assets committed through sale agreements have been classified as assets held for sale on the statement of financial position.

Directors' report

for the year ended 31 August 2017 (Continued)

Dividend Declared

On 4 December 2017 the company declared a dividend amounting to R433.8 million (67,55 cents per share) relating to the ordinary share and R76,2 million (120.41 cents per share) relating to the A - ordinary share.

Going Concern

The directors are of the opinion that the group and company has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the financial statements.

The directors have satisfied themselves that the group and company are in a sound financial position and that it will have access to sufficient borrowings facilities to meet its foreseeable cash requirements.

Major Shareholders

Beneficial shareholders holding in excess of 5% of the shares in issue are detailed on page 131 and 132 of the annual report.

Executive Directors' Service Contracts

The executive directors' have service contracts with the company. With effect from 1 November 2016, the service contracts of all staff were transferred to Rebois. A three-month notice period is required by the Chief Executive Officer, Andile Mazwai while the Chief Financial Officer, Marelise de Lange, is on a two-month notice period.

Subsequent Events

No events occurred after the reporting date and up to the date of this report

Company Secretary

The company secretary for the year and at the date of this report was Mande Ndema.

The business and postal addresses of the company secretary are as follows:

M Ndema

3rd floor, Palazzo Towers West

Momtecasino Boulevard

Fourways, 2191

(P.O. Box 2972, Northriding, 2162)

Telephone: +27(0) 11 511 5335

Facsimile: +27(0) 11 511 5626

By order of the board



Andile Mazwai

Fourways

28 February 2018

Statements of Financial Position

As at 31 August 2017

	Note	Group		Company	
		2017 R'000	2016 R'000	2017 R'000	2016 R'000
ASSETS					
Non-current assets		21 617 102	17 383 410	16 922 596	11 937 056
Investment property		18 608 490	16 996 072	9 389 990	7 747 500
Fair value of property portfolio	3	18 275 621	16 658 903	9 240 404	7 531 074
Straight-line rental income accrual	4	332 869	337 169	149 586	216 426
Investment in subsidiaries	7	-	-	4 905 841	2 076 785
Loans to group companies	6	-	-	1 412 505	1 946 001
Investment in listed securities	8	1 044 979	-	-	-
Loans to related companies	9	70 699	-	70 699	-
Other financial assets	10	1 150 247	-	989 794	-
Goodwill	11	676 412	315 906	95 703	95 703
Derivative instruments	12	60 540	70 852	57 210	70 853
Property, plant and equipment	13	5 735	580	854	214
Current assets		1 028 952	1 718 496	276 441	1 276 215
Short term portion of other financial assets	10	286 013	-	-	-
Short term portion of derivatives	12	49 131	23 486	49 131	21 821
Trade and other receivables	14	376 479	309 233	192 032	125 538
Cash and cash equivalents	15	104 640	229 079	35 278	131 358
Investment property held for sale	5	212 689	1 156 698	-	997 498
Total assets		22 646 054	19 101 906	17 199 037	13 213 271
EQUITY AND LIABILITIES					
Equity		11 847 850	9 462 284	11 120 208	8 539 748
Stated capital	16	8 464 527	5 590 410	8 489 660	5 615 055
Reserves		3 383 323	2 179 569	2 630 548	2 924 693
Foreign currency translation reserve		-	(73 805)	-	-
Total equity attributable to equity owners of the parent		11 847 850	7 696 174	11 120 208	8 539 748
Non-controlling interests		-	1 766 110	-	-
Non-current liabilities		5 293 967	8 170 604	2 056 325	3 907 273
Interest bearing borrowings	17	4 973 983	8 052 484	1 877 160	3 907 273
Deferred payment liability	34	228 542	-	115 365	-
Derivative instruments	12	91 442	118 120	63 800	-
Current liabilities		5 504 237	1 496 018	4 022 504	766 250
Short term portion of interest bearing borrowings	17	4 858 196	1 223 203	3 590 476	670 241
Short term portion of derivatives	12	2 057	-	2 057	-
Short term portion of deferred payment liability	34	350 000	-	350 000	-
Trade and other payables	19	293 984	244 347	79 971	96 009
Current tax payable		-	1 468	-	-
Total equity and liabilities		22 646 054	19 101 906	17 199 037	13 213 271
Number of ordinary A shares in issue		63 266 012	-	63 266 012	-
Number of ordinary shares in issue		642 316 328	530 178 149	642 316 328	530 178 149
Net asset value per share (R)		18.45	14.52	17.31	16.11
Loan to value (%)		45.6	49.8	31.8	34.6
Gearing (%)		50.4	50.2	34.6	35.6

Statements of Profit or Loss and Other Comprehensive Income

For the year ended 31 August 2017

	Note	Group		Company	
		Year ended 31 August 2017 R'000	Year ended 31 August 2016 R'000 <i>Restated*</i>	Year ended 31 August 2017 R'000	Year ended 31 August 2016 R'000
Revenue		1 883 818	1 394 226	1 335 175	1 080 689
Investment Property Income		1 949 509	1 396 903	1 074 596	867 646
Net income from facilities management		21 951	23 109	21 951	23 109
Management fees received		5 416	-	17 393	16 609
Listed property securities and related income		-	-	288 075	203 450
Straight-line rental income accrual		(93 058)	(25 786)	(66 840)	(30 125)
Property expenses		(416 276)	(370 752)	(208 141)	(225 805)
Net property income		1 467 542	1 023 474	1 127 034	854 884
Other operating expenses		(142 457)	(63 040)	(127 497)	(46 452)
Operating income	20	1 325 085	960 434	999 537	808 432
Net interest	23	(758 101)	(440 652)	(331 901)	(314 611)
Received		87 042	44 750	79 646	42 792
Paid		(845 143)	(485 402)	(411 547)	(357 403)
Net operating income		566 984	519 782	667 636	493 821
Gain on bargain purchase	34	237 121	-	-	-
Other income		37 444	1 233	20 529	1 123
Changes in fair values	22	1 170 737	1 488 427	(149 663)	1 647 129
Investment property		1 269 631	1 419 313	649 728	1 132 469
Investments in subsidiaries		-	-	(727 024)	432 173
Derivative instruments		(98 894)	69 114	(72 367)	82 487
(Loss)/profit on disposal of investment in listed in listed securities		(26 705)	60	(26 705)	-
Total profit from continuing operations		1 985 581	2 009 502	511 797	2 142 073
Net result from discontinued operations	37	651 853	(135 315)	-	-
Total profit for the year		2 637 434	1 874 187	511 797	2 142 073
Other comprehensive income					
<i>Items that may be recycled to profit and loss</i>					
Foreign currency translation reserve		73 805	(217 000)	-	-
Total comprehensive income		2 711 239	1 657 187	511 797	2 142 073
Total profit attributable to:					
Owners of the parent		2 521 749	1 706 946	511 797	2 142 073
Non-controlling interests		115 685	167 241	-	-
Profit for the year		2 637 434	1 874 187	511 797	2 142 073
Total comprehensive income attributable to:					
Owners of the parent		2 810 955	1 523 384	511 797	2 142 073
Non-controlling interests		(99 716)	133 803	-	-
Total comprehensive income for the year		2 711 239	1 657 187	511 797	2 142 073
Basic and diluted earnings per REA share (cents)	25	681.42	-		
Basic and diluted earnings per REB share (cents)	25	392.91	300.23		

* Restatement relates to discontinued operations (refer note 37).

Statements of Changes in Equity

For the year ended 31 August 2017

GROUP	Note	Attributable to equity holders of the parent					Total R'000
		Stated capital R'000	Retained income R'000	Foreign currency translation reserve R'000	Total R'000	Non-controlling interests R'000	
Balance at 31 August 2015		5 219 879	870 206	109 757	6 199 842	1 577 354	7 777 196
Issue of shares		406 205			406 205		406 205
Shares bought back		(11 029)			(11 029)		(11 029)
Acquisition of additional New Frontier shares						186 513	186 513
Treasury shares		(24 645)			(24 645)		(24 645)
Dividend paid			(397 584)		(397 584)	(131 560)	(529 144)
Total comprehensive income for the year			1 706 946	(183 562)	1 523 384	133 803	1 657 188
Profit for the year			1 706 946		1 706 946	167 241	1 874 188
<i>Other comprehensive income</i>							
Foreign currency translation reserve				(183 562)	(183 562)	(33 438)	(217 000)
Balance at 31 August 2016		5 590 410	2 179 568	(73 805)	7 696 173	1 766 110	9 462 284
Issue of shares		2 874 617			2 874 617		2 874 617
Change in control of subsidiaries			(511 018)		(511 018)	(1 470 866)	(1 981 884)
Treasury shares		(500)			(500)		(500)
Dividend paid			(805 941)		(805 941)	(195 571)	(1 001 513)
Total comprehensive income for the year			2 521 749	289 206	2 810 955	(99 716)	2 711 239
Profit for the year			2 521 749		2 521 749	115 685	2 637 434
<i>Other comprehensive income</i>							
Foreign currency translation reserve				289 206	73 805	(215 401)	73 805
Balance at 31 August 2017		8 464 527	3 384 358	-	11 848 885	-	11 848 885

COMPANY	Stated capital R'000	Retained income R'000	Total R'000
Balance at 31 August 2015	5 219 879	1 180 204	6 400 083
Issue of shares	406 205		406 205
Shares bought back	(11 029)		(11 029)
Dividend paid		(397 584)	(397 584)
Total comprehensive income for the year		2 142 073	2 142 073
Balance at 31 August 2016	5 615 055	2 924 693	8 539 748
Issue of shares	2 874 605		2 874 605
Dividend paid		(805 941)	(805 941)
Total comprehensive income for the year		511 796	511 796
Balance at 31 August 2017	8 489 660	2 630 548	11 120 208

Statements of Cash Flows

For the year ended 31 August 2017

	Note	Group		Company	
		Year ended 31 August 2017 R'000	Year ended 31 August 2016 R'000	Year ended 31 August 2017 R'000	Year ended 31 August 2016 R'000
Net cash generated from / (utilised in) operating activities		(239 081)	47 077	(202 632)	66 626
Cash generated from operations	26	1 596 152	1 187 234	692 570	786 467
Dividend (paid) / received		(1 001 523)	(547 610)	(571 582)	(397 584)
Taxation received / (paid)		3 693	(23 767)	-	-
Net finance charges paid		(837 404)	(568 780)	(323 619)	(322 257)
Net cash utilised in investing activities		(157 353)	(965 201)	(1 805 724)	(1 373 550)
Acquisition of investment property	3	-	(502 604)	-	(495 000)
Capital expenditure, tenant installations and lease commissions		(187 018)	(203 800)	(108 981)	(112 549)
Acquisition of businesses, net of cash acquired		9 664	(238 728)	(1 450 120)	-
Disposal/(acquisition) of listed securities and investments	34	20 701	(24 644)	113 303	-
Loan to subsidiaries		-	-	(359 226)	(766 001)
Proceeds from disposal of investment property		-	5 000	-	-
Acquisition of property, plant and equipment		(700)	(425)	(700)	-
Net cash generated from financing activities		373 816	917 164	1 912 275	1 382 011
Proceeds from issue of shares		829 424	518 949	1 198 296	406 205
Share buyback program		-	(11 029)	-	(11 029)
Increase in secured financial liabilities		(455 607)	409 244	713 979	986 835
Net movement in cash and cash equivalents		(22 619)	(960)	(96 080)	75 087
Effect of translation		(101 820)	55 216	-	-
Cash and cash equivalents at the beginning of the year		229 079	174 823	131 358	56 271
Cash and cash equivalents at the end of the year	15	104 640	229 079	35 278	131 358

Accounting Policies

1. Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited Listings Requirements and the requirements of the Companies Act, 71 of 2008, as amended. The financial statements are prepared under the supervision of M de Lange CA (SA) in her capacity as Chief Financial Officer.

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 1.14

1.1. Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and all entities controlled by the group as at 31 August 2017. Control is achieved when the company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

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

i. Business combinations

Business combinations are accounted for using the acquisition method when control is transferred to the company.

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest (NCI) in the acquiree. For each business combination, the Group measures the NCI in the acquiree at the fair value of the acquiree's identifiable net assets.

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

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

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

ii. Investment in subsidiaries

Subsidiaries are entities over which the company has the ability to control the financial and operating activities so as to obtain benefit from the activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Accounting Policies (Continued)

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

iii. Investments in associates

An associate is an entity over which the company can exercise significant influence, through participation in the financial and operating policy decisions of the investee, but where it does not have control or joint control over those policies.

If the terms of interest that the company has in the associate provide that the investee is contractually obliged to distribute 100% of its net distributable earnings, the investment is accounted for as a financial instrument and is not equity accounted.

The profits and losses, assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, the investment is initially recorded at cost and thereafter the carrying value is adjusted to recognise the investor's share of the post-acquisition profits or losses of the investee after the date of acquisition, distributions received and any adjustments that are required. The profits or losses are recognised in the statement of profit or loss and other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate.

iv. Non-controlling interests

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

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

1.2. Financial instruments

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

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

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

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

Financial assets

- **Listed property securities**

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

- **Trade and other receivables**

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

Accounting Policies (Continued)

- **Cash and cash equivalents**

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

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

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

Financial liabilities

- **Interest-bearing borrowings**

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

- **Trade and other payables**

Trade and other payables are subsequently measured at amortised cost.

Derivative instruments

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

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

1.3. Impairment

Financial assets

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

Non-financial assets

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

Goodwill is tested for impairment annually.

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

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

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

Accounting Policies (Continued)

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

1.4. Investment properties

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

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

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

1.5. Non-current assets held for sale

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

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

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

1.6. Discontinued operations

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

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

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

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

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

1.7. Property, plant and equipment

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

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

The estimated useful lives of the assets are:

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

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

Accounting Policies (Continued)

1.8. Revenue recognition

a) Property portfolio revenue

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

b) Listed securities income

Distributions from listed securities are recognised on date of declaration.

c) Facility management income

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

d) Interest income

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

e) Asset management income

Asset management income is recognised on the rendering of services.

1.9. Borrowing costs

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

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

1.10. Taxation

Taxation for the year comprises current and deferred taxation.

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

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

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

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

As the company is a REIT it is not liable for capital gains tax in terms of Section 25BB of the Income Tax Act.

1.11. Letting costs

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

1.12. Operating segments

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

The operating results are reviewed regularly by executive management to make decisions about and to assess the performance of the segment. Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker.

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

Accounting Policies (Continued)

1.13. Foreign currency

1.13.1. Foreign currency transactions

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

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

1.13.2. Foreign operations

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

On consolidation, the statement of financial position of foreign subsidiaries is translated at the closing rate and the statement of comprehensive income is translated at the average rate for the period. Differences arising are taken to the FCTR.

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

1.14. Key estimates and assumptions

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

- Accounting policies – notes 1.3, 1.4, 1.6 and 1.7
- Investment property valuation – note 3
- Fair value of investment in subsidiaries – note 7
- Goodwill – note 11
- Impairment of receivables – note 14

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

1.14.1. Acquisition of investment properties

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

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

On 1 September 2016 the group acquired Forest Hill Shopping Centre in Centurion by acquiring the entire issued share capital in Billion Property Developments Proprietary Limited and Baywest Shopping Centre in Port Elizabeth by acquiring the entire issued share capital in Baywest City Proprietary Limited. The fund further acquired the Property Management and Asset Management businesses by acquiring 100% of the share capital in Billion Property Services Proprietary Limited and Billion Asset Management Proprietary Limited respectively.

Accounting Policies (Continued)

1.14.2. Deferred tax and taxation

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

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

1.14.3. Fair value estimation

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

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

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

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

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

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

Refer to note 32 for the fair value hierarchy.

1.14.4. Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors.

It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the group's view of possible near-term market changes that cannot be predicted with any certainty.

2. New Standards and Interpretations

Statement of compliance with International Financial Reporting Standards ("IFRS")

The group applies all applicable IFRS as issued by the International Accounting Standards Board ("IASB") in preparation of the financial statements. Consequently, all IFRS statements that were effective at the date of issuing this report and are relevant to Rebosis's operations have been applied. There were no new standards and interpretations which had a material impact to the group which became effective and were adopted in the current financial year.

At the date of authorisation of these financial statements, the following Standards were in issue but not yet effective:

Accounting Policies (Continued)

IFRS		Effective date
IFRS 9	Financial Instruments Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	Annual periods beginning on or after 1 January 2018
IFRS 12	Disclosure of Interests in Other Entities Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying scope)	Annual periods beginning on or after 1 January 2017
IFRS 15	Revenue from Contracts with Customers Original issue	Applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2018
IFRS 15	Revenue from Contracts with Customers Amendments to defer the effective date to 1 January 2018	Annual periods beginning on or after 1 January 2018
IFRS 15	Revenue from Contracts with Customers Clarifications to IFRS 15	Annual periods beginning on or after 1 January 2018
IFRS 16	Leases Original issue	Annual periods beginning on or after 1 January 2019
International Accounting Standards ("IAS")		Effective date
IAS 7	Statement of Cash Flows Amendments as result of the Disclosure initiative	Annual periods beginning on or after 1 January 2017
IAS 12	Income Taxes Amendments regarding the recognition of deferred tax assets for unrealised losses	Annual periods beginning on or after 1 January 2017
IAS 28	Investments in Associates and Joint Ventures Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying certain fair value measurements)	Annual periods beginning on or after 1 January 2018
IAS 40	Investment Property Amendments to clarify transfers of property to, or from, investment property	Annual periods beginning on or after 1 January 2018

None of these standards are expected to have a material impact on the consolidated financial statements. Specific consideration has been given to the following standards:

Accounting Policies (Continued)

IAS 12: Income Taxes

IAS 12 was amended to clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- (i) a temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period;
- (ii) an entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit;
- (iii) where the tax laws restrict the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type; and
- (iv) tax deductions resulting from the reversal of deferred tax assets are excluded from the estimate future taxable profit that is used to evaluate the recoverability of those assets.

The group does not expect the amendment to have a material impact on its financial statements as the application of S25BB results in the exemption from capital gains on the sale of investment property and investments in REIT's or property companies as defined in the Income Tax Act and as such, deferred tax is not recognised on the fair value adjustments to investment property.

IFRS 9: Financial Instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of this standard was issued in July 2014 and replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income with no recycling.

There is now a new expected credit losses model that replaces the incurred impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in a company's own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

The group expects IFRS 9 to have an immaterial impact on the accounting for financial assets and liabilities. The group does not recognise any available for sale financial assets. In addition to this, the group measures investments in equity instruments at fair value through profit or loss.

It is noted that IFRS 9 relaxes the requirements for hedge effectiveness, however, these amendments will not affect the group as the group does not utilise hedge accounting in respect of interest rate and currency derivatives used to hedge risk.

IFRS 15: Revenue from Contracts with Customers

This standard deals with revenue recognition and establishes principles for the reporting of useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of the good or service and thus has the ability to direct the use and obtain the benefits from the good or service. This standard replaces IAS 18: Revenue and IAS 11: Construction Contracts and related interpretations.

The group does not expect IFRS 15 to have a significant impact on the provision of services that fall under the scope of IFRS 15.

Rental revenue from investment property will continue to be recognised in profit or loss on a straight-line basis over the term of the lease.

IFRS 16: Leases

For lessees, this standard will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases will be removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. In contrast to lessee accounting, the IFRS 16 lessor accounting requirements remain largely unchanged from IAS 17, which continue to require a lessor to classify a lease as either an operating lease or a finance lease.

The group is a lessor and since the accounting requirements for a lessor have remained largely unchanged, the group does not expect a significant impact on current accounting practices.

Notes to the Annual Financial Statements

For the year ended 31 August 2017

3. Investment property

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Net carrying value				
Cost	9 804 946	14 132 643	6 685 389	5 625 787
Fair value surplus	3 766 916	2 526 260	2 555 015	1 905 287
	18 275 621	16 658 903	9 240 404	7 531 074
Movement for the year				
Investment properties at the beginning of year	16 658 903	14 192 446	7 531 074	6 792 149
Acquisitions	-	502 604	-	495 000
Disposal	-	(5 000)	-	-
Acquired through business combinations (refer note 34)	4 547 772	2 081 868	-	-
Disposed of on disposal of subsidiary	(4 380 096)	-	-	-
Change in fair value	846 685	1 207 791	582 888	1 102 344
Effect of translation	(615 074)	(395 200)	-	-
Tenant incentives within receivables	-	5 034	-	-
Transferred from/(to) non-current assets held for sale	944 009	(1 156 698)	997 498	(997 498)
Straight line rental income accrual	93 058	25 786	66 840	30 125
Borrowing costs capitalised	-	23 911	-	7 778
Capital expenditure, tenant installations and lease commissions	180 364	176 361	62 103	101 176
- Capitalised	187 295	184 150	64 409	104 771
- Amortised	(6 931)	(7 789)	(2 305)	(3 595)
Balance at the end of the year	18 275 621	16 658 903	9 240 404	7 531 074
Reconciliation to independent valuation				
Investment properties at valuation	18 275 621	16 658 903	9 240 404	7 531 074
Straight line lease accrual	332 869	337 169	149 586	216 426
	18 608 491	16 996 072	9 389 990	7 747 500

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

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

3.1. Investment property valuation

Valuation process

In terms of company policy, the portfolio is valued annually by independent valuers. More than one independent valuer may be used to provide the valuation. As at 31 August, all properties are reflected at fair value. The portfolio was valued at R18,608 billion (2016: R16,996 billion) for the group and R9,390 billion (2016: R7,747 billion) for the company at 31 August 2017.

Valuer and qualifications

Mills Fitchet, led by Mike Gibbons, was responsible for the valuation of the South African retail portfolio. LDM, led by Mr Wayne Tweedle, was responsible for the valuation of the South African office and industrial properties. Both valuers are registered valuers in terms of Section 19 of the Property Valuers Professional Act (Act No 47 of 2000).

The valuers work independently of each other and their valuations are combined to arrive at the value of the full portfolio.

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

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

The valuations were based on the discounted cash flow methodology applying appropriate capitalisation rates of between 6% to 11% to the properties resulting in an average capitalisation rate of 8,2%.

As at 31 August 2017, investment properties and related information have been ranked as per the fair value hierarchy set out in note 32.

Capital commitments are set out in note 27.

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

3.2. Investment property pledged as security

Investment property valued at R18,487 billion (including investment property held for sale) has been pledged as security for facilities of R9,275 billion from Nedbank Corporate (a division of Nedbank Limited), Investec Bank Limited and Standard Bank Limited.

3.3. Sensitivity Analysis

Changes to the rates attributable to changes in market conditions can have a significant impact on property valuations. A 50 basis point increase in the capitalisation rate will decrease the value of the investment property by R1,044 billion. A 50 basis point decrease in the capitalisation rate will increase the value of the investment property by R1,175 billion.

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

4. Straight line rental income accrual

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Balance at the beginning of the year	337 169	362 955	216 426	246 551
Movement for the year	(93 058)	(25 786)	(66 840)	(30 125)
Acquired through business combination	88 758	-	-	-
Balance at the end of the year	332 869	337 169	149 586	216 426

5. Investment properties held for sale

Balance at the beginning of the year	1 156 698	-	997 498	-
Transfer from/(to) Investment property	(944 009)	1 156 698	(997 498)	997 498
Balance at the end of the year	212 689	1 156 698	-	997 498

Subject to certain conditions precedent, management concluded agreements of sale to dispose the followings properties:

238 Roan Crescent; and

Island Centre

Island Centre was transferred on 1 September 2017 and 238 Roan Crescent is expected to transfer within the next 12 months. These properties are held at the sale value of R212 million which is believed to equate fair market value. The disposals are part of the Rebasis long-term strategy to become a more retail focused fund.

During the prior financial year the following assets were subject to an agreement of sale. The sale agreements were cancelled during the current financial year, and accordingly transferred back to investment property.

28 Harisson (Rebasis);

124 Main (Rebasis);

64 Eloff (Rebasis);

Antalis (Rebasis);

Nedbank building (Ascension);

Matrix (Ascension); and

Bergstan (Ascension).

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

6. Loans to/(from) group companies

Loans to group companies	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Subsidiaries				
Clyroplex Proprietary Limited	-	-	153 042	264 407
Delficraft Proprietary Limited	-	-	152 442	278 051
Delfiflo Proprietary Limited	-	-	152 442	278 051
Delfisat Proprietary Limited	-	-	152 442	278 051
Delfiwiz Proprietary Limited	-	-	152 442	278 051
Delfitime Proprietary Limited	-	-	151 653	275 339
Lesasign Proprietary Limited	-	-	152 442	278 051
Dalolex Proprietary Limited	-	-	8 510	8 000
Ascension Properties Limited	-	-	8 000	8 000
Baywest City Proprietary Limited	-	-	102 560	-
Billion Property Developments Proprietary Limited	-	-	222 658	-
Billion Asset Managers Proprietary Limited	-	-	9 886	-
Billion Property Services Proprietary Limited	-	-	(6 014)	-
	-	-	1 412 505	1 946 001
Movement in loans to group companies:				
Balance at beginning of year	-	-	1 946 001	1 179 999
Loans (repaid)/advanced	-	-	(533 496)	766 002
Balance at end of year	-	-	1 412 505	1 946 001

The loans are unsecured, bear no interest and are repayable by mutual consent, with payments not expected within 12 months. The carrying value of the loans are considered to approximate fair value as all distributable income earned by the subsidiaries are distributed to the holding company by way of dividends/distributions in lieu of interest income.

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

7. Investment in subsidiaries

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Clyroplex Proprietary Limited *	-	-	3 220	101 827
Delficraft Proprietary Limited *	-	-	4 203	108 200
Delfiflo Proprietary Limited *	-	-	4 203	108 200
Delfisat Proprietary Limited *	-	-	4 203	108 200
Delfiwiz Proprietary Limited *	-	-	4 200	108 197
Delfitime Proprietary Limited *	-	-	4 940	108 208
Lesasign Proprietary Limited *	-	-	4 203	108 200
Ascension Properties Limited	-	-	2 590 795	1 138 237
Ascension Property Management Company Proprietary Limited **	-	-	182 413	187 517
Dalolex Proprietary Limited*	-	-	-	-
Baywest City Proprietary Limited***	-	-	995 740	-
Billion Property Developments *** Proprietary Limited	-	-	521 341	-
Billion Asset Managers Proprietary Limited **	-	-	370 929	-
Billion Property Services Proprietary Limited **	-	-	215 450	-
	-	-	4 905 841	2 076 785
Movement in investment in subsidiaries				
Balance at beginning of year	-	-	2 076 785	1 643 730
Additional investments	-	-	3 556 080	882
Fair value (decrease)/increase in investments	-	-	(727 024)	432 173
Balance at end of year	-	-	4 905 841	2 076 785

The investments in subsidiaries are carried at fair value.

All subsidiaries are wholly owned and Ascension Properties Limited were held 59% in 2016.

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

** The fair value of the asset and property management companies is determined by discounting the expected free cash flows at a capitalisation rate of 9,58%.

*** The fair value of the unlisted subsidiaries is determined in relation to the net assets acquired which consists mainly of investment property at fair value.

Refer to note 35 for details of the group companies.

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

8. Investment in listed securities

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
New Frontier Properties Limited	1 044 979	-	-	-
	1 044 979	-	-	-
Movement in investment in listed securities:				
Balance at beginning of year	-	-	-	-
Investment in Associate due to loss of control	1 044 979	-	-	-
Balance at end of year	1 044 979	-	-	-

On 31 August 2017, Rebois reduced its interest in New Frontier Properties Limited ("New Frontier") from 67.6% to 37.7% by disposing of 45 679 653 New Frontier shares to a B-BBEE consortium and became an associate on this date. N Gugushe and H.H Bubu lead the consortium.

Summarised statement of financial position*

	Group	
	Aug 2017 GBP '000	Aug 2016 GBP'000
Non-current assets	264 817	272 607
Current assets	11 601	9 485
Total equity	99 760	108 747
Non-current liabilities	159 412	168 549
Current liabilities	17 246	4 796

Summarised statement of profit or loss and other comprehensive income*

Rental income	19 279	20 663
Profit before finance costs	6 005	4 898
Net finance costs	(5 847)	(5 707)
Profit/(loss) before income tax	158	(809)
Taxation	84	52
Profit/(loss) for the year	242	(757)

* The information was extracted from New Frontiers' audited consolidated financial statements for the year ended 31 August 2017.

The Company has been established in Mauritius as a public company limited by shares holding a Category 1 Global Business Licence. The Company has primary listings on the Stock Exchange of Mauritius Ltd ("SEM") and the Alternative Exchange ("AltX") of the Johannesburg Stock Exchange ("JSE"). The primary objective of the Company is to acquire good quality, income-generating retail and logistics/warehouse property assets in the United Kingdom ("UK") and mainland Europe.

The Company's property investments are held by a number of wholly-owned subsidiaries.

9. Loans to related companies

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
New Frontier Properties Limited	70 699	-	70 699	-
Movement in loans to related companies:				
Balance at beginning of year	-	-	-	-
Loans advanced	70 041	-	70 041	-
Interest earned on loan	658	-	658	-
Balance at end of year	70 699	-	70 699	-

On 4 August 2017, Rebois advanced a compulsory convertible loan to New Frontier. The loan bears interest at prime plus 2% and is convertible to shares within the next 12 months.

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

10. Other financial assets

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
B-BBEE vendor loan Billion Group Proprietary Limited – adjustment account	989 794	-	989 794	-
Jiraserve Proprietary Limited – charitable trust	286 013	-	-	-
	160 453	-	-	-
	1 436 260	-	989 794	-
Short term portion of other financial assets	286 013	-	-	-
Long term portion of other financial assets	1 150 247	-	989 794	-
	1 436 260	-	989 794	-
Movement in other financial assets:				
Balance at beginning of year	-	-	-	-
Loans advanced	1 062 409	-	917 409	-
Interest earned on loans	58 240	-	54 037	-
Billion Group Proprietary Limited – adjustment account	286 013	-	-	-
Structuring fee capitalised	29 598	-	18 348	-
Balance at end of year	1 436 260	-	989 794	-

On 1 March 2017, Rebosis advanced a vendor loan to a B-BBEE consortium at a rate of prime plus 1%. The loan is for a period of 5 years and can be extended for a further 5 years by mutual consent. A structuring fee of 1% was earned on the vendor loan.

During the financial period Rebosis advanced a loan to a charitable trust at a rate of prime plus 2%. The purpose of the trust is to uplift communities by investing in the communities surrounding our malls. The interest on the loan is payable quarterly in arrears. A structuring fee of 4% was earned on the loan provided.

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

11. Goodwill

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Goodwill arising on business combination	676 412	315 906	95 703	95 703
Movement in goodwill:				
Balance at beginning of year	315 906	331 775	95 703	95 703
Cost	315 906	331 775	95 703	95 703
Accumulated impairment	-	-	-	-
Acquisition of businesses (refer note 34)	580 709	-	-	-
Disposal of interest in businesses (refer note 37)	(194 076)	-	-	-
Effect of translation	(26 127)	(15 869)	-	-
Balance at end of year	676 412	315 906	95 703	95 703
Cost	676 412	315 906	95 703	95 703
Accumulated impairment	-	-	-	-

Goodwill acquired in a business combination is allocated at acquisition to the cash generating units that are expected to benefit from the business combination. Goodwill is tested annually for impairment by comparing the carrying amount to the value in use. The cash flows used in the value in use calculation was the forecast cash flows for the following financial year capitalised at the following rates:

- 9,6% (2016: 7,98%) for Ascension Properties Management Company Proprietary Limited cash generating unit ("Ascension CGU");
- 10,5% for Billion Asset Management Proprietary Limited Cash generating unit ("BAM CGU");
- 10,5% for Billion Property Services Proprietary Limited Cash generating unit ("BPS CGU"); and
- Nil (2016: 5,29%) for the New Frontier cash Generating unit ("New Frontier CGU").

Ascension CGU*	95 703	95 703	95 703	95 703
BAM CGU	367 712	-	-	-
BPS CGU	212 997	-	-	-
New Frontier CGU**	-	220 203	-	-
	676 412	315 906	95 703	95 703

Management applied the following key assumptions in calculating the Ascension forecast dividend:

- Asset value of Ascension Properties Limited
- Goodwill for Ascension CGU

Management applied the following key assumptions in calculating the BAM forecast cash flow:

- Value of the enlarged Rebois fund
- Goodwill for BAM CGU

Management applied the following key assumptions in calculating the BPS forecast cash flow:

- Property management fees on the enlarged Rebois fund's rental income
- Collection rate of 95%
- Vacancy rates of 5%
- Average rental increases in respect of renewals of 6,5%
- Average increase in operating costs of 6%
- Goodwill for BPS CGU

Based on these calculations, no impairment is required.

*Referred to in the 2016 financial statements as "RSA CGU"

**Referred to in the 2016 financial statements as "UK CGU"

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

12. Derivative instruments

Instrument	Rate %	Nominal value		Maturity date	Group		Company	
		2017	2016		2017	2016	2017	2016
		R'000	R'000		R'000	R'000	R'000	R'000
Assets								
<i>Interest rate caps</i>		1 700 000	1 700 000		10 430	8 279	7 101	6 633
Rebasis	6.5	-	800 000	06 Feb 2017	-	3 648	-	3 648
Rebasis	6.5	-	400 000	29 May 2017	-	2 985	-	2 985
Rebasis	6.5	1 200 000	-	23 Apr 2019	7 101	-	7 101	-
Ascension	6.5	-	500 000	13 Jan 2017	-	1 664	-	-
Ascension	7.0	500 000	-	17 Feb 2020	3 329	-	-	-
<i>Long term cancelable interest rate swaps</i>								
		900 000	1 572 500		972	10 759	972	10 759
Rebasis	7.6	-	125 000	29 May 2019	-	780	-	780
Rebasis	7.2	-	125 000	06 Jun 2017	-	381	-	381
Rebasis	7.3	-	122 500	15 Aug 2018	-	917	-	917
Rebasis	7.2	-	300 000	28 Aug 2017	-	1 220	-	1 220
Rebasis	8.4	-	410 000	14 Aug 2020	-	(6 578)	-	(6 578)
Rebasis	6.9	900 000	900 000	19 Oct 2017	972	7 461	972	7 461
<i>Cross currency swaps</i>								
		541 667	499 998		98 269	81 860	98 269	81 860
Rebasis*	1.9	-	83 333	16 Mar 2017	-	13 588	-	13 588
Rebasis*	1.9	-	83 333	16 Sep 2016	-	14 088	-	14 088
Rebasis*	2.0	83 333	83 333	18 Sep 2017	23 502	13 803	23 502	13 803
Rebasis*	1.9	83 333	83 333	18 Mar 2019	24 987	13 385	24 987	13 385
Rebasis*	1.9	83 333	83 333	17 Sep 2018	24 489	13 368	24 489	13 368
Rebasis*	1.9	83 333	83 333	16 Mar 2018	23 955	13 628	23 955	13 628
Rebasis#	0.8	41 667	-	23 Oct 2017	387	-	387	-
Rebasis#	0.9	41 667	-	23 Apr 2018	316	-	316	-
Rebasis#	0.9	41 667	-	22 Oct 2018	276	-	276	-
Rebasis#	1.0	41 667	-	23 Apr 2019	224	-	224	-
Rebasis#	1.0	41 667	-	21 Oct 2019	132	-	132	-
Total assets		3 141 667	3 772 498		109 671	100 915	106 341	99 252
Less: current assets		(1 066 667)	(1 791 666)		(49 131)	(23 486)	(49 131)	(21 822)
Non-current assets		2 075 000	1 980 832		60 540	77 429	57 210	77 430

* The cross currency instruments receive interest in ZAR at a rate of 9.25% and pay interest in Sterling at rates indicated above

the cross currency instruments receive interest in ZAR at a rate of 7.3% and pay interest in Sterling at the rates indicated above.

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

12. Derivative instruments (Continued)

Instrument	Rate %	Nominal value		Maturity date	Group		Company	
		2017 R'000	2016 R'000		2017 R'000	2016 R'000	2017 R'000	2016 R'000
Liabilities								
<i>Long term cancelable interest rate swaps</i>		4 857 500	3 773 883		(92 005)	(124 699)	(64 363)	(6 578)
Rebosis	7.3	122 500	-	15 Aug 2018	(611)	-	(611)	-
Rebosis	7.5	125 000	-	29 May 2019	(1 802)	-	(1 802)	-
Rebosis	7.4	1 000 000	-	29 Mar 2019	(9 911)	-	(9 911)	-
Rebosis	7.4	2 000 000	-	30 Mar 2020	(33 347)	-	(33 347)	-
New Frontier		-	2 663 883	7 Mar 2020	-	(107 051)	-	-
Rebosis	8.4	410 000	410 000	14 Apr 2020	(16 461)	(6 578)	(16 461)	(6 578)
Ascension	8.4	700 000	700 000	14 Apr 2020	(27 641)	(11 069)	-	-
Rebosis	6.9	500 000	-	28 July 2020	(2 231)	-	(2 231)	-
<i>Cross currency swaps</i>		208 333	-		(1 494)	-	(1 494)	-
Rebosis*	2.6	166 667	-	18 Jul 2018	(1 445)	-	(1 445)	-
Rebosis#	1.0	41 667	-	21 Apr 2020	(48)	-	(48)	-
Total liabilities		5 065 833	3 773 883		(93 499)	(124 699)	(65 857)	(6 578)
Less: current liabilities		(289 167)	-		2 057	-	2 057	-
Non-current liabilities		4 776 666	3 773 833		(91 442)	(124 699)	(63 800)	(6 578)

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

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

* The cross currency instruments receive interest in ZAR at a rate of 9.25% and pay interest in Sterling at rates indicated above

the cross currency instruments receive interest in ZAR at a rate of 7.3% and pay interest in Sterling at the rates indicated above.

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

13. Property, plant and equipment

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Computer equipment	282	-	182	-
Cost	3 304	263	195	263
Accumulated depreciation	(3 022)	(263)	(13)	(263)
Computer software	570	-	565	-
Cost	1 668	8	565	8
Accumulated depreciation	(1 098)	(8)	-	(8)
Furniture, fittings and equipment	4 337	425	29	59
Cost	7 753	1 581	1 142	1 138
Accumulated depreciation	(3 416)	(1 156)	(1 113)	(1 079)
Motor vehicles	545	155	77	155
Cost	1 825	393	393	393
Accumulated depreciation	(1 280)	(238)	(316)	(238)
	5 735	580	854	214
Movement for the year:				
Balance at beginning of year	580	508	214	427
Acquisitions	7 382	425	764	-
Computer equipment	212	-	195	-
Computer software	565	-	565	-
Furniture, fittings and equipment	1 094	425	4	-
Arising from business combination (refer note 34)	5 511	-	-	-
Depreciation	(2 186)	(241)	(124)	(213)
Computer equipment	(793)	(18)	(13)	(18)
Computer software	(7)	(4)	-	(4)
Furniture, fittings and equipment	(1 022)	(63)	(33)	(36)
Motor vehicles	(364)	(156)	(78)	(155)
Effect of translation	-	(46)	-	-
Re-classified to building improvements	(42)	(66)	-	-
	5 735	580	854	214

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

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

14. Trade and other receivables

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Trade receivables	188 086	138 585	90 425	81 855
Allowance for doubtful debts	(21 330)	(14 682)	(2 854)	(11 593)
	166 756	123 903	87 271	70 262
Accrued recoveries	70 096	42 095	9 081	10 856
Asset management fee accrued	-	4 837	1 302	8 103
Municipal deposits	6 254	4 114	3 023	2 514
Prepayments	5 304	3 165	1 510	760
Interest receivable - Cross currency swap	27 690	25 588	26 687	25 588
Sundry receivables and accrued income*	100 379	105 531	62 857	7 455
	376 479	309 233	192 032	125 538

* Sundry receivables and accrued income include VAT, taxes refundable (foreign), rent stabilisation and capital contributions/lease incentives

Movement in allowance for doubtful debts

Balance at beginning of the year	14 682	10 488	11 593	8 735
Increase in allowance	6 648	5 468	(8 739)	4 132
Receivables written off during the year	-	(1 274)	-	(1 274)
	21 330	14 682	2 854	11 593

Ageing of receivables past due but not impaired

30 days	36 200	15 764	24 532	6 049
60 days	20 741	8 398	9 364	2 060
90 days	9 237	17 065	3 102	1 497
120+ days	98 379	19 108	32 924	19 108
Total	164 557	60 335	69 923	28 714

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of tenant credit risk, including underlying tenants' credit ratings if they are available. Where required, a deposit in the form of cash or bank guarantee is obtained from the tenant in terms of Reboasis' deposit policy. There are no significant trade receivables that are doubtful that have not been provided for as doubtful debts or written off.

Ageing of impaired receivables

Current	-	111	-	40
30 days	-	592	-	47
60 days	-	68	-	68
90 days	53	43	17	43
120+ days	21 277	13 868	2 837	11 395
Total	21 330	14 682	2 854	11 593

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

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

15. Cash and cash equivalents

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
For purposes of the statement of cash flows, cash and cash equivalents comprise:				
Bank balances	104 640	229 079	35 278	131 358

Cash is invested with reputable banks.

16. Stated capital

Authorised				
5 000 000 000 ordinary no par value shares				
70 000 000 A ordinary no par value shares				
Issued				
642 316 328 (2016: 530 178 149) ordinary shares	6 871 900	5 590 410	6 897 032	5 615 055
63 266 012 (2016: nil) A ordinary shares	1 592 627	-	1 592 627	-
	8 464 527	5 590 410	8 489 660	5 615 055
Movement for the year				
Balance at the beginning of the year	5 590 410	5 219 879	5 615 055	5 219 879
Shares issued during the year	2 875 573	406 890	2 875 561	406 890
Share issue expenses	(956)	(685)	(956)	(685)
Shares bought back	-	(11 029)	-	(11 029)
Treasury shares	(500)	(24 645)	-	-
Balance at the end of the year	8 464 527	5 590 410	8 489 660	5 615 055
Reconciliation of number of ordinary shares in issue:				
Balance at the beginning of the year			530 178 149	493 363 078
Shares issued in the year			112 138 179	38 417 684
Share bought back			-	(1 602 613)
Balance at the end of the year			642 316 328	530 178 149
Reconciliation of number of A ordinary shares in issue:				
Balance at the beginning of the year			-	-
Shares issued in the year			63 266 012	-
Balance at the end of the year			63 266 012	-

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

During the year rebosis concluded an agreement to acquire all the Ascension A ordinary shares that it did not already own in exchange for Rebois A ordinary shares via a scheme of arrangement. The Rebois A ordinary shares effectively mirror the terms of the Ascension A ordinary share. No distribution shall be paid to Rebois ordinary shareholder unless the Rebois A ordinary shares have been paid their distributions.

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

17. Interest bearing borrowings

Interest rate	Maturity	Group		Company	
		2017 R'000	2016 R'000	2017 R'000	2016 R'000
Nedbank Corporate (a division of Nedbank Limited)					
1 month JIBAR plus 1,99%	7 Dec 2018	147 331	147 741	147 331	147 741
1 month JIBAR plus 1,90%	7 Mar 2018	249 058	247 500	249 058	247 500
3 month JIBAR plus 1,90%	7 Mar 2018	177 481	175 000	177 481	175 000
3 month JIBAR plus 1,72%	7 Mar 2018	371 180	363 418	371 180	363 418
3 month JIBAR plus 1,73%	7 Mar 2018	1 151 305	1 135 500	1 151 305	1 135 500
3 month JIBAR plus 2,47%	20 Oct 2021	1 522 983	-	-	-
3 month JIBAR plus 2,47%	20 Oct 2021	1 228 964	-	-	-
3 month JIBAR plus 1,72%	7 Dec 2017	202 776	200 000	202 776	200 000
3 month JIBAR plus 2,10%	7 Mar 2018	931 016	-	931 016	-
Prime minus 0,85%	23 Apr 2018	45 104	45 107	-	-
3 month JIBAR plus 2,34%	1 May 2018	150 949	150 000	150 949	150 000
1 month JIBAR plus 2,04%	28 Jun 2018	50 389	50 558	-	-
1 month JIBAR plus 2,04%	16 Jul 2018	26 344	26 421	-	-
1 month JIBAR plus 2,04%	30 Aug 2018	34 334	34 195	-	-
1 month JIBAR plus 2,04%	31 Aug 2018	26 087	25 983	-	-
1 month JIBAR plus 2,04%	12 Sep 2018	151 666	151 114	-	-
1 month JIBAR plus 1,80%	7 Feb 2019	152 646	151 700	152 646	151 700
Prime minus 1,50%	7 Mar 2019	152 979	152 968	-	-
3 month JIBAR plus 1,83%	7 Jun 2019	202 358	201 100	202 358	201 100
1 month JIBAR plus 1,79%	18 Feb 2019	150 948	150 000	150 948	150 000
3 month JIBAR plus 2,36%	7 Mar 2020	123 447	120 685	123 447	120 685
3 month JIBAR plus 2,36%	7 May 2020	350 169	347 885	350 169	347 885
3 month JIBAR plus 2,36%	7 Aug 2020	25 258	24 917	25 258	24 917
3 month JIBAR plus 2,36%	7 Aug 2020	479 928	480 000	479 928	480 000
3 month JIBAR plus 2,36%	7 Aug 2020	262 679	260 000	262 679	260 000
1 month JIBAR plus 2,04%	23 Nov 2020	54 611	-	-	-
		8 421 990	4 641 792	5 128 529	4 155 446
DMTN Programme					
3 month JIBAR plus 1,05%	17 Nov 2017	10 000	-	10 000	-
3 month JIBAR plus 1,25%	21 Nov 2016	-	100 000	-	100 000
3 month JIBAR plus 1,85%	21 May 2018	130 450	130 000	130 450	130 000
3 month JIBAR plus 1,85%	21 May 2018	100 874	100 874	100 874	100 874
3 month JIBAR plus 2,00%	21 May 2018	100 000	100 000	100 000	100 000
		341 324	430 874	341 324	430 874
Investec Private Bank Limited					
Prime less 0,75%	13 Mar 2018	532 503	552 971	-	-
Standard Bank of South Africa					
Prime less 1,50%	30 Apr 2018	276 479	160 039	-	-
Prime less 1,50%	31 Aug 2018	276 479	392 920	-	-
		552 958	552 962	-	-

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

Interest rate	Maturity	Group		Company	
		2017 R'000	2016 R'000	2017 R'000	2016 R'000
ABSA Bank Limited					
Prime	7 Mar 2020	592	-	-	-
HSBC Bank Plc					
3 month LIBOR plus 1.70%	7 Mar 2020	-	1 996 482	-	-
Deutsche Pfandbriefbank AG					
3 month LIBOR plus 2.20%	28 Jul 2020	-	1 138 395	-	-
Total debt		9 849 367	9 313 477	5 469 851	4 586 320
Less: deferred finance costs		(17 187)	(37 790)	(2 215)	(8 806)
Balance at the beginning of the year		(37 790)	(30 503)	(8 806)	(3 318)
Settled/Incurred during the year		6 544	(17 341)	(241)	(12 265)
Effect of translation		3 314	2 212	-	-
Amortisation for the year		10 747	7 843	6 832	6 777
		9 832 179	9 275 687	5 467 637	4 577 514
Less: short term portion		(4 858 196)	(1 223 203)	(3 590 476)	(670 241)
Non-current portion		4 973 983	8 052 484	1 877 160	3 907 273

Nedbank Corporate (a division of Nedbank Limited)

The weighted average rate of interest for the Nedbank facilities are 9.40% per annum (2016: 9.09%).

DMTN Programme

The weighted average rate of interest for the DMTN Programme is 9.27% per annum (2016: 9.10%).

Investec Private Bank Limited

The weighted average rate of interest for the Investec facilities are 9.50% per annum (2016: 9.75%).

Standard Bank of South Africa

The weighted average rate of interest for the Standard Bank facilities are 9.18% per annum (2016: 9.09%).

ABSA Bank Limited

The ABSA loan levies interest at prime (10.25%) and is repayable in 57 monthly instalments of R20 452 from 01 October 2015. The cleaning equipment serves as security for the loan.

HSBC Bank Plc

The weighted average rate of interest for the HSBC facilities are 9.09% per annum (2016: 9.09%).

Deutsche Pfandbriefbank AG

The weighted average rate of interest for the Deutsche Pfandbriefbank facilities are 9.09% per annum (2016: 9.09%).

At year end, the group's unutilised loan facilities amounted to R28,9 million (company: R2,3 million), the gearing ratio was 50,2% (2016: 50,2%) (group: 35,6% (2016: 35,6%)) and the average all inclusive rate of interest for the year under review was 7,2% (2016: 7,2%) (company: 8,9% (2016: 8,9%)).

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

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

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

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

18. Deferred taxation

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Balance at beginning of year	-	524	-	-
Acquired through business combination	-	-	-	-
Charge for the period	-	(552)	-	-
Effects of translation	-	28	-	-

19. Trade and other payables

Income received in advance	28 806	33 282	21 074	21 383
Trade payables	31 155	62 765	13 854	3 015
Value added taxation	150 463	11 178	5 349	8 294
Asset, property and facility management fees	-	3 440	-	3 440
Tenant deposits	33 245	20 503	16 516	9 961
Accrued interest	-	37 222	-	37 222
Accrued expenses	50 315	75 957	23 178	12 694
	293 984	244 347	79 971	96 009

20. Operating income

Operating income includes the following charges:				
Amortisation of structuring fee	10 747	7 843	6 832	6 777
Asset management fees	-	54 188	44 162	33 588
Asset management fees received	(5 416)	-	-	-
Salaries	70 000	-	70 000	-
Loss/(profit) on sale of listed securities	(26 705)	60	(26 705)	-
Audit fees				
<i>Paid to external auditors</i>	1 607	6 688	820	699
For the attest function - current year	1 420	2 971	731	699
For other services	188	3 717	89	-
<i>Paid to internal auditors – Current year</i>	453	240	453	240
Depreciation	2 186	241	124	213
Property management fees paid	-	30 327	25 298	22 084
Property management fees received	(2 927)	-	-	-

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

21 Directors' emoluments

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
SM Ngebulana	6 410	6 451	5 733	5 856
Salary and allowances	4 037	3 496	4 037	3 496
Other benefits and payments	431	257	431	257
Performance bonus	1 265	2 103	1 265	2 103
Paid by subsidiary				
For services as Director of Ascension Properties Limited	218	145	-	-
For services as Director of New Frontier Properties Limited	460	450	-	-
K Keshav	2 714	4 385	2 300	3 007
Salary and allowances	1 343	1 724	1 343	1 724
Other benefits and payments	178	183	178	183
Performance bonus	779	1 100	779	1 100
Paid by subsidiary				
For services as Director of Ascension Properties Limited	-	635	-	-
For services as Director of New Frontier Properties Limited	414	743	-	-
M De Lange ²	1 434	-	1 356	-
Salary and allowances	1 188	-	1 188	-
Other benefits and payments	168	-	168	-
Paid by subsidiary				
For services as Director of New Frontier Properties Limited	78	-	-	-
AM Mazwai ³	1 924	-	1 413	-
Salary and allowances	1 304	-	1 304	-
Other benefits and payments	109	-	109	-
Paid by subsidiary				
For services as Director of New Frontier Properties Limited	511	-	-	-
	12 482	10 836	10 802	8 863

¹ Resigned effective 31 March 2017

² Appointed effective 01 March 2017

³ Appointment effective 08 February 2017

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

21 Directors' emoluments (Continued)

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Fees paid to non executive directors				
AM Mazwai ²	165	1 132	165	410
ATM Mokgokong	568	550	568	550
J Odendaal	284	205	284	205
KL Reynolds ¹	-	225	-	225
NV Qangule	365	325	365	325
TSM Seopa	422	435	422	435
MM Mdlolo ³	149	-	149	-
F Froneman ⁴	160	-	160	-
	2 113	2 872	2 113	2 150

¹ Resigned effective 13 April 2016

² Appointed executive 08 February 2017

³ Appointed 08 February 2017

⁴ Appointed 08 February 2017

22. Changes in fair values

Unrealised gain on revaluation of investment property	978 785	1 393 527	438 145	1 102 344
Investment in subsidiaries	-	-	(727 024)	432 173
Straight line rental income accrual	93 058	25 786	66 840	30 125
Derivative instruments	98 894	69 114	72 367	82 487
	1 170 737	1 488 427	(149 663)	1 647 129

23. Net finance charges

Interest paid - secured financial liabilities	832 442	508 246	403 266	365 181
Debt restructuring fee	12 701	1 067	8 282	-
Capitalised borrowing cost	-	(23 911)	-	(7 778)
Interest received - bank	(28 802)	(44 750)	(25 609)	(42 792)
Interest received - vendor loan	(54 037)	-	(54 037)	-
Interest received - charitable trust	(4 203)	-	-	-
	758 101	440 652	331 901	314 611

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

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

24. Taxation

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

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Current (foreign)	-	(764)	-	-
Underprovision in prior year (foreign)	-	212	-	-
Deferred (foreign)	-	(552)	-	-
	-	(1 104)	-	-

No provision for normal taxation has been made as the company has an estimated loss for tax purposes of R33,1 million (2016: R33,1 million).

No deferred taxation asset has been raised on the estimated tax loss as the company does not expect to have taxable income in the foreseeable future as all profits are distributed to shareholders.

25 Note to the statement of cash flows

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Cash generated by operations				
Profit before taxation	2 637 434	1 873 083	511 796	2 142 073
Adjusted for				
Non cash items	(1 736 380)	(1 145 990)	227 763	(1 606 419)
Changes in fair values	(1 038 637)	(1 183 454)	149 663	(1 647 129)
Straight line rental income accrual	93 058	25 786	66 840	30 125
Depreciation	2 151	240	120	213
Tenant installation amortisation	6 973	1 700	2 858	1 700
Gain on bargain purchase	(237 121)	-	-	-
Amortisation of structuring fee	19 355	7 843	8 282	6 777
Profit on loss of control	(608 864)	-	-	-
Loss on disposal of listed securities	26 705	-	-	-
Net finance charges (excluding amortisation of structuring fee)	838 101	554 021	323 619	307 834
Dividend Income	-	-	(288 075)	-
Operating profit before working capital changes	1 739 155	1 281 114	775 104	843 488
Working capital changes	(143 003)	(93 880)	(82 530)	(57 021)
Trade and other receivables	(212 638)	(146 860)	(66 494)	(67 919)
Trade and other payables	69 635	52 980	(16 035)	10 898
Cash generated from operations	1 596 152	1 187 234	692 574	786 468

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

26. Earnings and headline earnings

	Group	
	2017	2016
Number of REA shares in issue at year end	63 266 012	-
Weighted average number of REA shares in issue used for the calculation of earnings and headline earnings per share	22 730 376	-
Number of REB shares in issue at year end	642 316 328	530 178 149
Weighted average number of shares in issue used for the calculation of earnings and headline earnings per share	603 010 544	517 765 320
CONTINUING OPERATIONS	R'000	R'000
Profit attributable to ordinary equity holders of the parent entity	2 081 813	1 798 270
<i>Adjusted for:</i>		
Change in fair value of investment properties	(1 269 631)	(1 148 887)
Loss on disposal of securities	26 705	-
Gain on bargain purchase	(237 121)	-
Headline profit attributable to shareholders	601 766	558 059
Basic and diluted earnings per REA share (cents)	681.42	-
Basic and diluted earnings per REB share (cents)	319.96	347.31
Basic and diluted headline earnings per REA share (cents)	681.42	-
Basic and diluted headline earnings per REB share (cents)	74.51	107.78
DISCONTINUING OPERATIONS		
Profit attributable to ordinary equity holders of the parent entity	439 936	(91 324)
<i>Adjusted for:</i>		
Change in fair value of investment properties	115 576	125 353
Profit on loss of control	(608 864)	-
Headline profit attributable to shareholders	(53 352)	34 030
Basic and diluted earnings per REB share (cents)	72.96	17.64
Basic and diluted headline earnings per REB share (cents)	(8.85)	6.57
TOTAL OPERATIONS		
Profit attributable to equity holders of the parent entity	2 521 749	1 706 946
<i>Adjusted for:</i>		
Change in fair value of investment properties	(1 154 055)	(1 023 534)
Profit/Loss on disposal of listed securities	(582 159)	-
Gain on bargain purchase	(237 121)	-
Headline earnings attributable to shareholders	548 414	683 412
Basic and diluted earnings per REA share (cents)	681.42	-
Basic and diluted earnings per REB share (cents)	392.91	300.23
Basic and diluted headline earnings per REA share (cents)	681.42	-
Basic and diluted headline earnings per REB share (cents)	65.67	102.55

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

27. Commitments

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
27.1 Capital commitments				
Capital improvements in respect of investment properties				
- Approved and committed	143 272	34 847	66 200	5 625
- Approved not yet committed	54 232	20 700	54 232	20 700
	197 504	55 547	120 432	26 325
27.2 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	32 046	24 651	18 506	17 215
- Due two to five years	40 914	31 472	15 019	14 768
	72 960	56 123	33 525	31 983
27.3 Operating minimum lease payments				
Operating lease represents rental payable by the company for its office properties. No contingent rental is payable	2 017	2 016	2 017	2 016
- Payable within one year	1 253	-	1 090	-
- Payable two to five years	70	-	-	-
- Payable beyond five years	-	-	-	-
	1 323	-	1 090	-
28. Minimum lease payments receivable				
Minimum lease payments comprises contractual rental income from investment properties and operating lease recoveries due in terms of signed lease agreements				
- Receivable within one year	1 303 079	1 286 729	515 412	645 863
- Receivable two to five years	2 713 890	2 682 755	836 507	1 231 935
- Receivable beyond five years	431 014	2 273 645	126 444	233 496
	4 447 988	6 243 129	1 478 363	2 111 294

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

29. Related parties and related party transactions

Relationships

Subsidiaries

Billion Property Services Proprietary Limited
 Billion Assets Managers Proprietary Limited
 Ascension Property Management Company Proprietary Limited
 Ascension Properties Limited
 Dalolex Proprietary Limited
 Baywest City Proprietary Limited
 Billion Property Developments Proprietary Limited
 Clyroplex Proprietary Limited
 Delficraft Proprietary Limited
 Delfiflo Proprietary Limited
 Delfitime Proprietary Limited
 Delfiwiz Proprietary Limited
 Delfisat Proprietary Limited
 Lesassign Proprietary Limited

Associates

New Frontier Properties Limited

Related companies

Billion Group Proprietary Limited
 Nedbank Limited
 Mthatha Mall Proprietary Limited

Billion Group Proprietary Limited

Billion Group Proprietary Limited ("Billion Group"), a company owned by The Amatolo Family Trust, sold 100% of the share in Billion Property Developments Proprietary Limited, Baywest City Mall proprietary Limited, Billion Asset managers Proprietary Limited and Billion Property Services Proprietary Limited to Rebosis.

SM Ngebulana is a beneficiary of The Amatolo Family Trust which owns 6,3% of the shares in Rebosis.

Mthatha Mall Proprietary Limited

Mthatha Mall Proprietary Limited ("Mthatha Mall") is wholly owned by Billion Property Group Proprietary Limited ("BPG") who in turn is 100% held by Billion Group Proprietary Limited.

Billion Property Services provides property management services to Mthatha Mall.

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Loan accounts – owing (to) by related parties				
Billion Property Services Proprietary Limited	-	-	(6 014)	-
Billion Assets Managers Proprietary Limited	-	-	9 886	-
Ascension Properties Limited	-	-	8 000	-
Dalolex Proprietary Limited	-	-	8 510	-
Baywest City Proprietary Limited	-	-	102 560	-
Billion Property Developments Proprietary Limited	-	-	222 659	-
Clyroplex Proprietary Limited	-	-	153 042	-
Delficraft Proprietary Limited	-	-	152 442	-
Delfiflo Proprietary Limited	-	-	152 442	-
Delfitime Proprietary Limited	-	-	152 442	-
Delfiwiz Proprietary Limited	-	-	152 442	-
Delfisat Proprietary Limited	-	-	151 653	-
Lesassign Proprietary Limited	-	-	152 442	-
New Frontier Properties Limited	-	-	70 699	-

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

29. Related parties and related party transactions (continued)

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Amounts included in trade and other receivables				
Ascension Property Management Company Proprietary Limited	-	-	1 374	-
Billion Group Proprietary Limited	235	-	235	-
Mthatha Mall Proprietary Limited	5 416	-	-	-
Amounts included in trade and other payables				
Billion Asset Managers Proprietary Limited	-	3 440	1 374	3 440
Billion Group Proprietary Limited	578 542	17 963	465 365	-
Nedbank Limited	8 421 990	4 641 792	5 128 529	4 155 446
Related party transactions				
Interest received from related parties				
New Frontier Properties Limited	-	-	658	-
Administration fee received from related parties				
Billion Property Services Proprietary Limited	-	-	69 702	-
Billion Asset Managers Proprietary Limited	-	-	48 917	-
Ascension Property Management Company Proprietary Limited	-	-	17 464	16 609
Clyroplex Proprietary Limited	-	-	127	-
Delficraft Proprietary Limited	-	-	134	-
Delfiflo Proprietary Limited	-	-	134	-
Delfitime Proprietary Limited	-	-	133	-
Delfiwiz Proprietary Limited	-	-	134	-
Delfisat Proprietary Limited	-	-	134	-
Lesassign Proprietary Limited	-	-	134	-

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

29. Related parties and related party transactions (continued)

	Group		Company	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Administration fee paid to related parties				
Billion Property Services Proprietary Limited	-	-	6 464	-
Property management fee paid to related parties				
Billion Property Services Proprietary Limited	-	30 327	25 298	22 084
Leasing commission expense to related parties				
Billion Property Services Proprietary Limited	-	2 887	-	2 171
Asset management fee expense to related parties				
Billion Asset Managers Proprietary Limited	-	33 588	48 902	33 588
Rental warranty income Billion Group	85 631	--	-	-
Asset management fee received				
Mthatha Mall Proprietary Limited	5 416	-	-	-
Director emoluments to related parties				
Nedbank Limited (K Reynolds)	-	225	-	225

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

30. Financial risk management

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

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

	Financial assets		Financial liabilities		Total
	Loans and receivables	At fair value through profit or loss	At amortised cost	At fair value through profit or loss	
As at 31 August 2017	R'000	R'000	R'000	R'000	R'000
GROUP					
Financial assets					
Other financial assets	1 436 260	-	-	-	1 436 260
Derivative instruments	-	109 671	-	-	109 671
Trade and other receivables*	370 096	-	-	-	370 096
Cash and cash equivalents	104 640	-	-	-	104 640
Total financial assets	1 910 996	109 671	-	-	2 020 667
Financial liabilities					
Deferred payment liability	-	-	578 542	-	578 542
Interest-bearing borrowings	-	-	9 832 178	-	9 832 178
Derivative instruments	-	-	-	93 499	93 499
Trade and other payables**	-	-	112 745	-	112 745
Total financial liabilities	-	-	10 523 465	93 499	10 616 964
COMPANY					
Financial assets					
Other financial assets	989 794	-	-	-	989 794
Loan to related company	70 699	-	-	-	70 699
Investment in subsidiaries	-	4 905 841	-	-	4 905 841
Loan to group companies	1 412 505	-	-	-	1 412 505
Derivative instruments	-	106 341	-	-	106 341
Trade and other receivables	190 522	-	-	-	190 522
Cash and cash equivalents	35 278	-	-	-	35 278
Total financial assets	2 698 798	5 012 182	-	-	7 710 980
Financial liabilities					
Deferred Payment liability	-	-	115 365	-	115 365
Interest-bearing borrowings	-	-	5 467 637	-	5 467 637
Derivative instruments	-	-	-	65 857	65 857
Trade and other payables**	-	-	53 546	-	53 546
Total financial liabilities	-	-	5 636 548	65 857	5 702 405

* Excludes pre-payments/ VAT and tax receivable.

** Excludes income received in advance and VAT payable.

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

30. Financial risk management (Continued)

	Financial assets		Financial liabilities		Total
	Loans and receivables	At fair value through profit or loss	At amortised cost	At fair value through profit or loss	
As at 31 August 2016	R'000	R'000	R'000	R'000	R'000
GROUP					
Financial assets					
Derivative instruments	-	94 338	-	-	94 338
Trade and other receivables*	306 068	-	-	-	306 068
Cash and cash equivalents	229 079	-	-	-	229 079
Total financial assets	535 147	94 338	-	-	629 485
Financial liabilities					
Interest-bearing borrowings	-	-	9 275 687	-	9 275 687
Derivative instruments	-	-	-	118 120	118 120
Trade and other payables**	-	-	199 886	-	199 886
Total financial liabilities	-	-	9 475 573	118 120	9 593 693
COMPANY					
Financial assets					
Investment in subsidiaries	-	2 076 785	-	-	2 076 785
Loan to group companies	1 946 001	-	-	-	1 946 001
Derivative instruments	-	92 674	-	-	92 674
Trade and other receivables*	124 778	-	-	-	124 778
Cash and cash equivalents	131 358	-	-	-	131 358
Total financial assets	2 202 136	2 169 459	-	-	4 371 596
Financial liabilities					
Interest-bearing borrowings	-	-	4 577 514	-	4 577 514
Derivative instruments	-	-	-	-	-
Trade and other payables	-	-	66 333	-	66 333
Total financial liabilities	-	-	4 643 847	-	4 643 847

* Excludes prepayments

** Excludes VAT payable and income received in advance

Interest rate risk

The group manages its exposure to changes in interest rates by fixing interest rates by way of interest rate swap arrangements in respect of borrowings. At year end, interest rates in respect of 85.5% (2016: 69.4%)(group: 82.9% (2016:80.7%)) of borrowings were hedged in terms of interest rate swap, interest rate cap and cross currency arrangements.

The weighted average cost of borrowings for the company was 9.3% (2016: 8.9%) (group: 9.4% (2015: 9.1%).

An increase of 1% in the prime interest rate will result in an increased interest cost of R3.6 million(2016:R91.7million) (group:R3.6 million (2016:R110million) 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.

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

30. Financial risk management (Continued)

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:

	Weighted average effective interest rate	Less than one year	One to five years	More than five years	Total
As at 31 August 2017	%	R	R	R	R
GROUP					
Financial assets					
Other financial assets	11.4	286 013	1 150 267	-	1 436 260
Derivative instruments	7.5	49 131	60 540	-	60 540
Trade and other receivables		370 096	-	-	370 096
Cash and cash equivalents	5.15	104 640	-	-	104 640
Total financial assets		809 880	1 210 787	-	2 020 667
Financial liabilities					
Interest-bearing borrowings	9.40	4 858 196	4 973 983	-	9 832 178
Derivative instruments	7.5	2 057	91 442	-	93 499
Trade and other payables		114 715	-	-	114 715
Deferred payment liability	-	350 000	228 542	-	578 542
Total financial liabilities		5 324 968	5 293 967	-	10 618 934
Interest payments relating to interest bearing borrowings above		730 041	1 100 183	-	1 830 224
COMPANY					
Financial assets					
Other financial assets	11.3	-	989 794	-	989 794
Derivative instruments		49 131	57 210	-	106 341
Trade and other receivables		190 522	-	-	190 522
Cash and cash equivalents	5.15	35 278	-	-	35 278
Total financial assets		225 800	1 047 004	-	1 321 935
Financial liabilities					
Deferred payment liability	-	350 000	228 542	-	578 542
Interest bearing borrowings	9.30	3 590 476	1 877 160	-	5 467 637
Trade and other payables		53 546	-	-	53 546
Total financial liabilities		3 994 022	2 105 702	-	6 099 725
Interest payments relating to interest bearing borrowings above		348 992	276 573	-	625 565

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

30. Financial risk management (Continued)

As at 31 August 2016	Weighted average effective interest rate %	Less than one year R	One to five years R	More than five years R	Total R
GROUP					
Financial assets					
Derivative instruments		21 822	70 853	-	70 853
Trade and other receivables		306 068	-	-	306 068
Cash and cash equivalents	5.40	229 079	-	-	229 079
Total financial assets		556 969	70 853	-	672 821
Financial liabilities					
Interest bearing borrowings	9.10	1 223 203	8 052 484	-	9 275 687
Derivative instruments		-	118 120	-	118 120
Trade and other payables		199 886	-	-	199 886
Total financial liabilities		1 423 090	8 170 604	-	9 593 694
Interest payments relating to interest bearing borrowings above		637 444	706 756	-	1 344 200
COMPANY					
Financial assets					
Loan to group companies		-	1 946 001	-	1 946 001
Derivative instruments		-	70 853	-	70 853
Trade and other receivables		124 778	-	-	124 778
Cash and cash equivalents	5.40	131 358	-	-	131 358
Total financial assets		256 136	2 016 854	-	2 272 989
Financial liabilities					
Interest bearing borrowings	8.90	670 241	3 907 273	-	4 577 514
Trade and other payables		66 333	-	-	66 333
Total financial liabilities		736 574	3 907 273	-	4 643 847
Interest payments relating to interest bearing borrowings above		391 219	446 766	-	837 985

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 2017 of R21,3 million (2016: R14,6 million) (company: R2,9 million (2016: R11,6 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.

The credit risk in respect of loans receivables is generally mitigated by agreements with the counterparty. These agreements include claims which provide legal protection to Rebois which are common to such agreements.

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

30. Financial risk management (Continued)

Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates will affect the company's income or the fair value of its holdings of financial instruments. This is currently rated as moderate risk due to the strength of the pound (GBP) against the Rand. Currency exchange contracts are used to manage the exposure to foreign exchange rate risks for the group.

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

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

The group continuously assesses foreign currency exposure and if required it will take out adequate cover to mitigate the risk.

31. Capital management

The company's borrowings, are limited to 50% of the valuation of the assets in terms of the existing debt covenants and to 65% in terms of the Memorandum of incorporation of the company. The company uses loan-to-value, calculated in terms of the REIT best practice recommendations to measure the available borrowing capacity. Loan-to-value is calculated by dividing net debt by the total property assets.

As at 31 August 2017, the unutilised borrowing capacity of the company was as follows:

	GROUP	
	2017 R'000	2016 R'000
Net debt	9 727 538	9 046 608
Interest bearing borrowing (excluding derivatives)	9 832 178	9 275 687
Less: cash and cash equivalents	(104 640)	(229 079)
Property assets	21 373 116	18 152 770
Investment property	18 608 490	16 996 072
Listed REIT securities	1 044 979	-
Investment property held for sale	212 689	1 156 698
Loans receivable	1 436 259	-
Loans to related companies	70 699	-
Loan-to-value	45.5%	49.8%
Available borrowing capacity	959 020	29 777

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

32 Fair value hierarchy

The different levels have been defined as:

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

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

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

The table below analyses financial instruments measured at fair value by the level into which the fair value measurement is categorised. Refer to note 1.14.3 for the fair value estimation techniques used.

GROUP	Assets carried at fair value through profit and loss			
	Level 1	Level 2	level 3	
Assets	R000	R000	R000	R000
31 August 2017				
RECURRING				
Investment property	18 608 490			18 608 490
Derivative instruments	109 671	109 671		
NON-RECURRING				
Investment properties held for sale	212 689			212 689
31 August 2016				
RECURRING				
Investment property	16 996 072			16 996 072
Derivative instruments	94 338	94 338		
NON-RECURRING				
Investment properties held for sale	1 156 698			1 156 698
GROUP	Liabilities designated at fair value through profit and loss			
	Level 1	Level 2	level 3	
Liabilities	R000	R000	R000	R000
RECURRING				
31 August 2017				
Derivative instruments	93 499	93 499		
31 August 2016				
Derivative instruments	118 120	118 120		

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

32 Fair value hierarchy (Continued)

COMPANY Assets	Assets carried at fair value through profit and loss			
	Level 1	Level 2	level 3	
	R000	R000	R000	R000
31 August 2017				
RECURRING				
Investment property	9 389 990			9 389 990
Investment in subsidiaries	4 905 841	-	-	4 905 841
Derivative instruments	106 341	-	106 341	
31 August 2016				
RECURRING				
Investment property	7 747 500			7 747 500
Investment in subsidiaries	2 076 785	1 889 268	187 517	
Derivative instruments	92 674		92 674	
NON-RECURRING				
Investment properties held for sale	997 498			997 498
	Liabilities designated at fair value through profit and loss			
Liabilities	Level 1	Level 2	level 3	
	R000	R000	R000	R000
RECURRING				
31 August 2017				
Derivative instruments	65 857		65 857	
31 August 2016				
Derivative instruments	-		-	

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

33. Segmental report

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

	Property portfolio				Admin and corporate costs	Total
	Retail Continuing	Office	Industrial	Total		
2017	R'000	R'000	R'000	R'000	R'000	R'000
Property portfolio	777 765	1 072 324	28 312	1 878 402	5 416	1 883 818
Investment property income	800 754	1 118 977	29 778	1 949 509	-	1 949 509
Net income from facilities management	-	21 951	-	21 951	-	21 951
Management fees received	-	-	-	-	5 416	5 416
Straight line rental income accrual	(22 989)	(68 603)	(1 466)	(93 058)	-	(93 058)
Property expenses	(226 488)	(186 830)	(2 959)	(416 276)	-	(416 276)
Net property income	551 278	885 495	25 354	1 462 126	5 416	1 467 542
Other operating expenses	-	-	-	-	(142 457)	(142 457)
Operating income	551 278	885 495	25 354	1 462 126	(137 041)	1 325 085
Net interest	-	-	-	-	(758 101)	(758 101)
Net operating income	551 278	885 495	25 354	1 462 126	(895 142)	566 984
Other income	2 117	1 666	61	3 844	33 601	37 444
Changes in fair values	465 991	775 728	27 912	1 269 631	(98 894)	1 170 737
Gain on bargain purchase	-	-	-	-	237 121	237 121
Loss on sale of listed securities - discontinued operations	-	-	-	-	(26 705)	(26 705)
Segment profit before taxation	1 019 386	1 662 888	53 326	2 735 600	(750 020)	1 985 581
Investment property	8 853 490	9 582 000	173 000	18 608 490	-	18 608 490
Investment property held for sale	-	100 000	112 689	212 689	-	212 689
Other assets	67 113	93 714	-	160 826	3 503 222	3 824 874
Total assets	8 920 603	9 775 714	285 689	18 982 005	3 503 222	22 646 053
Total liabilities	258 839	376 194	9 154	644 187	9 509 830	10 798 204

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

33. Segmental report (Continued)

	Property portfolio				Admin and corporate costs	Total
	Retail Continuing	Office	Industrial	Total		
2016 (Restated)*	R'000	R'000	R'000	R'000	R'000	R'000
Property portfolio	377 915	988 069	28 242	1 394 226	-	1 394 226
Investment property income	381 416	987 972	27 515	1 396 903	-	1 396 903
Net income from facilities management	-	23 109	-	23 109	-	23 109
Straight line rental income accrual	(3 501)	(23 012)	727	(25 786)	-	(25 786)
Property expenses	(135 453)	(231 889)	(3 410)	(370 752)	-	(370 752)
Net property income	242 462	756 180	24 832	1 023 474	-	1 023 474
Other operating expenses	-	-	-	-	(63 040)	(63 040)
Operating income	242 462	756 180	24 832	1 023 474	(63 040)	960 435
Net interest	-	-	-	-	(440 652)	(440 652)
Net operating income	242 462	756 180	24 832	1 023 474	(503 692)	519 782
Other income	1 103	46	-	1 149	144	1 293
Changes in fair values	656 820	487 384	38 764	1 182 968	305 458	1 488 426
Segment profit before taxation	900 385	1 243 610	63 596	2 207 591	(198 090)	2 009 502
Investment property	8 952 372	7 934 700	109 000	16 996 072	-	16 996 072
Investment property held for sale	-	1 006 698	150 000	1 156 698	-	1 156 698
Other assets	304 001	236 390	29 940	570 331	378 805	949 136
Total assets	9 256 373	9 177 788	288 940	18 723 101	378 805	19 101 906
Total liabilities	70 776	95 268	5 278	171 322	9 468 300	9 639 622

* Restatement relates to discounted operations (refer note 37)

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

33. Segmental report (Continued)

Non-IFRS information	2017 R'000	2016 R'000
Reconciliation of profit before tax to distributable earnings:		
Total segment profit before taxation (as per above)	1 985 581	2 009 502
Profit/(loss) from discontinued operations	651 853	(135 315)
Taxation	-	-
Profit for the year	2 637 434	1 874 187
Less: Portion attributable to non-controlling interests	(115 685)	(167 241)
Adjusted for:		
Changes in fair value	(1 170 737)	(1 183 454)
Gain on bargain purchase	(237 121)	-
Straight line rental accrual	93 058	25 786
Loss on sale of listed securities	26 705	-
Amortisation of structuring fees	12 701	7 843
Corporate transaction costs	40 826	74 789
Antecedent interest	55 388	43 694
Profit on sale of asset	40 871	-
Dividend income distributed in previous periods	-	(78 970)
Anticipated distribution from listed REIT subsidiaries	114 547	136 479
Consolidation adjustments between group entities	(570 899)	(100 293)
Distributable earnings attributable to shareholders/owners of the parent	927 088	632 821
Dividend per REA share (cents)	240.82	-
Dividend per REB share (cents)	128.35	119.45
Year-on-year distribution growth REA (%)	5.00%	-
Year-on-year distribution growth REB (%)	7.44%	8.26%

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

34. Business combinations

With effect from 1 September 2016, Rebosis acquired 100% of Billion Property Developments Proprietary Limited ("BPD" which owns Forest Hill City Mall in Centurion), Baywest City Mall Proprietary Limited ("Baywest" which owns Baywest City Mall in Port Elizabeth), Billion Asset Managers Proprietary Limited ("BAM", the asset management business) and Billion Property Services Proprietary Limited ("BPS", the property services business for a total consideration of R4,9 billion. Based on management's judgement, the group has determined that these acquisitions were business combinations. The costs of these acquisition which have been recognised in the consolidated statement of profit or loss and other comprehensive income amounts to R40,8 million (included in other operating expenses).

The following summarises the amount of assets acquired and liabilities assumed at the acquisition date per business combination:

	Acquiree's fair value BPD R'000	Acquiree's fair value Baywest R'000	Acquiree's fair value BAM R'000	Acquiree's fair value BPS R'000	Fair value of assets acquired Total R'000
Investment property	2 192 063	2 355 709	-	-	4 547 772
Property, plant and equipment	2 064	2 967	-	480	5 511
Trade and other receivables	5 426	21 194	3 377	2 261	32 258
Cash and cash equivalents	826	8 830	0	8	9 664
Trade and other payables	(36 400)	(34 284)	(160)	(295)	(71 140)
Total identifiable net assets	2 163 979	2 354 417	3 217	2 453	4 524 066
Total consideration paid	2 040 221	2 241 054	370 929	215 450	4 867 654
Gain on bargain purchase arising on acquisition	(123 758)	(113 363)	-	-	(237 121)
Goodwill arising on acquisition	-	-	367 712	212 997	580 709
Total consideration					4 867 654
Interest-bearing borrowings					(3 745 653)
Shares issued					(533 794)
Less: Cash and cash equivalents acquired					(9 664)
Deferred payment on acquisition					578 542

The payment portion of R578.5 million is deferred, converted to a loan obligation and is to be settled 30 trading days after Rebosis shares have started trading ex the Rebosis income distribution for the 6 month period ended 31 August 2017 and 31 August 2018, and therefore an amount of R350.0 million will be settled in the 2018 financial year and the remainder in the following financial year. These payments may be accelerated at the discretion of the board of directors.

The acquired businesses contributed revenues of R378,1 million and profit after tax of R199,6 million to the group for year ended 31 August 2017.

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

35. Group entities

The following are the shareholdings of the companies in the various group entities:

	Country of Incorporation	Principal place of business	2017	2016
Dalolex Proprietary Limited	South Africa	South Africa	100.00%	100.00%
Ascension Property Management Company Proprietary Limited	South Africa	South Africa	100.00%	100.00%
Ascension Properties Limited	South Africa	South Africa	100.00%	59.00%
Lesassign Proprietary Limited	South Africa	South Africa	100.00%	100.00%
Delfiflo Proprietary Limited	South Africa	South Africa	100.00%	100.00%
Delfisat Proprietary Limited	South Africa	South Africa	100.00%	100.00%
Delfitime Proprietary Limited	South Africa	South Africa	100.00%	100.00%
Delfiwiz Proprietary Limited	South Africa	South Africa	100.00%	100.00%
Delficraft Proprietary Limited	South Africa	South Africa	100.00%	100.00%
Clyroplex Proprietary Limited	South Africa	South Africa	100.00%	100.00%
Billion Asset Managers Proprietary Limited	South Africa	South Africa	100.00%	0.00%
Billion Property Services Proprietary Limited	South Africa	South Africa	100.00%	0.00%
Billion Property Developments Proprietary Limited	South Africa	South Africa	100.00%	0.00%
Bay West City Proprietary Limited	South Africa	South Africa	100.00%	0.00%
Phomella Property Investments Proprietary Limited #	South Africa	South Africa	100.00%	100.00%
Hemingways Shopping Centre Proprietary Limited #	South Africa	South Africa	100.00%	100.00%

** Indirectly held

These entities are dormant

36. Non-controlling interests

There are no longer subsidiaries with non-controlling interests at year end due to the disposal of a controlling share in New Frontier Properties Limited and the acquisition of 100% of Ascension Properties Limited.

Name	Country of incorporation	Principal place of business	Nature of business	Ownership interest held by NCI
				2016 R'000
Ascension Properties Group (NCI: 41%)	South Africa	South Africa	Office and Industrial	1 091 965
New Frontier Group (NCI: 32,5%)	Mauritius	United Kingdom	Retail	674 145
Total				1 766 110
Movement during the year				
Balance beginning of year				1 577 354
Acquisition of shares in New Frontier Group				566 367
Acquisition of shares in Ascension Properties Group				943 782
Shares issued on acquisition of Blackpool				
Dividends paid				(131 560)
Profit/(loss) for the year				167 241
Other comprehensive income				67 469
Balance at end of year				1 766 110

The following is the 2016 summarised financial information for the Ascension Properties and New Frontier groups, prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in the group's accounting policies. The information is before intercompany eliminations with other companies in the Group.

Notes to the Annual Financial Statements

For the year ended 31 August 2017 (Continued)

36. Non-controlling interests (Continued)

	New Frontier Group	Ascension Properties Group
	2016 R'000	2016 R'000
Current assets	180 866	102 759
Non-current assets	5 198 234	4 229 019
Current liabilities	(91 453)	(611 110)
Non-current liabilities	(3 213 993)	(1 057 338)
Net assets	2 073 653	2 663 331
Net assets attributable to NCI Revenue	674 145	1 091 966
NCI Revenue	218 774	142 675
Profit	211 232	(5 227)
Cash flows from operating activities	(109 303)	78 829
Cash flows from investing activities	(246 756)	(102 895)
Cash flows from financing activities	258 193	34 960
Net increase in cash and cash equivalents	(97 866)	10 894

37. Discontinued operations

On 31 August 2017, Rebasis reduced its interest in New Frontier Properties Limited ("New Frontier") from 67.6% to 36%, by disposing of 48 284 681 New Frontier shares. The total sale price was R917m and this is included in other financial assets. Goodwill of R194.1 million has been derecognised as a result of this disposal.

Revenue and expenses, and gains and losses relating to this investment have been removed from the results of continuing operations and are disclosed as a single line item on the face of the consolidated statement of profit or loss ("Net result from discontinued operations"), as a result the comparative figures have been restated for this change. The operating results of the discontinued operations and the loss on sale of investment were as follows:

	2017	2016
Revenue	328 105	438 865
Property expenses	(32 251)	(59 937)
Net property income	295 854	378 928
Other operating expenses	(24 371)	(90 075)
Operating income	271 483	288 852
Net interest	(99 509)	(121 212)
Net operating income	171 975	167 641
Other income	1 685	913
Profit on loss of control	608 863	-
Changes in fair values	(132 100)	(304 973)
Profit before taxation	650 423	(136 419)
Taxation	-	1 104
Net result from discontinued operations	650 423	(135 315)

There were no discontinued operations in the previous year

38. Subsequent events

No events occurred after the reporting date and up to the date of this report.



Shareholders' Information

Rebosis is dedicated to its shareholders by providing them with a high quality property yielding sustainable growth. We ask our shareholders to please familiarise themselves with the following dates found in the shareholders' diary.

Shareholders Diary

Shareholder's Diary

Financial year-end	31 August
Integrated report	posted Wednesday, 28 February 2018
Annual general meeting	Wednesday, 18 April 2018
Announcement of interim results	April 2018
Announcement of annual results	November 2018

Dividend Details

For the year ended 31 August 2017

Dividend - A Ordinary share	Distribution number	Cents
Six months ended 31 August 2017	1	120.41
Total		120.41

Dividend - Ordinary share	Distribution number	Cents
Six months ended 28 February 2017	13	60.80
Six months ended 31 August 2017	14	67.55
Total		128.35

Shareholders Analysis

Rebosis A Ordinary Share

SHAREHOLDER SPREAD	No of Shareholders	%	No of Shares	%
1 - 1 000 shares	429	54.72	15 539	0.02
1 001- 10 000 shares	85	10.84	424 500	0.67
10 001- 100 000 shares	168	21.43	6 837 299	10.81
100 001- 1 000 000 shares	87	11.10	25 357 509	40.08
1 000 001 shares and over	15	1.91	30 631 165	48.42
Totals	784	100.00	63 266 012	100.00

DISTRIBUTION OF SHAREHOLDERS	No of Shareholders	%	No of Shares	%
Banks/Brokers	11	1.40	94 909	0.15
Close Corporations	2	0.26	845	0.00
Endowment Funds	16	2.04	620 683	0.98
Individuals	437	55.74	213 350	0.34
Insurance Companies	22	2.81	4 332 783	6.85
Investment Companies	4	0.51	730 327	1.15
Medical Schemes	10	1.28	695 182	1.10
Mutual Funds	95	12.12	36 959 992	58.42
Private Companies	11	1.40	290 450	0.46
Retirement Funds	153	19.52	18 898 373	29.87
Trusts	23	2.93	429 118	0.68
Totals	784	100.00	63 266 012	100.00

PUBLIC / NON - PUBLIC SHAREHOLDERS	No of Shareholders	%	No of Shares	%
Public Shareholders	784	100.00	63 266 012	100.00
Totals	784	100.00	63 266 012	100.00

Beneficial shareholders holding 5% or more	No of Shares	%
Coronation Fund Managers	17 655 304	27.91
Sanlam	6 408 326	10.13
STANLIB	3 729 701	5.90
Alexander Forbes Investments	3 619 150	5.72
Government Employees Pension Fund	2 304 957	3.64
Old Mutual	2 003 945	3.17
Totals	35 721 383	56.46

Shareholders Analysis

Rebosis Ordinary Share

SHAREHOLDER SPREAD	No of Shareholders	%	No of Shares	%
1 - 1 000 shares	1 479	47.48	206 118	0.03
1 001- 10 000 shares	836	26.84	3 692 078	0.57
10 001- 100 000 shares	567	18.20	17 292 226	2.69
100 001- 1 000 000 shares	161	5.17	46 785 810	7.23
1 000 001 shares and over	72	2.31	574 340 096	89.42
Totals	3 115	100.00	642 316 328	100.00

DISTRIBUTION OF SHAREHOLDERS	No of Shareholders	%	No of Shares	%
Banks/Brokers	70	2.25	23 402 876	3.64
Close Corporations	42	1.35	1 185 362	0.18
Endowment Funds	22	0.71	1 839 165	0.29
Individuals	2 303	73.93	11 637 214	1.81
Insurance Companies	31	1.00	18 212 773	2.84
Investment Companies	2	0.06	439 263	0.07
Medical Schemes	3	0.10	88 146	0.01
Mutual Funds	193	6.20	175 622 753	27.34
Other Corporations	18	0.58	93 780	0.01
Private Companies	74	2.38	68 260 724	10.63
Public Company	1	0.03	147 358	0.02
Retirement Funds	108	3.47	187 774 968	29.23
Strategic Investor	1	0.03	125 194 254	19.49
Trusts	246	7.90	26 009 366	4.05
Totals	3 115	100.00	642 316 328	100.00

PUBLIC / NON - PUBLIC SHAREHOLDERS	No of Shareholders	%	No of Shares	%
Non - Public Shareholders	12	0.39	310 387 239	48.32
Directors and Associates of the Company holdings	9	0.29	44 009 645	6.85
Strategic Holdings more than 10%	2	0.06	263 969 268	41.10
Own Holdings / Treasury Stock	1	0.03	2 408 326	0.37
Public Shareholders	3 103	99.61	331 929 089	51.68
Totals	3 115	100.00	645 855 851	100.00

Beneficial shareholders holding 5% or more	No of Shares	%
Government Employees Pension Fund	144 300 059	22.47
Arrowhead Properties Ltd	125 194 254	19.49
Coronation Fund Managers	45 867 614	7.14
SM Ngebulana	40 470 122	6.30
Nedbank Group	30 143 977	4.69
Totals	385 976 026	60.09

Notice of Annual General Meeting

REBOSIS

PROPERTY FUND

REBOSIS PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2010/003468/06)

JSE share codes:

REA ISIN: ZAE000240552

REB ISIN: ZAE000201687

(Approved as a REIT by the JSE)

("Rebosis" or "the company")

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting (or "AGM") of shareholders of Rebosis will be held at the offices of the company at 2nd Floor Roland Garros Building, The Campus, 57 Sloane Street, Bryanston, Gauteng at 10h00 on Wednesday, 18 April 2018 for the purposes of:

- presenting the audited annual financial statements of the company as well as the directors' report and the audit and risk committee report for the year ended 31 August 2017 contained in the integrated annual report to which this notice of annual general meeting is attached;
- transacting any other business as may be transacted at an annual general meeting of shareholders of a company; and
- considering and, if deemed fit, approving with or without modification, the special and ordinary resolutions set out below.

Important dates to note	2018
Record date to receive this notice of annual general meeting	Friday, 23 February
Last day to trade in order to be eligible to participate in and vote at the annual general meeting	Tuesday, 10 April
Record date for voting purposes ("voting record date")	Friday, 13 April
Last day to lodge forms of proxy, for administrative purposes, by 10h00 on	Monday, 16 April
Annual general meeting held at 10h00 on	Wednesday, 18 April
Results of annual general meeting released on the Stock Exchange News Service	Wednesday, 18 April

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

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

Notice of Annual General Meeting (Continued)

1) SPECIAL RESOLUTION NUMBER 1: SHARE REPURCHASES

"Resolved that the board of directors of the company is hereby authorised, by way of a renewable general authority, to approve the purchase of its own ordinary shares by the company, or to approve the purchase of ordinary shares in the company by any subsidiary of the company, upon such terms and conditions as the board of directors of the company may from time to time determine, subject to the memorandum of incorporation ("MOI") of the company, the Listings Requirements of the JSE Limited ("JSE") and the Companies Act on the following basis:

- 1.1. the general repurchase of securities will be implemented through the order book operated by the JSE trading system without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- 1.2. the company (or any subsidiary) must be authorised to do so in terms of its MOI;
- 1.3. this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
- 1.4. the general repurchase of ordinary shares in the aggregate in any one financial year by the company may not in the aggregate exceed 20% of the company's issued ordinary share capital as at the beginning of the financial year;
- 1.5. general repurchases may not be made at a price more than 10% above the weighted average of the market value on the JSE of the company's shares for the 5 (five) business days immediately preceding the repurchase;
- 1.6. the number of shares purchased and held by a subsidiary or subsidiaries of the company shall not exceed 10% in aggregate of the number of issued shares in the company at the relevant times;
- 1.7. any such general repurchase will be subject to the applicable provisions of the Companies Act (including sections 114 and 115 to the extent that section 48(8) is applicable in relation to that particular repurchase);
- 1.8. repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the Listings Requirements of the JSE) unless a repurchase programme is in place and the dates and quantities of shares to be repurchased during the prohibited period have been fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period;
- 1.9. after the company or any of its subsidiaries have acquired shares which constitute, on a cumulative basis, 3% of the number of shares in issue (at the time that authority from shareholders for the repurchase is granted), and for each 3% in aggregate acquired thereafter, the company shall publish an announcement containing full details of such repurchases;
- 1.10. any general repurchases are subject to exchange control regulations and approval at that point in time;
- 1.11. at any point in time, the company (or any subsidiary) shall appoint only one agent to effect repurchases on its behalf; and
- 1.12. a resolution has been passed by the board of directors of the company or its subsidiaries authorising the repurchase, and the company has passed the solvency and liquidity test as set out in section 4 of the Companies Act, and that, since the application of the solvency and liquidity test by the board, there have been no material changes to the financial position of the company or its subsidiaries."

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

The directors of the company have no specific intention to effect the provisions of special resolution 1 but will continually review the company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of special resolution 1.

The directors undertake that the company will not commence a general repurchase of shares as contemplated above, unless the following can be met:

- the company and the group will, in the ordinary course of business, be able to pay its debts for a period of 12 months following the date of repurchase; and
- the consolidated assets of the company and the group will be in excess of the consolidated liabilities of the company and the group for a period of 12 months following the date of repurchase. For this purpose, the assets and liabilities will be recognized and measured in accordance with the accounting policies used in the latest audited consolidated financial statements which comply with the Companies Act; and
- the company's and the group's share capital, reserves and working capital will be adequate for ordinary business purposes for a period of 12 months following the date of repurchase.

Notice of Annual General Meeting (Continued)

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

- Major beneficial shareholders – page 133 and 134;
- Share capital structure of the company – page 76

Directors' responsibility statement

The directors whose names appear on pages 22 to 25 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 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 2017 and up to the date of this notice.

The reason for and effect of special resolution number 1:

The reason for and effect of special resolution 1 is to authorise the directors of the company, by way of a general authority, for the company (or a subsidiary of the company) to effect a repurchase of the company's shares on such terms, conditions and in such amounts as determined from time to time by the directors of the company, subject to the limitations set out above.

This special resolution 1 will require the support of at least 75% of the total number of voting rights exercised by shareholders, present in person or by proxy in order for it to be adopted.

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

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

The reason for and effect of special resolution number 2:

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

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

Notice of Annual General Meeting (Continued)

Notice in terms of section 45(5) of the Companies Act in respect of special resolution number 2:

Notice is hereby given to shareholders of the company in terms of section 45(5) of the Companies Act of a resolution adopted by the board authorising the company to provide such direct or indirect financial assistance as specified in the special resolution above:

- (a) By the time that this meeting notice is delivered to shareholders of the company, the board will have adopted a resolution (section 45 board resolution) authorising the company to provide, at any time and from time to time during the period of two years commencing on the date on which the special resolution is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or interrelated companies or corporations of the company and/or to any one or more members of any such related or interrelated company or corporation and/or to any one or more persons related to any such company or corporation;
- (b) The section 45 board resolution will be effective only if and to the extent that special resolution number 2 is adopted by the shareholders of the company, and the provision of any such direct or indirect financial assistance by the company, pursuant to any such resolution, will always be subject to the board being satisfied that: (i) immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the company as referred to in section 45(3)(b)(ii) of the Companies Act; and
- (c) In as much as the section 45 board resolution contemplates that such financial assistance will in the aggregate exceed one-tenth of 1% of the company's net worth at the date of adoption of such resolution, the company hereby provides notice of the section 45 board resolution to shareholders of the company.

3) SPECIAL RESOLUTION NUMBER 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 one year from the passing of this resolution, or until its renewal, whichever is the earliest as follows:

	2017	2018	%
Board fee (per meeting)	R10 700	R11 400	+6.5%
Sub-Committee fee (per meeting)	R16 050	R17 100	+6.5%
Basic Annual Fee (Board)	R128 400	R136 750	+6.5%
Board Chair (Annual fee)	R374 500	R398 850	+6.5%
Board Deputy Chair (Annual fee)	nil	R339 020	-
Audit Committee Chair (per meeting)	R16 050	R17 100	+6.5%
Other Sub-Committee Chair (per meeting)*	R10 700	R11 400	+6.5%

*with the exception of Nomination Committee chair

The reason for and effect of special resolution number 3:

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

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

4) ORDINARY RESOLUTION NUMBER 1: ADOPTION OF ANNUAL FINANCIAL STATEMENTS

"Resolved that the annual financial statements of the company for the year ended 31 August 2017, including the director's report and the report of the audit and risk committee and the report of the social and ethics committee, be and are received and adopted"

This ordinary resolution number 1 will require the support of more than 50% of the voting rights exercised by shareholders, present in person or by proxy in order for it to be adopted.

Notice of Annual General Meeting (Continued)

5) **ORDINARY RESOLUTION NUMBER 2: CONFIRMATION OF THE APPOINTMENT OF MARELISE DE LANGE**

"Resolved that the appointment of Marelise De Lange as an executive director of the company (effective 1 March 2017) be confirmed."

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 shareholders, present in person or by proxy in order for it to be adopted.

6) **ORDINARY RESOLUTION NUMBER 3: CONFIRMATION OF THE APPOINTMENT OF ZANDILE KOGO**

"Resolved that the appointment of Zandile Kogo as an executive director of the company (effective 3 November 2017) be confirmed."

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 shareholders, present in person or by proxy in order for it to be adopted.

7) **ORDINARY RESOLUTION NUMBER 4: RE-ELECTION OF DIRECTOR**

"Resolved that Jaco Odendaal who retires by rotation in terms of the company's Memorandum of Incorporation and who, being eligible, offers himself for re-election, be re-elected as an independent non-executive director of the company."

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

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

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

8) **ORDINARY RESOLUTION NUMBER 5: RE-ELECTION OF DIRECTOR**

"Resolved that Nomfundo Qangule who retires by rotation in terms of the company's Memorandum of Incorporation and who, being eligible, offers herself for re-election, be re-elected as an independent non-executive director of the company."

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

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

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

9) **ORDINARY RESOLUTION NUMBER 6: RE-ELECTION OF DIRECTOR**

"Resolved that Gabriel Francois v L Froneman, who retires by rotation in terms of the company's Memorandum of Incorporation and who, being eligible, offers himself for re-election, be re-elected as an independent non-executive director of the company."

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

The nomination committee has considered Gabriel Francois v L Froneman past performance and contribution to the company and recommends that Gabriel Francois v L Froneman is re-elected as a director of the company.

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

10) **ORDINARY RESOLUTION NUMBER 7:**

Re-appointment and appointment of members of the audit and risk committee

"Resolved that the members of the company's audit and risk committee set out below be and are hereby appointed and/or re-appointed, each by way of a separate vote and, in the case of GFvL Froneman, subject to the passing of ordinary resolution 6, with effect from the end of this annual general meeting in terms of section 94(2) of the Companies Act.

Notice of Annual General Meeting (Continued)

The membership as proposed by the nomination committee is:

- 10.1. GFvL Froneman (chairman);
- 10.2. TS Seopa; and
- 10.3. NV Qangule, all of whom are independent non-executive directors."

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

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

11) ORDINARY RESOLUTION NUMBER 8: RE-APPOINTMENT OF AUDITORS

"Resolved that Grant Thornton Johannesburg Partnership be and are hereby re-appointed as the auditors of the company. It is noted that Michelle da Costa will be the individual and designated auditor who will undertake the audit of the company for the financial year ending 31 August 2018."

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

In accordance with paragraph 3.84 (h)(iii) of the JSE Listings Requirements, the company's audit and risk committee (committee) assessed the suitability of Grant Thornton and Michelle da Costa for re-appointment as the company's independent external auditors and designated individual auditor for the 2018 financial year. In conducting this assessment, the committee considered the continuity, real estate experience and technical expertise of the Grant Thornton team in arriving at their decision.

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

12) ORDINARY RESOLUTION NUMBER 9: CONTROL OVER UN-ISSUED SHARES

"Resolved that, subject to the provisions of the company's Memorandum of Incorporation, the Companies Act and the JSE Limited ("JSE") Listings Requirements, the authorised but unissued shares of the company be and are hereby placed under the control of the directors of the company with the authority to allot and issue and otherwise dispose of all or part thereof, in their discretion, to fund the acquisition of property assets, provided that the number of shares which may be allotted and issued under this authority does not exceed 5% of the company's issued share capital as at the date of the passing of this resolution, being 33 664 489 shares, and provided that the maximum discount at which such shares may be issued in terms of this authority is 5% of the weighted average traded price of such shares measured over the 10 business days prior to the date that the price of the issue is agreed between the company and the counterparty, adjusted for a dividend where the *ex date* in respect of the dividend occurs during the 10-day period in question. When the allotment or issue is undertaken in terms of a vendor consideration placing pursuant to the JSE Listings Requirements, the minimum placing price is subject to the pricing limitations set out in the JSE Listings Requirements."

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

13) ORDINARY RESOLUTION NUMBER 10: ISSUE OF SHARES FOR CASH

"Resolved that, pursuant to the company's Memorandum of Incorporation, the directors of the company be and are hereby authorised, by way of a general authority, to allot and issue shares for cash as and when they in their discretion deem fit, subject to the memorandum of incorporation of the company, the Listings Requirements of the JSE Limited ("JSE") and the Companies Act, 71 of 2008, as amend, and on the following basis:

- a) the allotment and issue of shares for cash shall be made only to persons qualifying as public shareholders and not to related parties, as defined in the Listings Requirements of the JSE;
- b) this authority is valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date that this authority is given;
- c) the total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 33 664 489 shares, being 5% of the company's issued shares as at the date of this notice of annual general meeting. Accordingly, any shares issued under this authority shall be deducted from the 33 664 489 shares the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;

Notice of Annual General Meeting (Continued)

- d) the calculation of the listed equity securities is a factual assessment of the listed equity securities as at the date of notice of this annual general meeting, excluding treasury shares;
- e) in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- f) in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount at which shares may be issued for cash is 5% (five per cent) of the weighted average price on the JSE of those shares over 30 (thirty) business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares;
- g) after the company has issued shares for cash, within the period that this authority is valid, which represents 5% (five per cent) or more of the number of shares in issue prior to the issue, the company shall publish an announcement containing full details of the issue, in accordance with paragraph 11.22 of the Listings Requirements of the JSE; and
- h) the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights as are convertible into a class already in issue."

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

14) **ORDINARY RESOLUTION NUMBER 11: SPECIFIC AUTHORITY TO ISSUE SHARES PURSUANT TO A REINVESTMENT OPTION**

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

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

15) **ORDINARY RESOLUTION NUMBER 12 – REMUNERATION POLICY**

"Resolved that the shareholders endorse, by way of a non-binding advisory vote, the Company's remuneration policy (excluding the remuneration of the non-executive directors and the members of board committees for their services as directors and members of committees)."

For details of the remuneration policy – refer to page 55 of this Integrated Annual Report.

16) **ORDINARY RESOLUTION NUMBER 13 – REMUNERATION IMPLEMENTATION REPORT**

"Resolved that the shareholders endorse, by way of a non-binding advisory vote, the Company's remuneration implementation report."

For details of the remuneration implementation report – refer to page 56 of this Integrated Annual Report.

Explanatory note for Ordinary Resolutions Number 12 and 13

Principle 14 of the King IV Report on Corporate Governance for South Africa, 2016 dealing with remuneration requires companies to every year table their remuneration policy and implementation report to shareholders for a non-binding advisory vote at the AGM. This vote enables shareholders to express their views on the remuneration policies adopted and on their implementation.

These ordinary resolutions are of an advisory nature only and failure to pass these resolutions will therefore not have any legal consequences relating to existing arrangements. However, the board will take the outcome of the votes into consideration when considering the Company's remuneration policy and implementation report.

The remuneration policy also contains the measures that the Company will take if 25% or more of votes are cast against the policy at the Annual General Meeting.

Notice of Annual General Meeting (Continued)

17) ORDINARY RESOLUTION 14: SIGNATURE OF DOCUMENTATION

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

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

Voting and proxies

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

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

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

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

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

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

Forms of proxy may also be obtained on request from the company's registered office. The completed forms of proxy must be deposited at, posted or faxed to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown 2107), to be received at least 48 hours prior to the meeting, for administrative purposes. Alternatively, the form of proxy may be handed to the Chairman of the annual general meeting at any time prior to the commencement of the annual general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting should the shareholder subsequently decide to do so.

Equity securities held by a share trust or scheme, and unlisted securities will not have their votes taken into account at the Annual General Meeting for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

Notice of Annual General Meeting (Continued)

Quorum

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

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196), for the purposes of being entitled to attend, participate in and vote at the annual general meeting is Friday, 6 April 2018.

Electronic participation

The company has made provision for its shareholders or their proxies to participate electronically in the AGM by way of telephone conferencing. Shareholders who wish to participate in the AGM by telephone conference call as aforesaid, will be required to advise the company thereof by no later than 10h00 on Tuesday, 17 April 2018 by submitting an email to the company secretary at mande@rebosis.co.za, including an email address, cellular number and landline as well as full details of the shareholder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and in the case of dematerialised shareholders, written confirmation from the shareholder's CSDP confirming the shareholder's title. Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the AGM. Shareholders must note that access to the electronic communication will be at the expense of the shareholder who wishes to utilise the facility. Shareholders will not be able to participate in voting electronically and should either complete a form of proxy or contact their CSDP or broker if they wish to have their vote counted at the AGM.

By order of the board.



Mande Ndema

Company Secretary

Registered office

3rd Floor, Palazzo Towers West
Montecasino Boulevard
Fourways
2055
(PO Box 2972, Northriding 2162)

Transfer Secretaries

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

Form of Proxy of Shareholders

REBOSIS

PROPERTY FUND

REBOSIS PROPERTY FUND LIMITED

Incorporated in the Republic of South Africa

Registration number 2010/003468/06

Ordinary A share code: REA and ISIN: ZAE000240552

Ordinary B share code: REB and ISIN: ZAE000201687

(Approved as a REIT by the JSE)

("Rebosis" or "the company" or "the Group")

This form of proxy is for use by the holders of the company's certificated shares ("certificated shareholders") and/or dematerialised shares held through a Central Securities Depository Participant ("CSDP") or broker who have selected own-name registration and who cannot attend but wish to be represented at the annual general meeting of the company at 2nd Floor Roland Garros Building, The Campus, 57 Sloane Street, Bryanston, Gauteng at 10h00 on Wednesday, 18 April 2017 or any adjournment if required. Additional forms of proxy are available at the company's registered office.

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

I/We _____ (NAME IN BLOCK LETTERS)

Of _____ (Address)

Contact number _____

being the registered holder of shares

hereby appoint _____ or failing him/her,

_____ or failing him/her,

the chairman 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.

Form of Proxy of Shareholders (Continued)

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

	In favour of	Against	Abstain
1 Special resolution 1: General authority to enable the company (or any subsidiary) to repurchase shares of the company			
2 Special resolution 2: Authority to grant financial assistance to related and inter-related companies			
3 Special resolution 3: Approval of non-executive directors' remuneration for their services as directors			
4 Ordinary resolution 1: Approval of the annual financial statements of the company			
5 Ordinary resolution 2: To confirm the appointment of M de Lange as a director of the company			
6 Ordinary resolution 3: To confirm the appointment of Z Kogo as a director of the company			
7 Ordinary resolution 4: To re-elect WJ Odendaal as a director of the company			
8 Ordinary resolution 5: To re-elect NV Qangule as a director of the company			
9 Ordinary resolution 6: To re-elect GFvL Froneman as a director of the company			
10 Ordinary resolution 7: To re-appoint and appoint members of the audit and risk committee			
11 Ordinary resolution 8: To reappoint Grant Thornton Johannesburg Partnership as auditors of the company			
12 Ordinary resolution 9: Control over the unissued shares			
13 Ordinary resolution 10: General authority to issue of shares for cash			
14 Ordinary resolution 11: Specific authority to issue shares pursuant to a reinvestment option			
15 Ordinary resolution 12: Remuneration policy			
16 Ordinary resolution 13: Approval of remuneration implementation report			
17 Ordinary resolution 14: To authorise the signature of documentation			

Signed this _____ day of _____ 2018

Signature _____

Assisted by _____ (if applicable)

Please read the notes on the reverse.

Form of Proxy of Shareholders (Continued)

1. This form of proxy is to be completed only by those members who are:
 - holding shares in certificated form; or
 - recorded in the sub register in electronic form in their own name.
2. Each shareholder is entitled to appoint one or more proxies (none of whom need to be a shareholder of the company) to attend, speak and vote in place of that shareholder at the annual general meeting.
3. Shareholders that are certificated or own-name dematerialised shareholders may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the general meeting", but any such deletion must be initialled by the shareholders. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy, the chairman shall be deemed to be appointed as the proxy.
4. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairman, to vote or abstain from voting as deemed fit and in the case of the chairman to vote in favour of the resolution.
5. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained from may not exceed the total of the votes exercisable in respect of the linked units held by the shareholder.
6. Forms of proxy must be lodged at, posted or faxed to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown 2107), to be received at least 48 hours prior to the meeting.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so. Where there are joint holders of shares, the vote of the first joint holder who tenders a vote as determined by the order in which the names stand in the register of shareholders, will be accepted.
8. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares needs to sign this form of proxy.
9. The chairman 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 chairman is satisfied as to the manner in which the shareholder concerned wishes to vote.
10. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or Computershare Investor Services Proprietary Limited or waived by the chairman of the annual general meeting.
11. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
12. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Computershare Investor Services Proprietary Limited.

Corporate Information

Ordinary A share code: REA and ISIN: ZAE000240552
Ordinary B share code: REB and ISIN: ZAE000201687
JSE sector: Real Estate – Real Estate holdings and development
Listing date: 17 May 2011
Number of shares
A ordinary shares: 63 266 012 (2016: Nil)
Ordinary shares: 642 316 328 (2016: 530 178 149)
Company registration number: 2010/003468/06
Country of incorporation: South Africa
Website: www.rebosis.co.za

DIRECTORS

ATM Mokgokong (Chairman) *
SM Ngebulana (Deputy Chairman) [§]
AM Mazwai (Chief Executive Officer) [®]
M de Lange (Chief Financial Officer) [®]
Z Kogo (Director: Retail) [®]
WJ Odendaal*
NV Qangule*
TSM Seopa*
MM Mdlolo*
GFvL Froneman*

[®] Executive

*Independent non-executive

[§] Non-executive

REGISTERED OFFICE AND COMPANY SECRETARY

M Ndema
3rd Floor, Palazzo Towers West
Montecasino Boulevard
Fourways, 2191
(PO Box 2972, Northriding, 2162)
Telephone: +27 (0)11 511 5335
Facsimile: +27 (0)11 511 5626

BANKERS

First National Bank
(a division of FirstRand Bank Limited)
6th Floor, First Place
Corner Simmonds and Pritchard Streets
Johannesburg
2001
(PO Box 1153, Johannesburg, 2000)

INDEPENDENT AUDITORS

Grant Thornton Johannesburg Partnership
Chartered Accountants (SA)
Registered Auditors
Wanderers Office Park
52 Corlett Drive
Johannesburg
2196
(Private Bag X10046, Sandton, 2146)

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
Rosebank Towers,
15 Biermann Avenue,
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

SPONSOR

Rand Merchant Bank
(A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

LEGAL ADVISERS

Bowman Gilfillan
165 West Street
Sandton, 2146
(PO Box 785812, Sandton 2146)
Cliffe Dekker Hofmeyer Inc.
11 Buitengracht Street
Cape Town,
8001
(PO Box 695, Cape Town, 8000)

QUERIES RELATING TO INTEGRATED REPORT

Marelise De Lange CFO
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