



REBOSIS
PROPERTY FUND

Integrated
Annual Report
2018

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01

Rebosis at a Glance



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Seven core values

211
Staff

905 075 m² GLA

40
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. The company has enjoyed its 7th year on the JSE and has grown its assets 6-fold in that time.

This integrated annual report, presents the sustainable integrated performance of the group for the year from 1 September 2017 to 31 August 2018. It is targeted at our stakeholders and primarily our shareholders, funders, staff, tenants (both current and future) and the communities that we serve.

The focus of the management team for the year has been on positioning the fund as predominantly retail focused. The road map to achieve this is to divest of 75% of the commercial portfolio, strengthen the balance sheet and thereby reduce the loan to value of the fund. Significant progress has been made which is detailed in this report.

The sustainability of the business is premised on the defensive and stable nature of the retail portfolio, while in the commercial portfolio the renewal of long-term leases with government tenants provides a secure and predictable revenue stream.

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 Dr Sisa Ngebulana (Chief Executive Officer), Rob Becker (Chief Investment Officer), Isabeau King (Chief Financial Officer) and Zandile Kogo (Director). Marelise de Lange has resigned on 30 November 2018 and Isabeau King was appointed as Chief Financial Officer from 1 December 2018. 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 Chief Financial Officer (Isabeau King).

KEY DATA

(Registration number: 2010/003468/06)
REA and ISIN: ZAE000240552
REB and ISIN: ZAE000201687
Alpha code: REBI
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 (2017: 63 266 012)
Ordinary shares: 696 844 874 (2017: 642 316 328)

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 Listings Requirements and the requirements of the Companies Act. There were no changes to accounting policies adopted in terms of IFRS apart from Investments in subsidiaries, at company level, which are now accounted for on the cost basis and not the fair value basis.

ASSURANCE

The company's external auditor, has independently audited the annual financial statements for the year ended 31 August 2018. His unqualified audit report is set out on pages 100 to 103. The scope of his audit is limited to the information set out in the annual financial statements on pages 109 to 163.



FORWARD-LOOKING STATEMENTS

This integrated annual report contains forward-looking statements that, unless otherwise indicated, reflect the company's expectations as at 31 August 2018.

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.

Dr Sisa Ngebulana
Deputy Chairman and Chief Executive Officer

Who We Are

Our Story: This is what we've done

2018

Started executing our commercial property disposal strategy with the sale of a portfolio of properties in Cape Town



2017

Sold 29,9% of New Frontier to a Black Consortium. Listed the Rebois A share (REA)

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 Dr Sisa M Ngebulana

Our Strategy: This is where we are going

Refocus the fund as a retail property REIT;

Dispose of non-retail assets;

De-leverage the balance sheet and reduce loan to value to below 40%; and

Diversify the funder base



Our Performance: This is how we've done

Dividends

	2018	2017	2016	2015	2014
REA cps	252.86	240,82*	n/a	n/a	n/a
REB cps	92.83	128,35	119,45	110,41	99,45
Total	R790m	R973m	R632m	R572m	R384m

* 120,41 Paid by Rebois A ordinary share and 120,41 paid by Ascension (on a converted basis) A ordinary share. The REA share was listed on the stock exchange in April 2017.



Our Values: This is who we are

Our Values | Our Vision | Our Mission

Trust | Honesty | Excellence
| Teamwork | Compassion
| Respect | Accountability |

To be the
Best Property Fund

To Lead Through People,
Innovation, Optimisation of
capital, Quality Assets



REBOSIS

PROPERTY FUND



Our top properties



HEMINGWAYS MALL

Hemingways Mall is conveniently situated at the corner of Western Avenue and Two Rivers Drive in East London, just off the N2 Highway which runs to Port Elizabeth and Mthatha.

The mall features an array of entertainment such as a 6-theatre cinema with a 3D offering, family entertainment centre consisting of a ten-pin bowling, Vortex, action go karting, 4D Simulator, various arcade games, kiddies rides and bumper cars. Close to 200 stores offer anchor tenants which include Woolworths, Pick n Pay, Checkers, Edgars and to delight customers even further, RJ's, Las Vegas Spur, KFC, Cape Town Fish Market, News Cafe and much much more! Fashionistas can shop till they drop at some of the world's best-known brands such as Lacoste, Guess, Forever New, Timberland, Bogart Man, G-Star, Fabiani, Cotton On and Lovisa. Hemingways Mall, the ultimate delight! Stores unique to our Mall in East London include the Fashion stores already mentioned, Dis-Chem, @homelivingspace, ALDO, Browns - The Diamond Store, Coricraft, Due South Escape, Soda Bloc and much more.



BAYWEST MALL

Shoppers will be spoilt for choice at Baywest Mall, the Eastern Cape's one and only destination centre, merging the likes of food, fashion and fun in a safe and modern environment. Endless entertainment is on offer at the Fun Factory between the Olympic sized Ice rink, IMAX, cine prestige and the Games Arcade -weekends will never be the same.

Situated conveniently along the N2 freeway in Port Elizabeth's western suburbs, Baywest Mall is within easy reach for shoppers throughout the Bay and combines firm family favourites with various never before seen global brands.

Grab a bite to eat at one of the many tantalizing eateries in our food court, whilst keeping an eye on streaming entertainment beamed onto one of the biggest TV screens in South Africa.

It's an ideal world you will never want to leave, and with our extended trading hours, it will feel like you won't have to!



FOREST HILL CITY

Forest Hill City is changing the way people shop, live, dine and play. Located at the Corners of R55 & N14 in Monavani Pretoria West, Forest Hill City has high visibility along the N14 highway. The mall offers a unique shopping experience and entertainment offering. An all-encompassing experience that offers the best in family entertainment. Anchored by Woolworths, Checkers Hyper, Pick n Pay, Foschini Group, Truworths Mr Price Group and Edcon, the nationals are complimented by an exciting line up of specialist fashion retailers and brands that include global brands such as Forever New, Guess, Timberland, Cotton On, Pandora, amongst others, together with a mouth-watering array of fast food and restaurants. The mall also has one of the first of Ster-Kinekor's new concept cinemas with the latest in digital projection technology and self-service catering terminals and an Olympic size ice rink capable of hosting international events. Attractions include a heated wave pool, the first in Gauteng. Forest Hill City shopping experience will leave you spell-bound.

MDANTSANE CITY

Mdantsane City is a shopping centre that is situated in arguably the 2nd largest Township in South Africa. It is the biggest Shopping centre in Mdantsane, it is the heart of the community and is on the Main Road of Mdantsane called Qumza Highway. It has over 90 shops, with Shoprite, Pick n Pay and Cashbuild as anchor tenants. It has most of the National Fashion Retailers, Truworths, Woolworths, Foschini, Mr Price, Markham, and many more. This mall also has a gym that is very popular in the community.



BLOED STREET MALL

Bloed Street Mall is situated in the heart of Pretoria, central to most suburbs, flats residents and is a landmark shopping centre that provides an all-in-one retail experience. Its location makes it easily accessible to all commuters.

Established almost two decades ago it continues to provide an exceptional shopping experience to both local and international shoppers.

At the Bloed Street Mall you will find a taxi rank in the basement, gym with a Spa, anchor tenants such as Game, Superspar and various fashion mix tenants.



SUNNYPARK SHOPPING CENTRE

The legendary Sunnypark Shopping Centre in the heart of Sunnyside (Pretoria), provides shoppers with the ultimate contemporary shopping experience. Whether you are searching for convenience, fashion, footwear, banking, or something in between, Sunnypark is the go-to hot spot!

Grab everything you need at our wide range of stores anchored by the likes of Woolworths, Checkers, Mr Price, Truworths and Foschini. Tuck into something tantalizing at our food court filled with some of the best-loved South African food brands such as Nandos, Wimpy, Debonnairs, Steers, Fishaways, Ocean Basket, and Chicken Licken, or work out at our exclusive Virgin Active gym. No matter what your shopping requirements or daily errands, get them done all under one roof!

Sunnypark Shopping Centre is accessibly positioned close to local and national government buildings, embassies and tourist attractions. Some of these include the National Department of Health, Tshwane University of Technology – Faculty of Science, Department of Basic Education, and the Gauteng High Court.



Our Top Properties In Numbers

Building	Baywest City	Forest Hill City	Hemingways	Mdantsane	Bloed Street Mall	Sunnypark
Size in m ²	88 620	73 294	73 829	34 935	26 400	27 507
Valuation R'000	2 260 000	1 900 000	1 820 000	635 000	695 000	770 000
Value per m ²	25 502	25 923	24 652	18 177	26 326	26 616
Footfall (millions)	6 469	5 292	8 760	10 323	8 819	8 367
Number of stores	244	176	168	100	83	89
Weighted average rent/ m ²	164.8	175.8	154.8	116.2	155.2	157.0
Total materials recycled m ³	11 042	2 961	3 748	2 495		
Equivalent of 240L wheelie bins of waste that were saved from landfill	46 008	12 338	15 615	10 396		
Total material disposed m ³	1 492	1 108	980	471		
Carbon dioxide saved (m ³ CO ₂)	578 040	281 441	489 885	326 242		
Water saved (L)	6 697 489	3 465 300	6 210 692	4 353 575		
Average home swimming pools that could be filled with water @60m ³	112	58	104	73		
Trees saved	4 356	2 254	4 040	2 832		
Energy saved (kWh)	2 970 569	1 273 583	2 076 098	1 190 281		
Mid income homes that could be powered for one year by the energy saving	320	137	224	128		
Income from recycling from 2016 - 2018 (R'000)	480.1	212.9	169.3	78.7		

* The group is still busy implementing processes to monitor the outstanding information for Bloed Street and Sunnypark.



Our Business Model

Our business model is focussed on creating shopping centres that are loved by customers and where retailers flourish. This builds on a long-term business that delivers value for our shareholders and stakeholders.



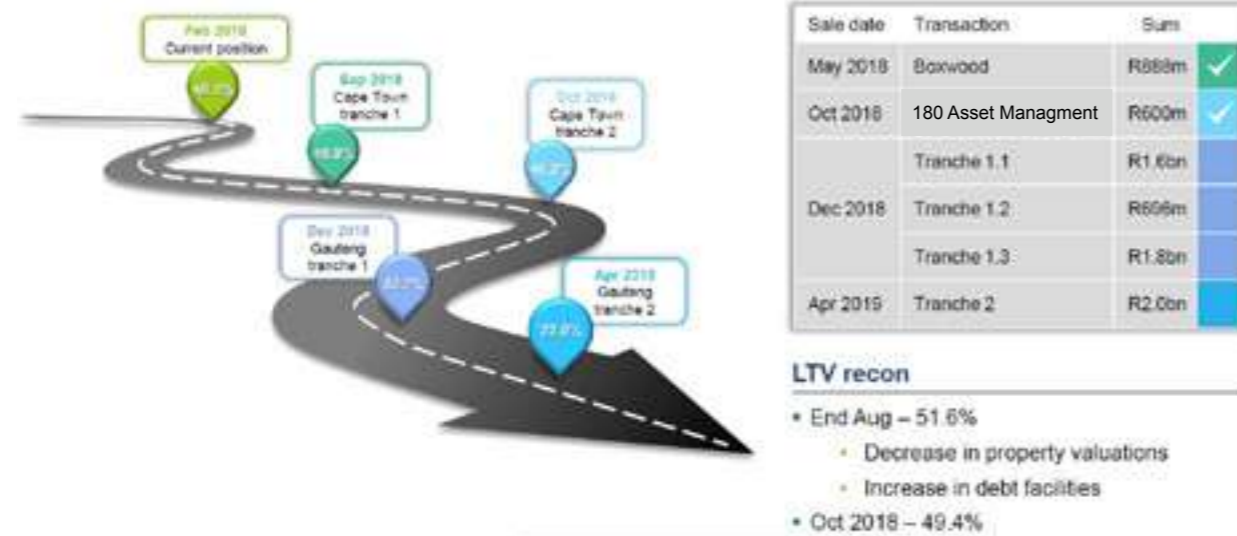
Our 2019 Strategy

Our overall business model to become a retail focussed fund remains unchanged. Our assets and resources and what we do remain the same but the strategy that delivers sustainable value for our shareholders and stakeholders has been adjusted to better represent current opportunities and challenges.



1. Continue retail focus strategy
2. Delivering on our commercial disposal program
3. Reduce loan-to-value to below 40% by reducing debt from disposal proceeds
4. Growing like-for-like net rental income
5. Optimising our flagship destinations
6. Delivering operational excellence
7. New Frontier strategy under review, with no further capital being provided.

Loan to Value road map update



Five Year Review

	2018 R'000	2017 R'000	Restated* 2016 R'000	Restated 2015 R'000	2014 R'000
Revenue					
Property Portfolio	2 261 439	1 883 818	1 394 226	1 049 822	883 649
Investment property income	2 087 179	1 949 509	1 396 903	896 124	747 837
Net income from facilities management agreement	22 488	21 951	23 109	21 051	17 891
Management fees received	4 668	5 416	-	18 891	9 812
Listed property securities and related income	62 348	-	-	60 262	48 107
Straight line rental income accrual	84 756	(93 058)	(25 786)	53 494	60 002
Property expenses	(539 006)	(416 276)	(370 752)	(226 735)	(207 290)
Net property income	1 722 433	1 467 542	1 023 474	823 087	676 359
Other operating expenses	(127 428)	(142 457)	(63 040)	(111 831)	(34 138)
Operating income	1 595 005	1 325 085	960 434	711 256	642 221
Net interest	(755 278)	(758 101)	(440 652)	(282 078)	(185 104)
Received	147 674	87 042	44 750	7 509	1 066
Paid	(902 952)	(845 143)	(485 402)	(289 587)	(186 170)
Net operating income	839 727	566 984	519 782	429 178	457 117
Gain on bargain purchase	-	237 121	-	53 756	-
Other income	4 621	37 444	1 233	1 707	729
Changes in fair values	(1 768 329)	1 144 032	1 488 487	136 935	227 687
Investment property	(1 013 622)	1 269 631	1 419 313	80 014	304 400
Investment in listed securities	(484 949)	-	-	59 942	(50 712)
Loss on disposal of investment in listed securities	-	(26 705)	60	-	-
Derivatives	(92 677)	(98 894)	69 114	(3 021)	(26 001)
Goodwill impairment	(177 081)	-	-	-	-
(Loss)/profit before debenture interest and taxation	(923 981)	1 985 581	2 009 502	621 576	685 533
Debenture interest	-	-	-	(346 811)	(378 984)
(Loss)/profit before taxation	(923 981)	1 985 581	2 009 502	274 765	306 549
Taxation	-	-	-	(13 499)	-
(Loss)/profit from continuing operations	(923 981)	1 985 581	2 009 502	261 266	306 549
Net result from discontinued operations	-	651 853	(135 315)	1 009	-
Total (loss)/profit for the year	(923 981)	2 637 434	1 874 187	262 275	306 549
Investment property at fair value (note 3)	16 682 000	18 608 490	16 996 072	14 555 401	6 856 000
Investment property held for sale (note 4)	1 403 000	212 689	1 156 698	-	-
Distribution/dividend per share (cents)	92.83	128.35	119.45	110.41	99.45

*Restated relates to discontinued operations (refer to note 35)



Our Stakeholders

Our stakeholders include our employees, shareholders, funders, tenants, suppliers, regulators, visitors and communities in which we operate. Enduring partnerships within our stakeholders form a critical element of capitalising on the opportunities arising from our business activities and managing the risks that we face. Key constituencies are considered to be groups whom are materially impacted by our business activities. We recognise that our constituencies' interests are dynamic, they require ongoing analysis and management. We determine their needs and respond appropriately.

Our approach to stakeholder 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 strategy and at the same time directs a positive reputation within our community.

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 continuously 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, shareholders, analysts, regulators and local communities on risks and possible mitigation;
- Enhance local communities through our facilities and corporate social investment; and
- Working on continually improving and maintaining broad-based black economic empowerment (B-BBEE) credentials and employment equity.



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"> • Distribution 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; • Engagement prior to results announcements; • Pre-close discussions and announcements; • 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.
Funders	<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

Key Constituencies	What Matters to Them	How We Engage	Our Response
Tenants	<ul style="list-style-type: none"> Market related rentals and escalations; Initiatives to enhance shopper experience and to attract new shoppers; Tenant and landlord communication; Mall security, management, cleanliness and maintenance; Continuous supply of utilities; 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 attract visitation.
Suppliers	<ul style="list-style-type: none"> Market related contracts; Fair opportunities for business; Timely payments; Clear and timeous communication 	<ul style="list-style-type: none"> Procurement process; Ongoing engagement; 	<ul style="list-style-type: none"> Procurement policies and procedures; Partnership philosophy;
Visitors and shoppers	<ul style="list-style-type: none"> Safe and secure shopping environment; Continuous improvement in shopping experience; Tenant mix improvements; 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"> New experiences 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"> Legal and regulatory compliance. Tax compliance; Employment equity; JSE Listings Requirements; 	<ul style="list-style-type: none"> Communication on building compliance; B-BBEE scorecard; Tax returns; Employment equity reporting. 	<ul style="list-style-type: none"> Compliance with laws and regulations.



Property Portfolio

RETAIL

- 6 high quality dominant malls
- Baywest, Hemingways, Forest Hill, Mdantsane, Sunnypark and Bloed Street
- Strong national tenant profile
- Secure, escalating income streams
- Weighted average lease expiry of 3.8 years
- Average contractual escalation of 6.9%
- Portfolio by GLA 326 008 m²
- Portfolio by value 44.7%

OFFICE

- 42 predominantly A and B grade well-located properties in nodes attractive to government tenants
- Subsequent to year end 6 properties were sold as part of the Boxwood transaction
- Let primarily to National Department of Public Works under long leases
- Weighted average lease expiry of 1.4 years
- Average contractual escalation of 7.2%
- Shielded from private sector e.g. tenant cash flow and insolvency related default
- Portfolio by GLA 560 113 m²
- Portfolio by value 54.3%

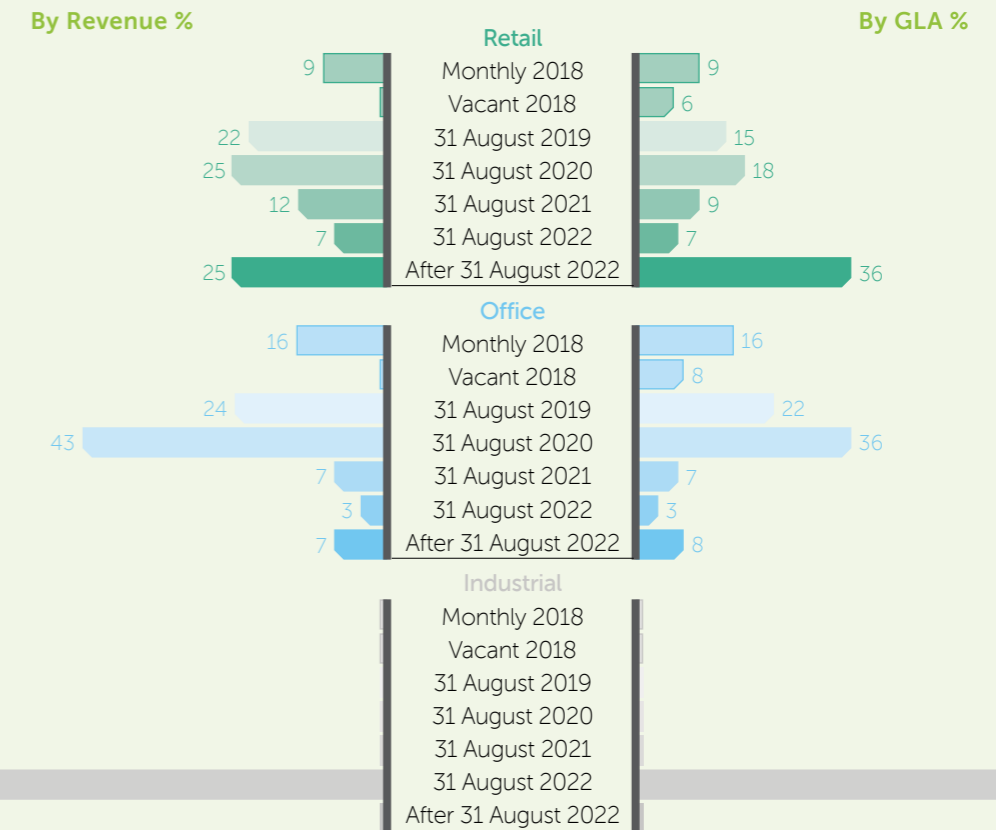
INDUSTRIAL

- Single tenanted industrial warehouse in Johannesburg
- Industrial warehouse acquired in March 2013
- Lease underpinned by international listed parent company
- Weighted average lease expiry of 7.3 years
- Contractual escalation of 7.0%
- Portfolio by GLA 18 954 m²
- Portfolio by value 1.0%



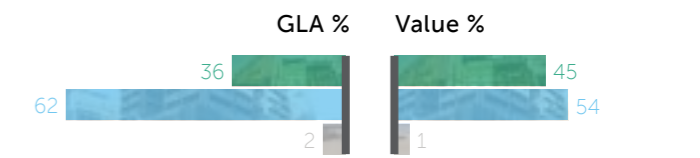
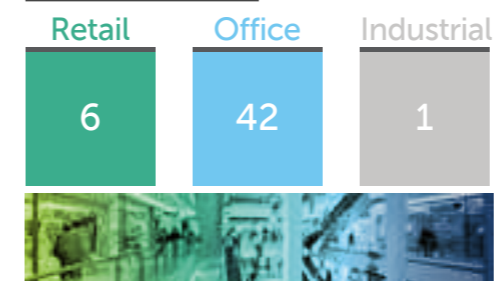
Property Portfolio

REBOSIS PROPERTY PORTFOLIO - LEASE EXPIRY PROFILE



SECTORAL SPREAD %

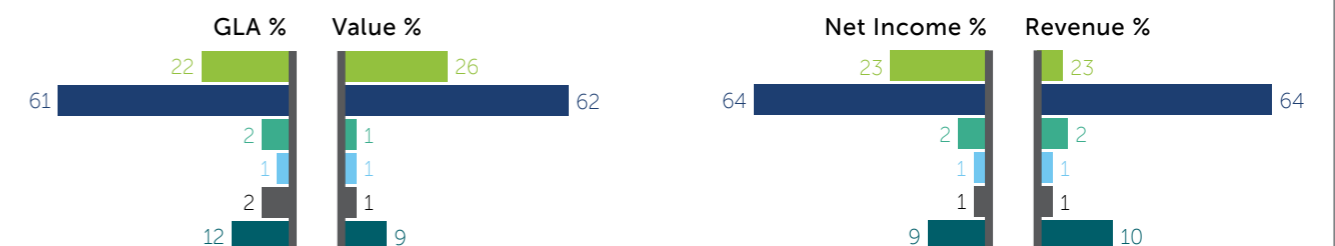
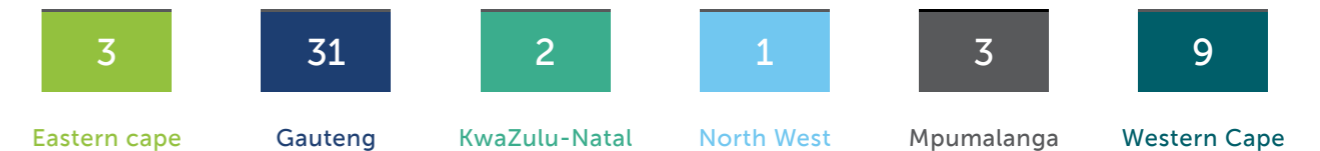
Number of Properties



Net Income %



GEOGRAPHICAL SPREAD %



Property Portfolio

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 = Smaller international and national tenants, listed tenants, franchisees and medium to large professional firms
 C = Other small tenants

		Rebosis Property Portfolio	
		Gross monthly rental	GLA
A	Retail	29%	30%
	Office	52%	46%
	Industrial	1%	2%
Total A grade		82%	78%
B	Retail	3%	2%
	Office	7%	6%
	Industrial	-	-
Total B grade		10%	8%
C	Retail	3%	2%
	Office	5%	5%
	Industrial	-	-
Total C grade		8%	7%
Total portfolio excluding vacancies		100%	93%
Vacancy	Retail	-	2%
	Office	-	5%
	Industrial	-	-
Total vacancy		-	7%
Total portfolio		100%	100%
Total number of tenants in C Grade		492	
C grade	Retail	183	-
	Office	309	-
	Industrial	nil	-

OCCUPANCY PROFILE AS AT 31 AUGUST 2018

	VACANCY PROFILE By sector by rentable area	WEIGHTED AVERAGE RENTAL PER M ² By sector by rentable area	WEIGHTED AVERAGE RENTAL ESCALATION PROFILE By sector by rentable area	AVERAGE ANNUALISED PROPERTY YIELD By sector by rentable area
Retail*	1.8%	R158.3	6.9%	7.8%
Office	7.9%	R116.0	7.2%	9.3%
Industrial	0%	R76.0	7.0%	9.1%
Total	5.5%	R130.4	7.1%	8.6%

*Includes the rental guarantees of Baywest and Forest Hill



Investment Property Profile

as at 31 August 2018

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	8 080 000 000	24 785	158.3
Bay West Mall	Eastern Cape	88 620		88 620	2 260 000 000	25 502	164.8
Bloed Street Mall	Gauteng	26 400	-	26 400	695 000 000	26 326	155.2
Forest Hill City	Gauteng	73 294		73 294	1 900 000 000	25 923	175.8
Hemingways Shopping Centre	Eastern Cape	73 829	-	73 829	1 820 000 000	24 652	154.8
Mdantsane Shopping Centre	Eastern Cape	34 935	-	34 935	635 000 000	18 177	116.2
Sunnypark Shopping Centre	Gauteng	28 930	1 423	27 507	770 000 000	26 616	157.0
Office		463 035	442 915	20 120	8 417 000 000	18 178	117.7
11 Diagonal Street	Gauteng	37 160	35 069	2 091	713 000 000	19 187	105.1
124 Main Street	Gauteng	20 818	20 818	-	629 000 000	30 214	169.2
174 Visagie Street	Gauteng	13 537	13 537	-	235 000 000	17 360	143.7
18 Rissik Street	Gauteng	11 204	11 204	-	365 000 000	32 578	223.6
189 Schoeman Street	Gauteng	19 332	19 168	164	398 000 000	20 588	124.0
238 Roan Crescent	Gauteng	9 035	9 035	-	108 000 000	11 954	89.1
28 Harrison Street	Gauteng	20 984	20 140	844	250 000 000	11 914	96.2
373 Pretorius Street	Gauteng	13 340	13 340	-	268 000 000	20 090	152.4
64 Eloff Street	Gauteng	4 938	4 415	523	107 000 000	21 669	133.2
99 Market Street	Gauteng	11 659	11 659	-	151 000 000	12 951	108.2
Arbour Square	Gauteng	9 206	5 951	3 255	121 000 000	13 143	99.1
Bank of Lisbon	Gauteng	14 599	14 053	546	202 000 000	13 836	78.5
Bathopele Building	Gauteng	11 500	11 500	-	173 000 000	15 043	119.6
Game Building	Gauteng	21 438	14 207	7 231	332 000 000	15 487	120.7
Infinity Office Park	Gauteng	12 681	12 681	-	238 000 000	18 768	134.3
Jabu Ndlovu	KwaZulu-Natal	11 455	11 455	-	162 000 000	14 143	121.8
Kingfisher Office Park	Gauteng	1 405	1 405	-	16 000 000	11 388	86.2
Liberty Building	Gauteng	33 885	33 885	-	705 000 000	20 806	117.7
Medscheme Building	Gauteng	6 792	6 792	-	115 000 000	16 932	113.5
Meyersdal Office Park	Gauteng	4 957	4 957	-	54 000 000	10 894	89.7
Mishumo House	Gauteng	6 154	6 154	-	95 000 000	15 437	120.2
NBC Building	Gauteng	10 000	10 000	-	91 000 000	9 100	129.2
Prorom Building	Mpumalanga	6 431	5 474	957	77 000 000	11 973	116.9
Revenue Building	KwaZulu-Natal	7 314	7 314	-	93 000 000	12 716	103.8
Riverpark	Mpumalanga	4 216	4 216	-	68 000 000	16 129	112.9
Riverview	Mpumalanga	4 303	4 303	-	68 000 000	15 803	103.2
SALU Building	Gauteng	30 354	30 354	-	725 000 000	23 885	117.9
SASSA Campus*	North West	11 665	11 665	-	139 000 000	11 916	-
Schreiner Chambers	Gauteng	18 815	17 048	1 767	233 000 000	12 384	116.7
Sigma House	Western Cape	3 751	3 305	446	60 000 000	15 996	157.4
Spectrum House	Western Cape	7 550	7 292	258	110 000 000	14 570	135.6
Surrey House	Gauteng	11 840	10 908	932	274 000 000	23 142	146.4
Swiss House	Gauteng	8 008	6 902	1 106	131 000 000	16 359	106.8

Investment Property Profile as at 31 August 2018

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)							
Victoria Mxenge	Gauteng	24 720	24 720	-	611 000 000	24 717	99.9
VWL Building	Gauteng	17 989	17 989	-	295 000 000	16 399	115.5
Land (Forest Hill)	Gauteng	-	-	-	5 000 000	-	-
Industrial		18 954	-	-	185 000 000	9 760	76.0
Antalis	Gauteng	18 954	-	-	185 000 000	9 760	76.0
Assets held for sale		97 078	77 532	19 546	1 403 000 000	14 452	107.9
14 Long Street ⁵	Western Cape	9 975	9 100	875	114 476 487	11 476	103.8
45 on Castle ⁵	Western Cape	9 537	9 537	-	138 497 554	14 522	132.8
Bergstan House ⁵	Western Cape	2 838	2 108	730	27 095 007	9 547	69.0
Matrix House ⁵	Western Cape	9 001	8 076	925	95 374 425	10 596	87.6
Nedbank Centre ⁵	Western Cape	5 905	5 488	417	82 368 821	13 949	88.7
Rebosis House ⁵	Western Cape	26 245	23 059	3 186	410 187 706	15 629	95.3
Grand Central [‡]	Western Cape	33 577	20 164	13 413	535 000 000	15 934	124.1
Total		905 075	521 870	364 251	18 085 000 000	19 982	130.4

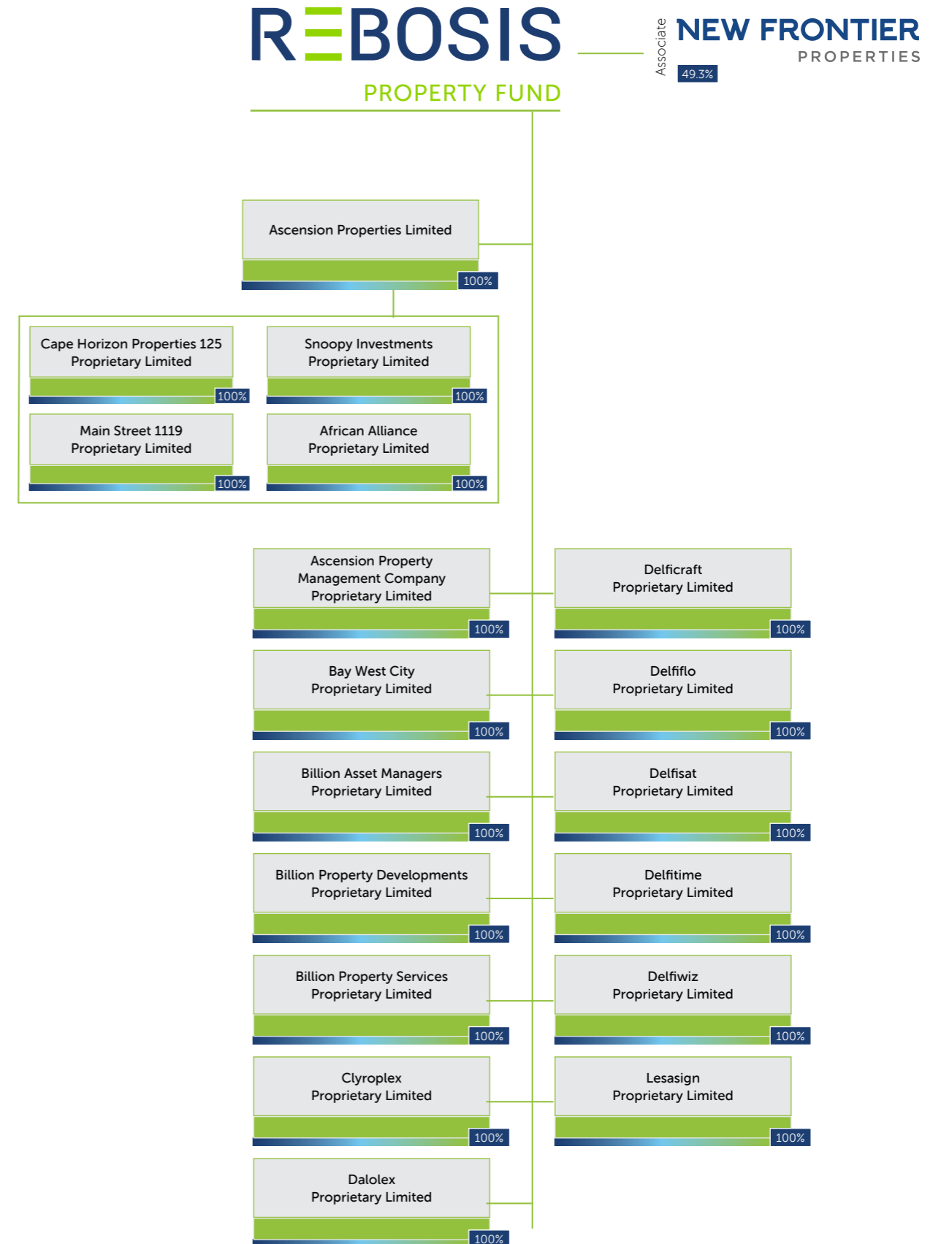
* Student accommodation is not calculated as a rate per square but rather as a rate per bed. The rate for the SASSA campus is R2 700 per month.

⁵ Assets transferred on 4 October 2018.

[‡] Sale process underway, not transferred at date of this report.



Company Structure



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.

Since Ascension's listing, the company had a capital structure consisting of an A and B share. In 2014 Rebosis acquired a 32% of the shares of Ascension. A further 20% was acquired in 2015 which gave Rebosis as effective shareholding of 59%. During 2017 Rebosis acquired full control of Ascension by issuing the Rebosis A-ordinary shares that replaced the Ascension A shares.

BAYWEST CITY

Baywest City Proprietary Limited is a wholly owned subsidiary of Rebosis which owns Baywest Mall, an 88 620m² A-grade regional shopping centre offering. The mall opened in Port Elizabeth on 21 May 2015.

BILLION PROPERTY DEVELOPMENTS (FOREST HILL CITY)

Billion Property Developments Proprietary Limited is a wholly owned subsidiary of Rebosis which owns Forest Hill City Shopping Centre located in Centurion, Gauteng and opened on 29 May 2014. This A-grade regional shopping centre comprises approximately 73 294m² of retail shopping.



Significant Associate

NEW FRONTIER PROPERTIES LIMITED

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

Rebosis acquired an effective 62% stake in New Frontier in March 2015 for a consideration of R1.2bn. In September 2015 Rebosis increased its stake in New Frontier to 67.5% and before the disposal of the shares to the B-BBEE consortium, the shareholding in New Frontier was at 67.6%. On 31 August 2017, Rebosis reduced its interest in New Frontier to 37.7% by disposing of 45 679 653 New Frontier shares to a B-BBEE consortium and became an associate on this date.

During the year Rebosis acquired a further 13.6 million shares from Prescient Investment Manager Proprietary Limited following the exercise of Put options that were granted when New Frontier listed and subsequently embarked on a capital raise. Rebosis also advanced funds to New Frontier to acquire the Dublin property which was settled by the issue of shares to Rebosis. A further tranche of shares was acquired and immediately disposed of to a B-BBEE consortium. At the end of the financial year Rebosis (through its seven subsidiaries) held 49.3% of the shares in New Frontier. Rebosis has two directors on the board of New Frontier with the balance of six other members being executive directors and independent non-executive directors. The B-BBEE consortium runs its own affairs independently of Rebosis and Rebosis does not attend or participate in any of their board meeting. The memorandum of Incorporation of New Frontier does not entitle Rebosis or any other shareholder to appoint directors as a result of the number of shares held. A decision was made by the Rebosis board that no further financial assistance will be granted to New Frontier. It is the intention of Rebosis to dispose of its investment in New Frontier in the short to medium term. Resulting from the aforementioned facts, Rebosis does not control New Frontier and therefore does not consolidate New Frontier.

The closing share price of New Frontier shares were R12.50 (2017: R18.14) per share.

New Frontier Properties Limited has been established in Mauritius as a public company limited by shares holding a Category 1 Global Business License. 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.





Leadership and Management



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Board of Directors



Board of Directors

DR ANNA MOKGOKONG

Independent non-executive chairperson

Age: 61 years

Qualifications: Bsc, MBCHB

Date of Appointment: 12 April 2011

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

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

She also serves on numerous non-listed entities.

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

She has served in numerous councils of academic institutions as well as civil society commissions such as The Independent Commission for Remuneration of Public Office Bearers, where she was appointed as Deputy Chairperson by the former President Mr. Thabo Mbeki (from 2004 – 2009); She was also a Commissioner of the Interim National Defence Force Commission (SANDF) (from 2009 – 2013).

She is a social activist and passionate about women empowerment transformation to bring about equality in the economy of South Africa.

In 2018 she was awarded with Lifetime Business Achievers Award from Gauteng Province.

She serves as an Honorary Consul General of Iceland in Pretoria (2017).



DR SISA NGBULANA

Deputy Chairman and Chief Executive Officer

Age: 52 years

Qualifications: BJuris, LLB, LLM, Honorary Doctorate in Commerce

Date of Appointment: 12 April 2011

Dr Sisa is the Deputy Chairman and Chief Executive Officer of Rebois Property Fund Limited, the Chairman of Billion Group and director and Chairman of New Frontier Properties Limited.

Dr Sisa founded the Billion Group in 1998, Rebois in 2010 and co-founded New Frontier Properties in early 2013. He has single handedly developed a number of regional shopping malls in South Africa, including Mdantsane City Shopping Centre, Hemingways Mall, Forest Hill City Shopping Centre, Bay West City Mall in Port Elizabeth and BT Ngebs City Shopping Centre in Mthatha.

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

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

On the 2nd of May 2018, Walter Sisulu University bestowed its highest honour on Dr Sisa when it conferred on him an honorary doctoral degree in commerce during a graduation ceremony in his hometown of Mthatha.

He has received various awards for himself, 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 Awards), CEO Africa Award 2017 for his outstanding contribution in representing Rebois (CEO Today Magazine), Manager of the Year as CEO of Rebois (Socrates Committee Oxford UK 2017) and The Nkosi Ntsikayezwe Sigcau Award in recognition of the role he plays in social development and as a successful business person (Eastern Pondo Kingdom, Pondo Culture and Heritage Festival, 2017).



Board of Directors

ROB BECKER

Chief Investment Officer

Age: 56 years

Qualifications: BAcc CA(SA), MBA

Date of appointment: 1 August 2018.

Rob is a Chartered Accountant having served articles at Deloitte. He read for a Masters of Business Administration at Brunel University in the United Kingdom. Rob has 25 years' experience in large corporates having served as Chief Financial Officer of Sun International Limited, Nampak Limited and Robertsons Holdings.

Rob has executed numerous acquisition and disposal strategies and has international corporate finance experience in Africa, Europe and South America. More recently Rob had been running his own private equity advisory business.



MARELISE DE LANGE

Chief Financial Officer

Age: 46 years

Qualifications: B.com (Law), B.com (Hons)(Acc), CA(SA)

Date of Appointment: 1 March 2017 (resigned 30 November 2018)

Marelise has more than 24 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.

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, Chairperson of the Investment committee, Chairperson of the Nominations section of the Remuneration Committee and also a member of the Audit and Risk Committee.



ZANDILE KOGO

Executive Director – Retail

Age: 42 years

Qualifications: Diploma in Business Administration

Date of appointment: 3 November 2017

Zandile started with Reboasis 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. Zandi spent 13 years in management of which 10 years were in senior management. Zandi was the Head of retail operations for the country. Her previous experience includes working for TFG (The Foschini Group), Unilever, Avon, Sonneberg, Hoffman and Galombik, BKS & Firstpro Engineering.



FRANCOIS FRONEMAN

Independent non-executive director

Age: 52 years

Qualifications: B. Com. (Hons), CA (SA), Member of IRBA

Date of Appointment: 8 February 2017

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



NOMFUNDO GANGULE

Independent non-executive director

Age: 51 years

Qualifications: CA (SA), CAI, CAIB (SA)

Date of Appointment: 26 April 2012

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

She serves on the UNISA Foundation and is chair of the Audit committee of Afrocentric Limited and a member of the Investment committee of KZN Growth Fund. Nomfundo is a former chair of the Audit committee of Spescom Limited.



THABO SEOPA

Independent non-executive director – Reboasis Property Fund Limited

Age: 54 years

Qualifications: B Acc, Hdip Tax, MDP

Date of Appointment: 26 April 2012

He is the founder and Chairman of Awande Capital Partners an investment holding company. Thabo spend the last 14 years as Managing Director of Trudon Proprietary Limited (a local advertising media company) before taking on an executive role at Awande.

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 Property Fund Limited, Applemint Proprietary Limited, 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 Proprietary Limited 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

Independent non-executive director

Age: 55 years

Qualifications: BA (Unisa)

Date of Appointment: 8 February 2017

Maurice Mdlolo, CEO of Umthombo Property Investments Proprietary Limited, has a comprehensive track record of delivery in the property sector. Maurice is the former Managing Director of Liberty Group Properties Proprietary Limited, former CEO of Akhona Broll Properties Proprietary Limited and the former CEO of Motseng Marriott Property Services Proprietary Limited. 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 Proprietary Limited. 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.



Board of Directors

JACO ODENDAAL

Independent non-executive director

Age: 57 years

Qualifications: Personnel Management Diploma

Date of Appointment: 12 April 2011

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

In 2002 Jaco headed up a number of developments, notably the Cape Gate Precinct in joint venture with Hartwig Trust. In 2005 he co-founded Abacus Asset Management and is currently involved in various other developments, namely the award-winning Mooirivier Mall in Potchefstroom, the Matlosana Mall in Klerksdorp, the Dainfern Square in Johannesburg as well as with Billion Group Bay West City in Port Elizabeth.

ISABEAU KING

Chief Financial Officer

Age: 44 years

Qualifications: B.com (Acc) Cum Laude, B.com (Hons)(Acc), CA(SA), CMA

Date of Appointment: 1 December 2018

Isabeau has 19 years of experience in financial management roles. She has been instrumental in the design and implementation of various new reporting systems. She also has a wealth of experience in corporate governance and reporting.

She started her career as audit manager at Deloitte where she played an integral part of establishing the Professional Standards Review department. From there she moved to Sun International as Group Financial Manager in 2002. Staying in the hospitality industry in 2008 she furthered her career as Chief Financial Officer at Accor Southern Africa. In 2012 she moved to Barloworld Limited as Group Financial Manager for 5 years, after which she joined the Equipment division as Chief Financial Officer - Corporate Office.

MANDE NDEMA

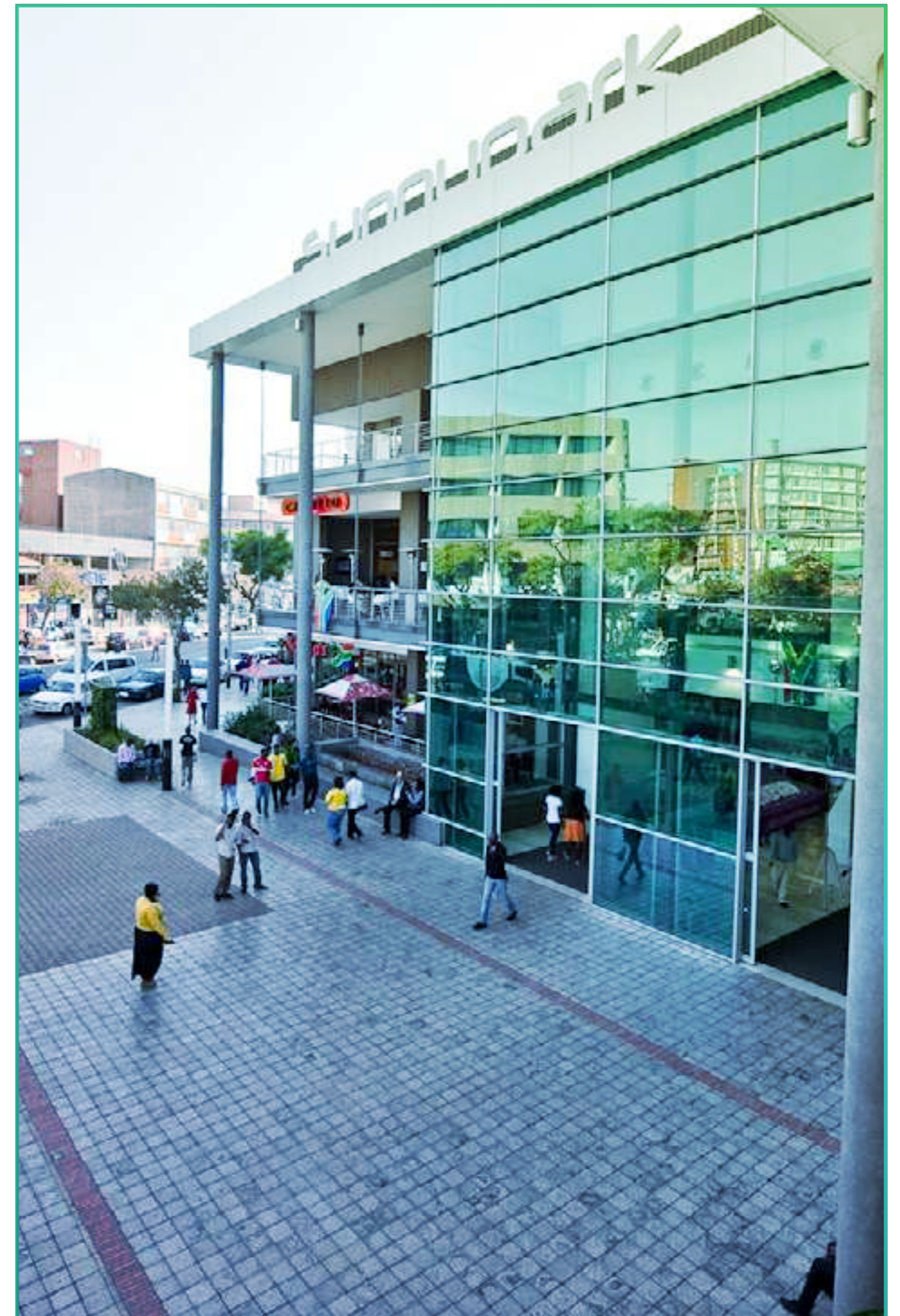
Company secretary

Age: 45 years

Qualifications: B.Soc.Sci, LLB, PMD (GIBS), Certificate in Property Investment & Practise, Post Graduate Diploma in Marketing & Supply Chain Management.

Date of Appointment: 12 April 2011

Mande is an admitted attorney of the High Court of South Africa (admitted in January 2001) having specialised in commercial law and corporate governance. He now specialises in all aspects of JSE Listings Requirements, King Code and Companies Act and is responsible for the flow of information to the Board and its committees and ensuring compliance with Board procedures, legislation and regulations.



Chairman's Letter

The year under review proved to be one of the toughest for listed real estate in almost two decades. After almost 20 years of exceptional returns, listed property is the JSE's worst performer in 2018, down 17% year to date. The All Share Index in comparison, lost 9% over the same period.

Since the markets are largely driven by sentiment, a number of high-profile political events and corporate scandals on the domestic front resulted in huge volatility, further worsened by state capture revelations, credit downgrades, technical recessions, VAT and fuel increases, trade wars and Trumpenomics to name but a few.

Internationally, and especially in Britain, where Reboasis has exposure through New Frontier Properties, listed real estate suffered equally as continued uncertainty around the country's decision to leave the European Union, more commonly known as Brexit, prevailed. Dr Ngebulana will elaborate on Brexit's impact on Reboasis in his Chief Executive's review.

As a board, we are aware that during times like these, the market prices for certainty, measured by quality of earnings. Towards the end of the 2016 calendar year, Reboasis acquired two large high-quality, early stage retail centres in line with its strategy of evolving into a retail dominant fund. Although the transactions were yield dilutive in the medium term, shareholders supported the strategy based on the more defensive nature of retail, especially in tougher economic times with the commitment to minimise once-off and non-lease income over time.

A significant leadership change took place just before the commencement of the prior financial year, when Reboasis founder, Dr Sisa Ngebulana retired from his executive duties and stepped into a non-executive role. On the eve of reporting our interim results for the year under review, the new incumbent tendered his immediate resignation for personal reasons. This left us in the embarrassing position of having to postpone our results announcement for two weeks to allow Dr Ngebulana, who re-assumed the executive leadership position, to familiarise himself with the numbers and operational details of the business.

Considering current market conditions and our own position, we engaged extensively with our stakeholders. A key take-out was a significant perception of strategic drift, and the second was the market's increased focus on quality of earnings.

We therefore took the bold decision at the time of reporting our interim results to discount non-recurring income from Reboasis' distribution under the premise that a clean base will provide us with a platform from which to grow and deliver on our strategy as a retail focused fund.

Subsequently, during the consolidation of the year under review, New Frontier Properties announced that – due to ongoing valuation reversions as a result of companies filing for Company Voluntary Arrangements – it will not distribute a dividend for the second half of the year.



This placed significant pressure on Reboasis' distributable income, with an anticipated dividend income of R28.3 million not being received. Consequently, there was also an interest shortfall on the vendor loan to the black economic empowerment consortium (BEE consortium) who bought a large portion of our stake in NFP on a vendor-funded basis.

The net effect was a contraction of 18.8% in distributable income of R790.5 million for the year under review against R973.7 million reported in the prior financial year.

A number of unforeseen once-off impacts, such as the loss of R18.7 million on the settlement of a cross currency facility, and a R14 million provision for bad debts further impacted the results.

The board has requested management to present a comprehensive strategy based on several scenarios. At the time of writing, a number of contingencies depended on the details of New Frontier Properties' results and the outcome of Brexit. Until such time, the board has adopted a "worst case" scenario, discounting any income associated with New Frontier. The board was presented with several feasible options on dealing with its position in New Frontier Properties, with a number of parallel opportunities being explored concurrently. We will update the market continuously as more information becomes available.

Reboasis' underlying portfolio performed well, despite a tough economy. Like-for-like growth in the underlying retail portfolio increased to 4.6% (excluding the net income warranty) on a year-on-year basis. The commercial portfolio grew by 5.1% and the industrial asset by 7%. Net income from properties increased by 4.7% and retail trading density growth was up 4.9%.

The value in the underlying portfolio declined by 3.9% to R18.09 billion, mostly as a result of the vacancies at Forest Hill. The balance is due to the disposals achieving a slightly lower exit yield compared to the portfolio average, the discontinuation of income warranties and the vacancy at NBC building in Braamfontein.

The successful conclusion of our disposal strategy is imperative to our sustainability and transformation as a retail focused fund. At the time of writing, two transactions valued at just under R1.5 billion have been concluded, with a further three transactions of around R4 billion set to conclude before the end of December this year.

I know that there have been some persistent queries around Dr Ngebulana's tenure at Reboasis. Let me assure you that we are not looking at appointing a CEO anytime soon and Dr Ngebulana is committed to serve in this position. As the largest individual shareholder, Mr Ngebulana's interests are strongly aligned with those of shareholders.

Indeed, Dr Ngebulana presented an ambitious turn-around strategy when he reassumed responsibility for the day-to-day performance of Reboasis. The market has gotten more difficult and tougher since then.

I am however pleased to report that in the last three months of the reporting year since his involvement, significant progress was made with the disposal strategy, new funding lines, etc. in line with the presented strategy and roadmap.

Notwithstanding the challenges of negotiating macro-economic and prior-year legacy decisions, the underlying portfolio's performance is encouraging, speaking to its dominant positioning and offering to the market.

There has been an overhaul of management with various new senior appointments to strengthen and complement teams, following a short era of critical skills leaving that led to value loss prior to the reinstatement of Dr Ngebulana.

The team was further bolstered with the appointment of Rob Becker as Chief Investment Officer. Rob brings a wealth of corporate finance as well as local and offshore financial management experience to the Company. He is a Chartered Accountant and holds an MBA in Corporate Strategy (Cum laude) from Brunel University in the United Kingdom.

Rob has held several executive board positions at large, listed multinationals including Group Financial Director at Robertsons Holdings Proprietary Limited and Chief Financial Officer at Sun International Limited and Nampak Limited.

Mrs Marelise de Lange resigned as Chief Financial Officer at the end of the year under review. Mrs Isabeau King has accepted the position and joined Reboasis on 1 December this year during a hand-over period. Isabeau is a Chartered Accountant and Chartered Management Accountant and has served as Chief Financial Officer of Barloworld Equipment – Corporate Office and Accor Southern Africa Hotel Group and served in a senior financial position at Sun International Limited.

On behalf of the board, I wish to thank Marelise for her contributions during difficult circumstances and wish her well for the future. I furthermore wish to welcome Rob and Isabeau to the Company and look forward to their input.

Going forward, Reboasis will continue to focus on operational efficiencies, and particularly in filling vacancies at its key retail centres. While the commercial portfolio is defensive in nature, management is focused on the disposal program to achieve a loan-to-value ratio of less than 40%.

Reboasis is encouraged by the possible Brexit deal, which can only bode well for an improved future for its NFP investment, but has taken a decision to exclude all income therefrom in order to provide Reboasis shareholders with a clean base that has no NFP overhang to the Company's core South African income.

These exclusions, together with non-recurring items of income and expenditure included in the year ended 31 August 2018 distribution, will result in expected distributable income for the year ending 31 August 2019 being 26% to 30% down compared to the prior year.

The dividend per Reboasis A ordinary share ("A Share") will continue to attract a guaranteed distribution growth of 5%. The dividend per Reboasis ordinary share ("B Share") for the year ending 31 August 2019 is therefore expected to be between 57.55 and 53.84 cents per B Share, being 38% to 42% lower than the 92.83 cents per B Share for the comparative year ended 31 August 2018.

I wish to thank my fellow board members for their pragmatic approach in what was a very difficult year for Reboasis on several levels. On behalf of the board, I also wish to thank the executive team and staff for their unwavering dedication and hard work.

Lastly, I wish to thank our stakeholders for their ongoing support and willingness to engage as we negotiate this volatile period.

Dr Anna Mokgokong
Chairman

14 December 2018

Chief Executive Officer's report



OVERVIEW

The SA macro-economic fundamentals remain weak and notwithstanding this, on a positive note the company direct property fundamentals remain solid underpinned by high exposure to nationals in retail and sovereign leases in offices with contracted escalations. These continue to underpin solid growth on like for like income despite a challenging economic environment.

The period under review has been negatively impacted largely by exposure to UK retail through New Frontier investment, with the Brexit uncertainty causing huge impact on its earnings and valuations resulting in the company impairing all earnings from this investment. This was exacerbated by change in management at Rebois, impact of dilutive retail acquisitions in a period during which property companies have been urged to rebase earnings to eliminate any once off items.

Notwithstanding these dynamics, I take great courage from the performance of our underlying South African portfolio. The fundamentals of our domestic portfolio remain relatively strong, and with my recall to assist following management changes, I am confident of continued growth into the future.



OPERATIONAL PERFORMANCE

Like-for-like growth in the underlying retail portfolio increased to 4.6% (excluding the net income warranty) on a year-on-year basis. The commercial portfolio grew by 5.1% and the industrial asset by 7%.

The portfolio was revalued by independent valuers, LDM Valuation Solutions for both the commercial and industrial portfolios. Mills Fitchet evaluated the retail portfolio. The value in the underlying portfolio declined by 3.9% to R18.09 billion, mostly as a result of the vacancies at Forest Hill. The balance is due to the disposals achieving a slightly lower exit yield compared to the portfolio average, the discontinuation of income warranties and the vacancy at the NBC building in Braamfontein (which I discuss in more detail below).

I'm very happy to say that Sunnypark has recovered significantly through our tenant optimisation and leasing initiatives. It bears testimony to the team's focus.

Forest Hill is no doubt more challenging, but we have invested significantly in bolstering key positions in the centre's management team with some industry heavyweights. We focused on enhancing the overall quality of the shopping experience and have implemented a comprehensive marketing programme.

In addition, we are working closely with the local authorities on improving access to the mall. With the densification around the mall improving, we expect letting activity to increase.

These efforts are gaining traction with 2 580m² of new space let in October and November 2018 at Forest Hill.

Baywest is receiving strong interest in vacancy fill-ups, with 2 514m² of vacant space filled during the past two months.

The vacancies filled at these two centres represent approximately 39% of the vacant space at both malls.

A number of lease negotiations on smaller leases on a 3-year cycle were completed during the year under review. The next lease cycle on 5-year leases are due in July 2019, with an anticipated reversion of around 5% and 1% overall impact on the fund.

In tough economic times, super convenience and super retail centres tend to be more defensive compared to other retail asset classes. The performance of our portfolio underscores this, with our large retail centres in the Eastern Cape (Baywest and Hemingways) reporting trading densities of 8.5% and 8.2% respectively at financial year end, against an industry average (measured by International Property Data (IPD)) of negative 0.3%.

Similarly, our community dominant centres Mdantsane City in the Eastern Cape and Bloed Street Mall in Pretoria reported trading density growth of 2.8% and 5.5% respectively, against the IPD average of negative 0.5%.

There has been a lot of talk in the market on government potentially signing 5 to 10 year leases with majority black-owned landlords. We are proactively engaging with government on the implementation of the Property Empowerment Policy and lease renewal programme.

Government leases are managed on behalf of the Department of Public Works by the Property Management Trading Entity (PMTE). The PMTE during the year under review appointed a new head, and a three-stage process was instituted. The new committee responsible for lease approvals (stage 3) has provided commitment to conclude the majority of lease renewals before the end of the 2018 calendar year with the balance by the end of February 2019.

In terms of the provisions, black listed funds are categorised separately and qualify for minimum 5 year lease terms.

Expected reversions on the office portfolio may be lower than anticipated, in other words, we may achieve a higher rental rate than on the original submissions that were based on 10 year leases.

On the 10 year lease submissions, we budgeted for a 20% reversion, which would have impacted the portfolio negatively by 1.7%. Given the new classifications for national government leases, we will let our current lease terms run out. Reversions will only be on expiry of these leases. Provincial and local government leases are not impacted at this stage.

Two of our commercial office tenants vacated, resulting in additional bad debt provision of R14 million. These assets will be redeveloped into apartments and student accommodation respectively. We've had huge success in this regard with the conversion of our Mafikeng asset into student accommodation and will dispose of these assets post completion.



Chief Executive Officer's report



DISPOSAL STRATEGY

The disposals serve to achieve two objectives for us, deleveraging to lower our Loan to Value for the company, and, to reduce office exposure and focus the company as a retail fund.

In May this year we provided a road map for disposals and in line thereof, we concluded a disposal to Boxwood Properties at a value of R888 million, announced in the same month of May. The net value achieved was in line with our target yield, which was slightly below the portfolio average and transfer took place in October.

Similarly, in October we accepted an offer on our Grand Central property for R600 million, again achieving the targeted net value. This property is under due diligence and we expect finalisation with transfer in February 2019.

In line with the roadmap, we committed to further disposals totalling R4.096 billion before the end of the calendar year. These transactions, set to occur in three tranches of R1.6 billion, R696 million and R1.8 billion are progressing well.

A further disposal tranche of R2.0 billion is set to be completed by April 2019. Readers are encouraged to refer to the JSE's Stock Exchange News Service for updates post the publication date of this report in this regard.

Proceeds from disposals will be used to settle debt, with more expensive debt earmarked to be settled first. There are no punitive break fees on settling this debt first. On successful conclusion of the disposal programme, Rebosis' loan-to-value is expected to achieve well below the 40% target.

NEW FRONTIER PROPERTIES IMPACT

Rebosis' total exposure to NFP is R2.3 billion. I wish to stress that there are no further guarantees or under-writing agreements committing Rebosis to NFP, and we will not be providing any further capital commitments to NFP for the foreseeable future.

As mentioned in the introduction, the retail environment in the UK is exceptionally challenging. An increasing number of retailers have filed for Company Voluntary Arrangements (CVAs) – locally we know it as business rescue – where landlords are forced to accept lower rentals as part of a regulatory process aimed at preventing the retailer from financial collapse.

CVAs have been abused by some retailers as a mechanism to restructure their businesses at the cost of landlords. This has led to increased lobbying against the practice, with more onerous measures being implemented.

Nonetheless, recent disposals in the market were typically between distressed sellers and bargain buyers and not representative of a "willing buyer, willing seller" market, severely impacting valuations and value destructive.

The external valuations for New Frontier's property portfolio have come in at a 27% decline on the prior valuations and resulted in the LTV covenants being exceeded. The board of New Frontier therefore resolved not to declare a dividend for the foreseeable future and until such time that the covenants had been remedied.

The management of New Frontier are engaged with the companies funders, and are receiving support by way of a debt stand till. This involves the cash flows being swept and used to repay both capital and interest. The company remains a going concern and the positive cash flows will result in capital being repaid and the net asset value increasing over time.

STRATEGIC OUTLOOK AND GUIDANCE

Although we remain hopeful of a pragmatic and expedient resolution to Brexit, the board has resolved to exclude all income from NFP to provide Rebosis shareholders with a clean base consisting of income from the Company's core South African portfolio.

This includes dividend income, interest on the loan to NFP and interest on the vendor loan to the B-BBEE Consortium. These exclusions, together with non-recurring items of income and expenditure included in the year ended 31 August 2018 distribution, will result in expected distributable income for the year ending 31 August 2019 being 26% to 30% down compared to the prior year.

The dividend per Rebosis A ordinary share ("A Share") will continue to attract a guaranteed distribution growth of 5%. The dividend per Rebosis ordinary share ("B Share") for the year ending 31 August 2019 is therefore expected to be between 57.55 and 53.84 cents per B Share, being 38% to 42% lower than the 92.83 cents per B Share for the comparative year ended 31 August 2018.

This guidance provided to the market is based on, inter alia, the following key details and assumptions:

- Net Property Income growth of 4% to 5%, post the Boxwood disposal;
- Rental warranties of R85 million included in FY18 have lapsed, and is expected to be replaced with R20 million to R25 million income on new lets;
- Corporate and administrative costs growth of 6%;
- Exclusion of R160 million NFP income accounted for in FY18, comprising of:
 - o H1 2018 dividend of R29.2 million;
 - o Interest on Vendor Loan of R112.6 million; and
 - o Interest on loan of R18 million;
- Exclusion of 2018 Cross-Currency Swaps capital profit of R51 million.

The guidance furthermore assumes the issue of an additional 17.7 million B Shares in the current (2019) financial year in respect of the deferred payment liability, which is expected to be R200 million.

Distribution per share for the year ending 31 August 2020 is expected to grow at 5% for the A Shares and between 3% and 6% for the B Shares.

Going forward, we will accelerate our focus on filling up remaining vacancies at Forest Hill and Baywest. At the same time, we will accelerate the disposal of our non-core office assets, with the proceeds used to reduce debt levels in the Fund. Our ultimate aim is to reduce the loan to value to below 40%.

Reducing the non-core office portfolio will also result in a more retail biased fund, in line with our strategy of being retail dominant.

The board of Rebosis recognises that the company and its management must be tasked with unlocking value for shareholders. To this end, management is engaged with various parties that present exciting opportunities for shareholders and announcements will be made in due course.

APPRECIATION

I would like to thank the board for their ongoing support and guidance during these trying times. My sincere thanks also go to my executive team, Rob Becker and Marelise de Lange for the long hours dedicated to delivering on our strategy. I wish to thank each and every staff member for their hard work during the year. Finally, to our shareholders, I thank you for your input, engagement and trust in our ability to deliver on the goals that will return Rebosis to a positive value proposition.

Dr Sisa Ngebulana
CEO

14 December 2018

Chief Financial Officer's Review

PORTFOLIO ASSETS AND DISPOSALS

The total portfolio of investment properties is valued annually by our independent valuers Mills Fitchet (Retail) and LDM (Commercial). All properties are reflected at fair value. At 31 August 2018, the group's portfolio was valued at R16.682 billion (2017: R18.608 billion) and company was valued at R9.481 billion (2017: R9.390 billion). These values exclude the investment property held for sale of R1.403 billion (2017: R212 million). The weighted average capitalisation rate of the total portfolio is 8.53% (2017: 8.20%). The sharp increase in municipal rates has had a negative impact on the valuations. Rebosis has objected to these increases.

In terms of IAS 40: Investment property and IFRS 13: Fair value measurement, investment properties are measured at fair value through profit or loss using valuation inputs which are categorised as level 3 on the fair value hierarchy. There were no transfers between levels 1, 2 and 3 during the year.

On 1 March 2017, Rebosis disposed of 29.9% of its shares in New Frontier Properties Limited ("New Frontier") to a B-BBEE consortium. In addition, Rebosis sold 6.5 million of its New Frontier shares to a B-BBEE consortium during the current financial year. A further 13.6m shares were acquired from Prescient Investment Manager Proprietary Limited ("Prescient") following the exercise of two put options to the value of R289.9m. The put options were granted to Prescient when New Frontier listed and subsequently embarked on a capital raise. There are no further put options outstanding at year end. Rebosis advanced funds to New Frontier to acquire the Dublin property and the loan was subsequently converted to shares. Additional shares to the value of R80.9 million was acquired during August 2018, resulting in a further increase in the shareholding to 49.3%. It is Rebosis' intention to dispose of its investment in New Frontier in the short to medium term.

On 1 September 2017, the property known as Island Centre, Paarden Eiland, Cape Town transferred to the purchaser and a net consideration of R112.7 million was received. On 10 May 2018, the company, through its wholly owned subsidiary Ascension Properties Limited, concluded sale agreements to dispose of the property letting enterprises in respect of the properties known as 14 Long Street, 45 on Castle, Bergstan building, Matrix building, Nedbank building and Rebosis House for a net aggregate consideration of R868 million. The proceeds were used to settled debt and the properties were transferred on 4 October 2018.

A sale agreement was concluded on the 5 October 2018 to dispose of the property known as Grand Central, through its wholly owned subsidiary, Ascension Properties for a net consideration of R535 million. This transaction was undergoing due diligence at the time of this report and transfer is expected in February 2019.

An additional three sale agreements were concluded on the 29 and 30 November 2018 to various empowerment consortia, further demonstrating Rebosis commitment to transformation in the sector. These properties comprising of seven office buildings is sold at an aggregated consideration of the lesser of 9.75% yield on 12 months forward net income and R2.189 billion.



FUNDING AND INTEREST

As at 31 August 2018, the group's borrowings increased by R920 million from R9.849 billion to R10.769 billion. This relates to the additional funding provided to New Frontier, the exercise of the put options, capex and the non-cash components in the distributable income.

The group's loan to value, at 31 August 2018, was 51.6% (2017: 45.5%) which resulted from the additional funding and the simultaneous decrease in value of investment property. Post the disposal of the Boxwood properties and the resultant decrease in asset and interest-bearing borrowings, the loan to value decreased to 49.4%.

The total net interest cost was marginally lower than the previous financial year by R3 million. The net interest cost decreased from R758 million to R755 million. The increase in interest paid as a result from increased borrowings were offset by the increase in interest received from the B-BBEE consortium as interest on the vendor loan was calculated on a full year compared to 6 months in the prior year.

The weighted average cost of debt for the year was 9.3% compared to the prior year of 9.4%. During the year additional cross currency swaps were entered into taking the total notional value to R1.1 billion from R750 million in 2017. The maturing cross currency swaps amounted to R583 million and additional cross currency swaps of R900 million were entered into. Rebosis earns 9.25% and pay on average 2.8% interest on the new cross currency swaps.

At 31 August 2018, 70% (2017: 84%) of the group's debt exposure were hedged with Interest rate swap, cross currency swaps and Interest rate caps. It is the group's policy to hedge between 60% and 80% of the interest rate risk at any given time. The average debt maturity profile is 1.6 years and the hedge maturity profile is 1.2 years.

STATED CAPITAL

During the year, Rebosis issued 56.9m additional shares. The shares issued for the deferred payment liability relating to the Billion transaction amounted to 30.9 million shares, 15.9 million shares were issued for cash and 10.1 million shares were issued in return for New Frontier shares.

DISTRIBUTABLE INCOME

Total distributable earnings decreased by 18.8% year-on-year with the REA share growing at the required 5% and the REB share returned a negative growth of 27.7%. Rebosis declared 252.86 cents per REA share (2017: 240.82 cents per REA share) and 92.83 cents per REB share (2017: 128.35 cents per REB share). The main drivers for the decline in the distributable earnings relate to New Frontier deciding not to distribute a dividend in the second half of the year. Other income declined substantially due to the non-recurring fees received in the prior year of R37.4 million compared to the current year of R4.7 million. A further non-recurring profit on the sale of Island Centre property was also distributed in the prior year.

The gross cost to income ratio increased marginally from 26.3% to 27.0%. The net cost to income ratio increased from 13.8% to 15.2%, mainly due to increases in municipal rates and a reduction in recoveries across the portfolio.

Arrears increased by 5.6% year-on-year which reflects the impact of a tough economic climate for tenants. During the year the impairment allowance was increased by R14.7 million and R6.1 million were written off. Total arrears amount to 9.5% (2017: 9.6%) of investment property income.

The financial performance of the portfolio overall was negatively impacted by vacancies and lower rental growth on renewals and retailers being under pressure due to subdued consumer spend.

Other operating expenses decreased by 10.5% and relates mainly to the cost of acquiring the Billion assets in the prior financial year that was not incurred in the current financial year together with an increase in staff costs relating to bonuses which also related to the prior financial year, being partly paid by Billion whereas the current year had the full expense for the year.

RISK MANAGEMENT

Risk management remains a key priority for management and risks are reviewed on an ongoing basis. The top ten risks, their impact on the business and our migrating responses to these risks can be found in the risk management section of this report.

OUTLOOK

It remains the focus of the Fund to reduce its loan-to-value to below 40% by disposing of commercial assets and retaining a retail dominance, to drive operational efficiencies particularly in filling vacancies in Baywest and Forest Hill. Operating conditions remain tough and show no sign of improvement in the short term.

Marelise de Lange
Chief Financial Officer

14 December 2018





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The Board of directors, as elected by shareholders, take overall responsibility for the performance and sustainable value creation of the Company. Sustainable value creation is measured across the triple context of the Company's economic, social and environmental performance, considering the six capitals, being the financial, manufactured, intellectual, human, social & relationship and natural capitals. The directors ensure that the Group is managed in a transparent, equitable and responsible manner for the benefit of all its stakeholders. The Board appreciates that strategy, risk, performance and sustainability are inseparable elements of value creation. The Board ensures that the reports issued by the Group enable stakeholders to make informed assessments of its performance, and its short, medium and long-term prospects.

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BOARD COMPOSITION

The Board consisted of eleven directors during the 2018 financial period. All of the non-executive directors were independent, and five were executive directors.

The non-executive directors are diverse in their academic qualifications, business experience, gender and race, resulting in a balanced Board. Directors exercise leadership, enterprise, integrity and judgement in directing the Reboasis's value creation processes to ensure that they are sustainable for all stakeholders. All directors receive regular briefings on changes in risks, laws and the business environment.

BOARD FUNCTION

Directors are encouraged to promote rigorous debate with the aim of promoting direction, governance and effective control of the Company. Decisions are usually made by consensus. All Board members are conscious of their obligation to act with integrity. The Board supports the materiality approach, which emphasises integrated reporting based on issues, risks and opportunities that can have a material impact on the sustainable performance of the business over the short, medium and long term. The Company has made progress in identifying and managing significant risks that could have a material impact on the business. At board level there is a clear balance of power and authority to ensure that no one director has unfettered powers in decision making.

The Board recently re-appointed Dr Sisa Ngebulana as the Chief Executive Officer (CEO) following Andile Mazwai's resignation on 18 April 2018. The CEO is responsible for leading the implementation and execution of approved strategy, policy and operational planning, and serves as the chief link between management and the Board, ensuring that the day-to-day business affairs of the Company are appropriately managed.

DIRECTOR APPOINTMENT AND ROTATION

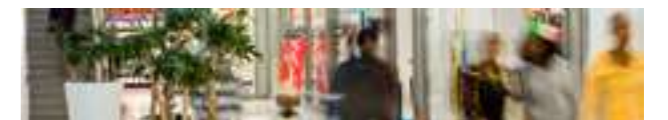
A third of non-executive directors are required to resign at each annual general meeting. This enables shareholders to hold directors to account and to appoint directors to the Board whom shareholders believe will add value to the business.

In filling vacant positions, and in accordance with the requirements of the Company's race and gender diversity policies that at least 25% of the Board should comprise women, and that at least 25% of the Board should comprise South African citizens who are African, Coloured or Indian, the Board proactively seeks and appoints qualified individuals who reflect a diverse range of skills, professions and backgrounds that represent the gender, race and ethnic diversity of the communities we serve.

The Board is satisfied that its composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. The Board's gender and racial diversity targets have been met.

EVALUATION OF PERFORMANCE

The Board annually conducts an evaluation of its contribution as a whole, as well as the individual performance of each of its directors. Completed questionnaires are submitted to the Chairman, who conducts interviews with each member of the Board. Discussions centre on how the performance and effectiveness of the Board can be improved. Individual feedback is given to each director, and the Chairman gives general feedback to the Board.



Corporate Governance Report 2018

ANNUAL ASSESSMENT OF INDEPENDENCE

King IV does not consider tenure of non-executive directors as an indication of independence. The Company's policy remains that all independent non-executive directors who have served on the Board for more than nine years retire by rotation at the end of every year, instead of the standard three-year term of office. None of the directors have served on the board for more than nine years.

The board annually gauges the independence of each non-executive director. Consideration is given to factors such as:

- The director's involvement with other companies
- External directorships
- Relationships with material suppliers and competitor companies
- Material contracts with the Group, if any
- Whether the director had been employed by the Group in an executive capacity during the preceding three years
- Whether the director's fees represented a material part (10% or more) of their wealth or income

All directors submit a declaration of their directorships and commercial interests to the Company Secretary. These declarations, which are regularly updated, are distributed quarterly to the Board and noted at Board meetings. Transparency of commercial interests ensures that directors can be seen to be free from any business or other relationship that may interfere materially with any director's capacity to act in an independent manner.

The Board is satisfied that the independent non-executive directors met the criteria for independence as established by King IV, the Companies Act and the JSE Listings Requirements.

BOARD COMMITTEES

The Board is supported by the audit & risk committee and social and ethics committee, remuneration committee, nomination committee and investment committee. The Board's delegation of authority to committees contributes to role clarity and the effective exercise of authority and responsibilities.

The Board committees report to the Board on their activities. The terms of references of each committee are reviewed annually to ensure that the committee mandates remain current and effective. The board charter was reviewed to ensure that the requirements of King IV were met. The charter is available on the website, at www.rebosis.co.za. Each committee considers its effectiveness by way of a review of its activities against the approved terms of reference in line with their delegated powers and authority. The chair of the committees reports to the Board on the assessment. All committees, after review, were satisfied that they carried out their responsibilities during the period.



COMPANY SECRETARY

The Board is aware of the King IV principle of having an arm's-length relationship with the Company Secretary and has created an environment in which the Company Secretary is able to ensure full adherence to Board procedures and relevant regulations. The Company Secretary is not involved in an executive capacity on the Boards of the various companies in the Group.

The Company Secretary assists the Board in fulfilling its functions and is empowered by the Board to perform his duties. In managing the Board process, the Company Secretary, directly or indirectly:

- Assists with the induction of new directors;
- Assists with director orientation, ongoing development and education;
- Ensures that the Group complies with all relevant and applicable legislation;
- Monitors the legal and regulatory environment, and communicates new legislation and any amendments to existing legislation relevant to the Company and the Board;
- Provides the Board with a central source of guidance and assistance; and
- Acts as secretary for all Board committees

Directors have unlimited access to the Company Secretary's advice and services, with means of communication including personal interface, electronic communication platforms and Board and committee meetings. Based on the outcome of the Company Secretary's annual formal assessment by the Board, the Board confirms that the Company Secretary has the qualifications, competence and expertise necessary for the role.

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.

RISK GOVERNANCE

Risk governance and management are integral elements of the Company's governance framework. The Company aims to ensure business-specific risks are adequately and timeously identified and mitigated, whether they are operational, strategic or emerging risks, or risks posed by the external environment. The Board confirms that the Company's risk management, mitigation and monitoring processes have been effective in limiting the impact of risks on the business during the period.

INFORMATION AND TECHNOLOGY (IT) GOVERNANCE

The Board takes responsibility for the governance of information and technology (IT) and reviews and approves related policies to set direction on the use of technology and information by the Company. The management of IT has been delegated to the CIO, who ensures that appropriate governance structures, systems and controls are implemented.

The Board exercises ongoing oversight of IT management practices via the audit & risk committee. The committee considers the efficiency of and developments in IT controls, policies and processes, as well as risk and resource optimisation. Prioritised IT systems and processes form part of the internal and external audit programme. The Board ensures that IT is used in an ethical and responsible way, and in compliance with relevant laws and regulation.



Corporate Governance Report 2018

CORPORATE GOVERNANCE STRUCTURE

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



Committees	Audit & risk committee	Investment committee	Social & ethics committee	Remuneration committee	Nominations committee
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 	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 	Overseeing the good corporate citizenship of the group on behalf of the board	Recommending to the board executive remuneration packages and policies, as well as the Remuneration Policy for the group as a whole	Recommending suitable candidates for the board after following a vetting process which considers a candidate's skills offering and experience and other concerns such as diversity

Members and number of meetings/attendance

Audit and risk committee		Investment committee		Social and ethics committee		Remuneration committee		Nomination committee	
Francois Froneman (Chair)	5(5)	Maurice Mdlolo (Chair)	4(4)	Thabo Seopa (Chair)	3(3)	Nomfundo Qangule (Chair)	3(3)	Anna Mokgokong (Chair)	3(3)
Thabo Seopa	5(5)	Dr Sisa Ngebulana	3(4)	Marelise de Lange (CFO)	3(3)	Andile Mazwai	2(2)	Maurice Mdlolo	3(3)
Nomfundo Qangule	4(5)	Jaco Odendaal	2(4)	Zandile Kogo	1(3)	Jaco Odendaal	1(3)	Andile Mazwai	2(2)
		Thabo Seopa	4(4)	Nomfundo Qangule	3(3)	Dr Sisa Ngebulana	1(1)	Dr Sisa Ngebulana	3(3)
		Andile Mazwai	2(2)						



Directors and Number of Board Meetings/Attendance*

Dr Anna Mokgokong (Chairperson)	6(6)
Dr Sisa Ngebulana (CEO)	6(6)
Rob Becker (CIO)	1(1)
Marelise de Lange (CFO)	6(6)
Zandile Kogo	6(6)
Andile Mazwai	4(4)
Jaco Odendaal	4(6)
Nomfundo Qangule	6(6)
Thabo Seopa	6(6)
Maurice Mdlolo	6(6)
Francois Froneman	6(6)



* Rob Becker was appointed as a director of the company on 1 August 2018.

* Andile Mazwai resigned as a director of the company on 18 April 2018.

Compliance Framework

BOARD PROCESSES

Conflict of Interest

Conflicts of interest to guard against conflicts of interest, directors are required to submit a written declaration regarding their shareholdings, additional directorships and potential conflicts of interest. Share dealings in Rebois shares are completely prohibited during 'closed periods' as defined by the JSE.

To ensure directors are aware of closed period/s, emails are distributed to the board and all staff advising when the company enters and concludes a closed period. Outside of closed periods, any director wishing to trade in securities of the company must obtain clearance from the Chairman of the Board before trading (or in her absence the Chief Executive or company secretary), and any dealings are announced on SENS as soon as possible after the trade/s in question.

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

Rebois 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). Rebois has accordingly benchmarked our governance practices against the principles of King IV. This King IV application register explains how Rebois complies with King IV.

Leadership	<p>Principle 1: The governing body should lead ethically and effectively.</p> <p>Our board of directors (the board) is the governing body of the company and is committed to good corporate governance principles set out in King IV. It is committed to the principles of transparency, accountability, integrity and fairness and how these fill the organisation.</p> <p>The board continually provides leadership and strategic guidance to increase value creation for all our stakeholders. It also assumes responsibility for all subsidiaries on audit, risk, social and ethics, and governance issues.</p>
Organisational Ethics	<p>Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p> <p>The Board has assumed responsibility for the ethics of the company by having established a Code of Business Ethics that it ensures is implemented.</p> <p>The Code of Business Ethics is reviewed annually</p> <p>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.</p> <p>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</p> <p>The development of an induction programme for new directors meets both the following requirements:</p> <ul style="list-style-type: none"> - 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. <p>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.</p> <p>There is a whistle blowing hot line in place within the company which is independently managed</p>

Responsible corporate citizenship	<p>Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.</p> <p>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</p>
Strategy and performance	<p>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.</p> <p>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.</p> <p>The board takes account of the legitimate interests and expectations of its stakeholders in its decision-making in the best interests of the company.</p> <p>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.</p>
Reporting	<p>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> <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	<p>Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p> <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 have full access to 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. 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	<p>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.</p> <p>The remuneration and nominations committee (Remco) assists the board to review and consider the board's composition for a balance of skills, experience, diversity, independence and knowledge, and whether the board is able to effectively discharge its role and responsibilities. The board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period</p>

Compliance Framework

Committees	<p>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.</p> <p>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</p>
Evaluations of the performance	<p>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> <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	<p>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> <p>The Chief Executive Officer (CEO), Dr Sisa Ngebulana, 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>
Risk governance	<p>Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.</p> <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. 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	<p>Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p> <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. 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	<p>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> <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	<p>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> <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

Assurance	<p>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.</p> <p>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.</p> <p>The audit and risk committee ensure that the internal audit function is subjected to independent quality reviews when appropriate.</p> <p>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.</p> <p>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.</p> <p>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</p>
Stakeholders	<p>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.</p> <p>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, CIO 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.</p> <p>The board encourages shareholders to attend the AGMs.</p> <p>The CEO, CIO, 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</p> <p>The external audit partner regularly attends the annual general meeting of the Company.</p>



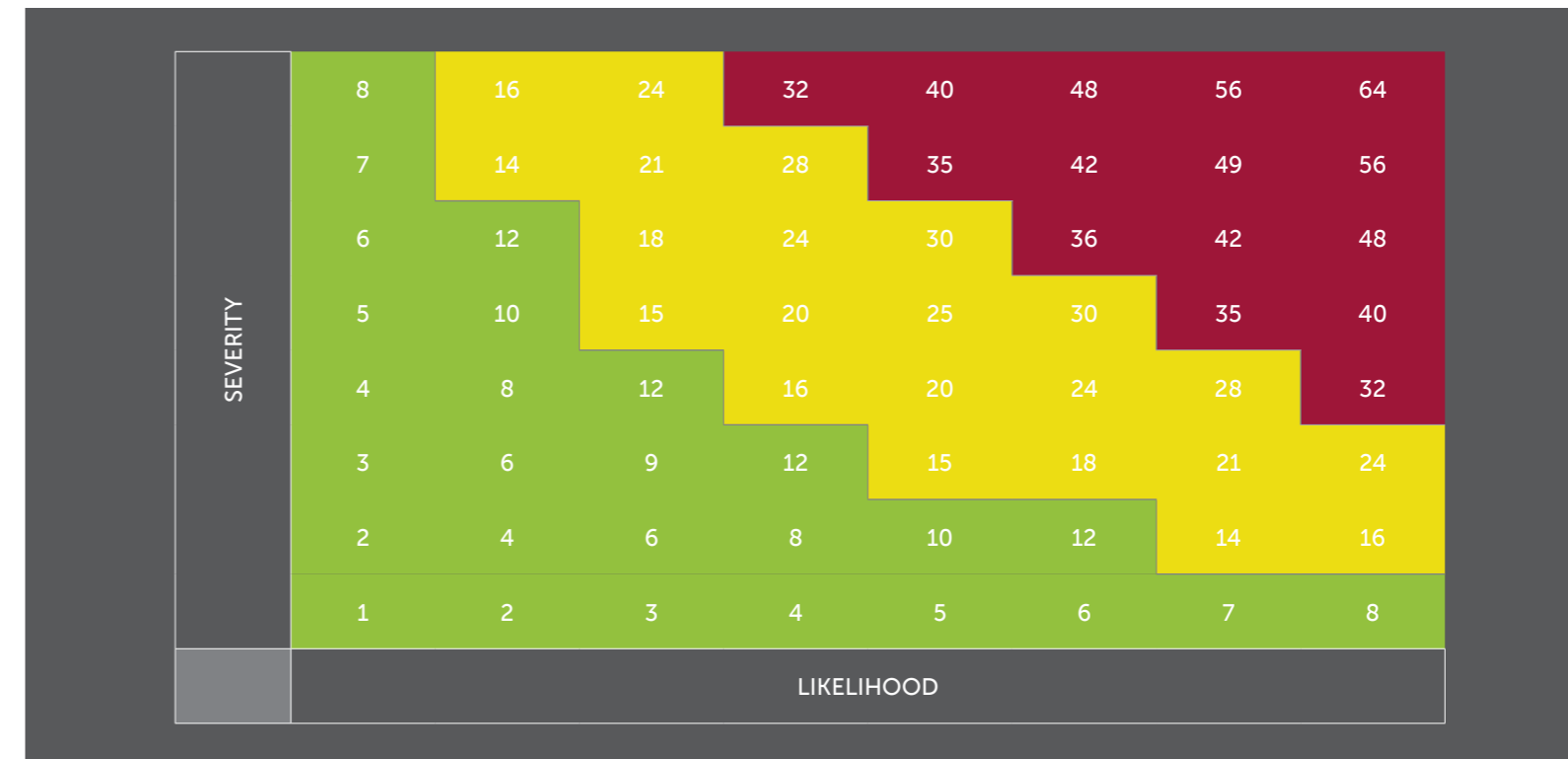
Risk Report

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 are 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 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.

Risks are rated on the following basis.



RISK	RISK DESCRIPTION	CONSEQUENTIAL EFFECTS	RISK RESPONSE/ MITIGATION	OPPORTUNITIES AND STRATEGIC OBJECTIVES	RATING
LIQUIDITY RISK	<p>Cash holdings to meet obligations, including distributions.</p> <p>More stringent requirements from funders could hinder access to capital.</p>	<p>Breaching loan covenants such as loan-to-value and interest cover ratio.</p> <p>Ability to meet the distributions guideline communicated to the market.</p>	<p>Covenants are discussed on a regular basis and we meet frequently with our funders.</p> <p>Disposal programme to reduce loan-to-value ratio are well underway to reduce our risk profile, improve the liquidity buffer, reduce risk and improve on debt serviceability.</p>	<p>Reduced loan-to-value levels means lower interest rates and increased distributions to shareholders and increased opportunities to acquire retail assets in line with our stated intention to be a retail focussed fund.</p>	

Risk Report

RISK	RISK DESCRIPTION	CONSEQUENTIAL EFFECTS	RISK RESPONSE/ MITIGATION	OPPORTUNITIES AND STRATEGIC OBJECTIVES	RATING
RETAIL VACANCIES	<p>Slowdown in domestic economy increasing the risk of retailers reducing space, defaulting on payments and resulting in increased retail failures or business rescue.</p> <p>Negative reversions leading to loss of income and ultimately affecting the value of the property.</p> <p>Negative media, for instance coverage due to break-ins and theft from stores, may cause tenants and consumers to feel unsafe. Lower foot count and trading densities. Lower turnover rentals.</p>	<p>Unwillingness of business to incur the costs of moving premises.</p> <p>Lower business confidence levels hampering national growth, resulting in an oversupply of retail space.</p> <p>Potential for existing tenants to enter business rescue due to market pressures.</p> <p>Decline in retail sales affecting the sustainability of tenants. Decline in lease renewals, with potentially increased vacancies.</p> <p>Requirement for discounted rentals to maintain occupancies.</p> <p>Reduced valuations due to higher discount and cap rates.</p> <p>Continuous monitoring of social media and appropriate responses to potential complaints.</p> <p>CCTV cameras in high-risk areas.</p> <p>Stringent service level agreements with security service providers.</p>	<p>Quality locations motivating tenants to retain space in malls.</p> <p>We maintain good relationships with our tenants and have a view of their financial standings.</p> <p>We endeavour to respond proactively to possible tenant defaults.</p>	<p>Strengthen tenant relationships to improve collaboration and loyalty.</p> <p>Strengthen entertainment space, making it a destination of choice.</p> <p>Increase development of surrounding nodes.</p>	

RISK	RISK DESCRIPTION	CONSEQUENTIAL EFFECTS	RISK RESPONSE/ MITIGATION	OPPORTUNITIES AND STRATEGIC OBJECTIVES	RATING
INVESTMENT RISK	<p>Clarity of offshore strategy and resultant investment in New Frontier Properties Limited.</p> <p>Effect of reduced rental on valuations and consequently on funder covenants.</p> <p>Political risks and social disturbances (labour unrest) linked to retail properties operations which affects the trading of various properties.</p>	<p>Potential requirement to exit these markets successfully and identify buyers for underperforming investments.</p> <p>Increasing operational costs.</p> <p>Unfavourable currency movements.</p> <p>Effect of Brexit on the UK economy and continued or increased CVA's (Company Voluntary arrangements) affecting the retail sector.</p>	<p>Timely disposal of underperforming investments at break-even or above.</p> <p>Monitor underlying asset performance to be alerted to negative movements.</p>	<p>Positive Brexit outcome and continued growth in the UK retail market.</p>	
INTEREST RATE RISK	<p>Risk of adverse interest rate fluctuations on the financial position and performance of the group.</p>	<p>Ability to meet the distributions guideline communicated to the market.</p> <p>Breaching loan covenants such as loan-to-value and interest cover ratio ("ICR").</p>	<p>Effective hedging strategies to minimise exposure to interest rate fluctuation.</p>	<p>Effective management to reduce interest cost and increase returns to shareholders.</p> <p>Create a secure operating environment with robust security protocols.</p>	
IT SYSTEM RISK	<p>The risk of IT failure and inadequate disaster recovery plans.</p> <p>Risk of cyber-attacks.</p> <p>Lack of response to business requirements.</p>	<p>Loss of tenant information, disruption to data integrity and loss of income due to non-rental recovery/billing.</p>	<p>IT systems are cloud based with effective security in the various IT environments. Staff can access all data remotely.</p> <p>Responsible hacking is done on a periodical basis to check security of IT systems.</p>	<p>Reduced cost of recovery resulting in increased returns to shareholders.</p>	
GOVERNMENT TENANCY RENEWALS	<p>Inability to secure long-term leases with Government tenants and the resultant loss of investor confidence and decreased rental income.</p> <p>Importance of compliant buildings to ensure continued Government tenancy.</p>	<p>Loss of tenant due to non-compliance with Occupational Health and Safety and occupational compliance regulations leading to tenants vacating premises and lost income.</p>	<p>Monitoring of compliance of buildings to ensure a safe environment for tenants.</p> <p>Continuous maintenance performed to ensure compliance and reduce risk.</p> <p>Continued engagement with key tenant representatives.</p>	<p>Strengthen relationships with key tenants and continue to maintain buildings to retain quality.</p>	

Risk Report

RISK	RISK DESCRIPTION	CONSEQUENTIAL EFFECTS	RISK RESPONSE/ MITIGATION	OPPORTUNITIES AND STRATEGIC OBJECTIVES	RATING
CURRENCY RISK	Net asset value as well as the returns on offshore investments may fluctuate as a result of currency movements.	Exposure to adverse currency fluctuations.	Effective treasury management and hedging strategies to minimise exposure to fluctuating currencies Cross-currency swaps are used to mitigate exposure to foreign currency risk.	Effective management to reduce interest cost and increase distributions to shareholders.	
REGULATORY COMPLIANCE RISK	Ability to meet all legal, regulatory and compliance requirements such as Occupational Health and Safety Act, fire, and occupational compliance. Continued REIT compliance.	Reputational harm. Reportable irregularities. Penalties, sanctions and fines. Business disruption and loss of investor support.	Risk management process focussed on compliance. Compliance roles and responsibilities clearly defined. Examining the top legislation and related regulations for compliance.	Introduce skills development - employees; and - contractors. Strive for a compliance culture ensuring safe buildings for customers and tenants.	
PEOPLE CAPITAL RISK	Risk of staff losses and lack of career progression.	Poor moral and performance leading to inferior returns and commitments to shareholders.	Succession planning and appropriate incentives to retain key staff and productivity.	Implement a competitive long-term incentive program.	
INFRASTRUCTURE AND UTILITY SUPPLY RISK	Ability of electricity and water providers to supply reliable, utilities to our properties coupled with deteriorating municipal infrastructure. Cable theft affecting the supply of electricity and therefore trading of our malls.	Increased cost of generators during electricity disruptions. Ageing municipal infrastructure may cause periodic water outages and deteriorating water quality. Loss of income resulting from disrupted trading/ operating conditions for tenants.	Measures include back-up generators. These will ensure continued operation during power disruptions. Water savings/ harvesting	Investing in renewable energy and water harvesting systems.	

3.2

Remuneration Committee Report

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Chairman's Report

Rebosis presents to you the 2018 Remuneration Committee (the Remco) report which explains our remuneration policy and how we have implemented the policy during the 2018 financial year.

This Remco report for 2018, is presented in three parts:

- background statement (Part I),
- overview of the remuneration policy for the year ahead (Part II) and;
- the implementation report indicating the actual remuneration paid based on the previous year's remuneration policy (Part III).

Following the shareholder feedback at the 2018 Annual General Meeting ("AGM"), this report sets out the planned changes to the current policy. Based on these results, the Remco recognises the increased need for stakeholder engagement, and the Company will continue to engage with major shareholders in this regard and therefore these major remuneration changes will be put forward to shareholders for at the upcoming AGM.

At the 2018 AGM, both the remuneration policy and implementation report were presented for separate non-binding advisory votes. Votes were received as follows:

- Remuneration Policy – 57.91% (42.09% against)
- Implementation Report – 57.18.% (42.82% against)

Based on the voting outcome, the Company has consulted with its shareholders to establish their concerns. The table below indicates the major shareholder concerns alongside the response and actions taken by Rebosis to address them:

Shareholder feedback	Comments and action taken
Poor practice by not offering an advisory vote on remuneration since listing on JSE.	Management were internalised in September 2016. Prior to that the Company had no employees and were externally managed by the asset manager.
Lack of detail pertaining to annual targets set for executives by the board as well as performance against these targets	The company is working on implementing appropriate short-term and long-term incentive schemes with linked performance measures, weightings and targets which are aligned with creating shareholder value and affordability.

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

- review of non-executive directors' fees (which is an annual focus);
- review of executive director's and management's remuneration; and
- review of a proposed short and long-term Incentive (LTI) schemes for executive directors and managers.



In recognising the importance of incentivising our employees and management, and the belief that strongly committed employees and management promote the Group's growth, quality, efficiency and strategic focus areas, the Remco believes that it is imperative to implement a long-term incentive program in line with market practices.

It is incumbent upon us to ensure we prevent the loss of key skills. The Remco, in collaboration with the Board, strives to address challenges faced to ensure future success. With the assistance of external advisors, we are recalibrating our executive remuneration, in a manner that promotes the achievement of key business objectives facing the group.

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 Remco 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 we have approved 6% for salary increase for the 2019 year. The executive team were not awarded increases due to the poor performance of the Company for the 2018 financial year. Further, the Company continues to fund medical benefits for employees earning R15 000 or less per month and has further implemented 4 months full paid maternity benefits.

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

- Although there were no changes made to the remuneration policy approved at the AGM in April 2018, the Remco is assessing how to improve the short-term incentive scheme and implement a long-term incentive scheme with linked performance targets. Improvement of the short-term incentive scheme does not mean that more money will be allocated necessarily but that the process and targets are clearly defined and implemented going forward.
- The Remco believes that it has met its target by appointing the required service providers to assess the short and long-term incentive scheme proposals as well as
- The Remco will continue to focus on executive and non-executive director remuneration, improvement of non-monetary benefits to staff members as well as implementing a long-term incentive scheme for executives and managers that are clearly defined and linked to specific performance targets.

Nomfundo Qangule
Chairman: Remuneration Committee

14 December 2018



Remuneration Policy

Introduction

In embracing positive governance and effective disclosure, our remuneration policy and implementation are explained in compliance with King IV and the JSE Listing Requirements.

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

The group 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.



The key aims of the Remuneration Policy are to achieve the following:

- Attract, retain and motivate key talent who have the skills and experience necessary to make a difference to the organisation and in delivering the group's strategy.
- Incentivise key employees through a remuneration package that is appropriately competitive with other real estate companies, considering the importance and experience of the individuals involved.
- Align as far as possible, the interests of senior executives with those of shareholders by providing a significant proportion of total remuneration through a mix of short-term and long-term performance related elements that are consistent with the group's business strategy.
- Enable executives to accumulate shareholding in the company over time that is meaningful to them.
- 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.
- Clearly and consistently communicate Rebosis' approach to remuneration throughout the year, cascading such communications to employees through key value statements.

Overview of group remuneration policy

Element of remuneration		Eligibility	Purpose	Policy	Proposed changes for 2019
Fixed	Cash salary	All	Basic reward for services	Market related	Remuneration is market related at median.
	Benefits	All	Retirement funding and death and disability	All staff to participate	No changes.
Variable	13 th cheque	All staff below senior levels	To motivate and drive performance	Continue with 13th cheque for staff below senior levels	No changes proposed
Short-term Incentive (STI)	Annual short-term incentive scheme	Executives and senior management	To reward performance and encourage retention	As detailed below under short-term incentive scheme	Change To link to performance by aligning performance measures and targets to company KPI's and affordability.
	Deferred short-term incentive scheme	Executives and senior management	To retain participants	As set out in more detail below in the section on short-term incentive scheme.	On implementation of an appropriate LTI, the deferred bonus scheme will fall away.
Long-term incentive (LTI)	Conditional Share Plan (proposed plan to be tabled to shareholders in due course)	Executives and senior management	To reward exceptional performance and encourage retention	As set out below in the section dealing with the salient features of the proposed LTI.	LTI being assessed by the Remco, will be present to shareholders in due course.

Guaranteed Package

Remuneration is structured in a Guaranteed Package manner, which is a fixed cost to employment is competitive and market related. 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 6,0% was approved by the Board for employees below executive level, effective 1 January 2019. Executive directors and members of the executive committee have not been granted increases for 2019. Salaries are benchmarked against the sector on a regular basis.

Remuneration Policy

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 has improved its benefits relating to maternity leave and now pays 100% salary during 4 months of maternity leave and allows for 10 days' study leave per annum for approved qualifications. The Rebohis 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.

Rebohis believes that the health of its employees is essential to its success. As such, Rebohis has collaborated with ICAS in order to assist 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).

Variable Remuneration

Performance Management

Rebohis 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's strategy. Performance management forms part of the variable remuneration process.

Short-Term Incentive Scheme

Rebohis 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 short-term incentive scheme (scheme). The scheme comprises of two elements:

- 50% of the bonus is paid in cash
- 50% of the bonus is deferred and settled in shares in equal parts in each of the following two years.

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:

No bonus below 75% of agreed output (not met),

Up to 10% of CTC between 75% - 100% output (meets expectations),

Up to 50% of CTC between 100% - 125% output (exceed expectations), and

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.

For 2019, it is proposed that there will be no deferral of 50% of the bonus received. The deferred portion which is used as a retention mechanism will be replaced by the proposed Conditional Share Plan.

Executive directors and executive committee members were not awarded bonuses for 2018.

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

Further details regarding proposed changes:

2019 Short-Term Incentive

To increase employee satisfaction for the 2019 financial year, a new short-term incentive will be introduced, which is settled in cash, and in terms of which no element is deferred.

New Long –Term Incentive: Proposed Conditional Share Plan

Rebohis intends to implement a Conditional Share Plan (CSP) in the near future to ensure that management interests are aligned with shareholder interests. In addition, the CSP is aligned with best practice, good governance principles and our principle of 'pay-for-performance'. Annual awards of conditional shares, aligned with market levels, will be made in terms of the CSP. Further detail will be provided once the incentive has been approved by shareholders. It is intended that the proposed CSP will be put to shareholders in due course. We invite our shareholders to give us feedback on the proposed CSP, the salient features of which are set out below.

Purpose	The purpose of the CSP is to provide eligible employees with a conditional right to receive Company shares on vesting. This will promote the continued alignment of management's focus to shareholders' interests and to attract and retain suitably skilled and competent personnel. The CSP will be aligned to Rebohis' business structure and takes into account best practice for long term incentive design.
Participants	The CSP would be used for senior management and upwards, including executives.
Type of instrument	The CSP will provide for the award of performance shares and retention shares, collectively known as conditional shares. It will provide for an annual award of Performance Shares which vest after three years subject to the achievement of strategically important performance conditions and the participant remaining employed with Rebohis. The CSP also provides for the award of retention shares. These would not form part of the annual pay mix for any employee and would be used in exceptional circumstances such as where a genuine retention risk exists which cannot be addressed through the use of performance conditions.
Vesting	It is intended that awards will vest in full after three years, subject to performance conditions being met and the participant remaining employed by Rebohis for the duration of the employment period.
Performance Conditions and targets	The Remco will consider performance conditions, weightings and targets to be implemented which will be designed to incorporate appropriate financial and non-financial performance measures aligned to the strategic objectives of Rebohis at the time of implementation.
Termination of employment and change of control	Participants are required to remain employed until the expiry of the employment period for their awards to vest. If they leave before the expiry of the employment period, they will be considered to not have fulfilled the employment condition in full. Depending on the circumstances of their termination of employment, they will either forfeit the award in full ('bad leavers' – e.g. dismissal or resignation), or they will have their awards pro-rated ('good leavers' – e.g. retrenchment, retirement, or termination due to ill-health or death). In good leaver instances where awards are pro-rated, they are pro-rated for time and performance, i.e. the performance conditions will be early tested, and the awards will be adjusted accordingly. The CSP will provide for what is termed a 'clean break' principle to be applied in instances where there has been a 'change of control'. This means that good leaver treatment is applied to participant's awards upon the occurrence of a change of control (i.e. pro-rating for time and achievement of performance conditions). In these instances, the Remco will need to apply its mind to what happens to the remainder of the award.

Termination of employment

The executive directors and senior management 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.

Non-executive director fees

Benchmarking of related property funds and studies are used to determine the level of non-executive remuneration.



Remuneration Implementation Report

Introduction

This implementation report discloses the remuneration outcomes on a named individual basis, for each executive director. In 2018, executive managers individually performed against the set targets.

Executive directors and executive committee members were not awarded bonuses for 2018.



Directors Remuneration

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Remuneration of executive directors				
SM Ngebulana *	2 845	6 410	2 254	5 733
Salary and allowances	2 104	4 037	2 104	4 037
Other benefits and payments	150	431	150	431
Performance bonus	-	2 651	-	2 651
For services as director				
Ascension Properties Limited	-	218	-	-
New Frontier Properties Limited	591	460	-	-
M De Lange (appointed 1 March 2017)	3 218	2 562	2 799	2 484
Salary and allowances	2 463	1 188	2 463	1 188
Other benefits and payments	336	168	336	168
Performance bonus	-	1 128	-	1 128
For services as director				
New Frontier Properties Limited	419	78	-	-
R Becker (appointed 1 August 2018)	3 333	-	3 333	-
Salary and allowances	308	-	308	-
Other benefits and payments	25	-	25	-
Sign-on bonus	3 000	-	3 000	-
Z Kogo (appointed 4 November 2017)	2 034	613	2 034	613
Salary and allowances	1 841	-	1 841	-
Other benefits and payments	193	-	193	-
Performance bonus	-	613	-	613
AM Mazwai (appointed 8 February 2017)	2 773	3 885	2 525	3 374
Salary and allowances	2 313	1 304	2 313	1 304
Other benefits and payments	212	109	212	109
Performance bonus	-	1 961	-	1 961
For services as director				
New Frontier Properties Limited	248	511	-	-
K Keshav (resigned 31 March 2017)	-	2 714	-	2 300
Salary and allowances	-	1 343	-	1 343
Other benefits and payments	-	178	-	178
Performance bonus	-	779	-	779
For services as director				
New Frontier Properties Limited	-	414	-	-

Non-executive directors Remuneration

	2018 R'000	2017 R'000
Remuneration of non-executive directors		
ATM Mokgokong	653	568
SM Ngebulana*	435	-
AM Mazwai (resigned 18 April 2018)	-	165
WJ Odendaal	235	284
NV Qangule	441	365
TSM Seopa	460	422
MM Mdlolo	368	149
GFvL Froneman	420	160
Total	3 012	2 113

*Dr SM Ngebulana took up the position as non-executive deputy chairman on 1 October 2017 and returned as an executive director on 18 April 2018.

Non-Binding Advisory Vote

This Remuneration Implementation Report (Part III) and the Remuneration Policy (Part II) detailed above, will be tabled at the Company's next Annual General Meeting for a non-binding advisory vote.

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



3.3 Social and Ethics Committee Report

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The Rebois Social & Ethics Committee ("The Committee") is a statutory Committee derived from section 72 of the Companies Act 71 of 2008, assists the board in monitoring the sustainability, corporate citizenship and ethics.

The Committee is governed by its terms of reference which details its duties in terms of the Companies Act, JSE Listing requirements, King IV Code on corporate governance and any other applicable law or regulation. These terms of reference are approved by the board. These responsibilities encompass among others monitoring and regulating the impact of the Company on its stakeholders.

This report is presented in accordance with requirements of the Companies Act and the details are enclosed in this integrated report.

Terms of Reference

The Social and Ethics Committee has adopted the terms of reference in terms of the approved Board Charter. The terms of reference are amended and reviewed whenever the Board deems it necessary. The Committee has conducted its affairs during this reporting period in accordance to these approved terms of reference. These 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 two independent non-executive directors namely Thabo Seopa (chairman) and Nomfundo Qangule, and two executive directors Marelise de Lange and Zandile Kogo. The Chief Executive Dr Sisa Ngebulane and Rob Becker The Chief Investment Officers and other members of management attend meetings as invitees. The company secretary Mande Ndema acts as the secretary of the committee. Details of meetings attendance are set out on pages 52 and 53.

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.

Chairman's Report

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 4 reports for 2018 which were 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.

On 27 August 2018 Rebosis acquired a further stake in New Frontier which was disposed of to a B-BBEE 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.

Rebosis has set the target of a 2,5% reduction in overall water consumption across our portfolio of properties. During 2017 we achieved an overall reduction in water consumption of 1%. As a part of our continuous initiatives the goal for 2018 was to match or exceed the 2017 result and an additional 1% saving was achieved. I wish to thank our tenants for 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 (CSI) programme is managed internally to foster our vision of being a model corporate citizen by ensuring that we add value to our stakeholders. This entails ensuring that we focus on addressing the needs of the communities surrounding our properties and those affected by our business operations.

These activities cover the following:

- Bursaries for tertiary education
- Training and development supporting entrepreneurship
- Partners for possibilities
- Care for people with disabilities

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

14 December 2018

Black Economic Empowerment

Rebosis is in the process of undergoing its BEE verification and it is anticipated to be finalised early in the new year.

The Board and management of Rebosis have identified BEE as a critical area that will receive our full and unfettered attention. We have developed and plan to roll out and implement a strategy during this current financial year that includes but is not limited to the following initiatives and endeavours

- Skills Development, the focus areas are as follows:
 - o Learnerships: a minimum of 10 learnerships are to be implemented by February 2019.
 - o Training and Development of Staff:
 - o Identification of "high flyers": and the acceleration of their development.
 - o Coaching and Mentoring:
- Employment Equity: the focus areas are as follows:
 - o The deliberate appointment of EE candidates at all levels.

Appointment of a B-BBEE Consultant

- Rebosis has appointed a BBEE consultant and they will be utilised by Rebosis for the compilation of a Transformation and B-BBEE Strategy.

System and record keeping:

- Rebosis has recently subscribed to a Software Management System that will provide a solution to B-BBEE compliance and will ensure that B-BBEE is easy to understand, plan, assess and implement.

Exco buy in and commitment to transformation:

- Training will be set up with all Exco members on the B-BBEE Property Sector Codes.
- Rebosis remains committed to transformation in this sector and this is evident from its past and current initiatives.



Environmental

The Rebosis Environmental Approach

Our environmental approach is based on a natural capital framework, creating a focused and thorough analysis of all environmental initiatives and results. For Rebosis, the careful management and preservation of all-natural capital is not a bonus or nice-to-have, but rather a core part of strategic asset and facility management excellence.

The Human Connection to nature, and thus any environmental surrounding is fundamental to the health of every individual. Research indicates that environments supplied with healthy natural capital (i.e. clean air, greenery, quality lighting, etc.) boosts mood and lowers blood pressure, while also improving attention and problem-solving ability. This means that natural capital is integral to the long-term performance of any business.

The water, electricity and waste consumption profile of every building influences:

1. Overall resource consumption and waste generation.
2. The cost of ownership, management and occupancy costs to tenants.
3. The ability to improve performance within constrained resource supply parameters.
4. The environmental impact and corporate responsibility of Rebosis.



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 is also referred to as Energy Indirect GHG (Greenhouse Gas Emissions), 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 organization.

Rebosis is committed to responsible environmental management. The Board, management and staff of Rebosis are dedicated to reducing the company's environmental impact and continually improve our environmental performance as an integral part of our business strategy.

The 5-R's Principle of the Waste Management Hierarchy

The Waste Management Hierarchy is a model for effectively reducing the environmental impact and wastage of resources for all residential, commercial and industrial entities in South Africa. The 5 R's of waste management means the following:

The 5 R's explained as simple as:

Refuse

Refuse is generated daily by society in large quantities and has a long-lasting negative impact on the environment. Reducing refuse is the most important thing we can do. By reducing refuse, we avoid the unnecessary use of resources such as materials, energy and water. It means there is less refuse to manage and a better future for the environment and generations to come.

Rethinking Waste

Our perception of waste needs to change for us to find solutions to these environmental effects. Note that more jobs are created in recycling than in landfilling or incineration.

Reduce Waste

To ensure that we help our environment, we can assist by reducing what we are purchasing and being mindful about what we need and want.

Reuse Waste

Refuse single use of plastics, like disposable plastic bags. These materials are made of plastic and thrown away after one use. As a company, it would be advisable that our staff are taught the same to ensure that responsibility is followed through our duties.

Recycle Waste

One of the easiest ways to reduce the waste is to recycle. Look into the recycling process in your city and opt for materials that are easily recyclable.

Recycling at Rebosis:

The recycling concept is expanded to include the environmentally friendly usage of water, electricity and waste resources.

The strategic foundation for natural capital management is based on two simple principles:

Avoidance and Reduction.

In order to maximise the usage lifespan of natural resources wasteful usage should be avoided, resource usage is minimised wherever possible and all reusable or recyclable materials are carefully used in a cradle-to-cradle waste management process. The ideal is for all waste materials to become inputs for new products and materials.

In our holistic natural capital approach, the concept of waste reduction includes all harmful factors that resource usage generates, including light and noise pollution and the environmental impact of replacing disposable materials through maintenance. The lifespan of materials used has a marked role to play in the environmental impact of every step along the supply chain.



REBOSIS
PROPERTY FUND

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 drive a wide range of services, often called ecosystem services, which make human life possible.

Clean air, water, plants, and food supplies are essential for personal health and wellbeing. The relationship between the environment and humanity is one of interdependence—each affects the other. Therefore, just as our actions and choices affect the environment, the health individuals, communities and economies.



Environmental Aims and Goals: 2018

The overall goals for our environmental initiatives; it is the avoidance of unnecessary natural-capital-expenditure and the reduction of resource usage.

Through the application of recycling and natural capital frameworks Rebosis continues to make strides in three key areas, namely:



✓ Electricity reduction,



✓ Waste Management (recycling)



✓ Water usage reduction.

For Water reduction the goal is set at a 2,5% reduction annually, as well as 1% reduction in all electricity usage across all properties. Our recycling goal is to achieve a waste neutral portfolio of properties while constantly improving efficiency through meticulous application of recycling initiatives.

Highlights of 2018

20% reduction in water usage in the Western Cape



1% reduction in electricity usage.

50% reduction in disposable waste and **40% recyclable waste** generated.

3% increase in total waste materials recycled.



Environmental

Water Reduction

Why?

South Africa remains a water scarce country and the careful management, usage and recycling of water resources have become an ever-increasing priority for homes, businesses and government bodies alike.

During 2017/2018 severely, diminished rainfall in the Western Cape reduced the available water resources to the bare minimum, creating a constrained supply to all business. This poses the challenge of reducing usage and wastage, while maintaining service and operations standards.



The ongoing drought in the Western Cape serve as an excellent case study in the potential effects of a water supply collapse scenario, providing a much-needed impetus for water saving initiatives. With unpredictable rainfall across the country, the recent extreme measure needed in the Western Cape provides immediately applicable solutions for buildings across the country.

Consistent and standardised water usage reduction measures enable our buildings to reduce their load on the national water grid and achieve a measure of independence from rainfall patterns while also reducing the cost of water supply for owners and tenants.



Goals - 2018

Rebosis has set the target of a 2,5% reduction in overall water consumption across our portfolio of properties. During 2017 we achieved an overall reduction in water consumption of 1%. As a part of our continuous initiatives the goal for 2018 was to match or exceed the 2017 result.

Initiatives

In keeping with the "reduce and avoid" framework, we have implemented a number of initiatives across our entire Western Cape portfolio to minimize our impact and help in the mitigation of a water crisis in the province. The following measures were applied:

1. Converted all urinals to waterless urinals
2. Through aeration we reduced the flow rate of all taps
3. Reduced operational taps to a single unit per restroom
4. Installed Hand sanitisers to use instead of washing hands
5. Optimized the flush mechanism of all toilets
6. Encouraged water saving strategies to tenants
7. Carefully monitored daily consumption across our portfolio
8. Identified baseline consumption by ensuring no leakages are unattended
9. Reduced air conditioning operating times
10. Implemented rapid leakage reporting to minimise repair time

Results

Following the strategies implemented during 2018 Rebosis has achieved a further 1% reduction in the total water resources consumed.



Waste Management

Why waste management:

All human activity produces various waste and thus the management of waste recycling and reduction is paramount in minimising the environmental impact of our activities. The dual reason for waste collection is to promote environmental protection and in turn improve the general population health.

If not properly managed waste products can have serious and devastating effects: rubbish and waste can cause air and water pollution while rotting garbage is known to produce harmful gases that cause long term breathing problems and health risks for individuals who come into contact with the waste and corrupted air.

In terms of the global standard, South Africa is generally, not competitive in terms of recycling thoroughness and efficiency.

Waste generation and removal is not a top priority and we aim to set an example of environmental nurturing through leadership at Rebosis.

As a society, we need to be more aware of how we dispose of our waste, but what we do not realise, is how much our waste disposal methods; are having negative impact to our environment and society.



Global Environmental Health

Every choice an individual makes in the course of a day:

- *what to eat,*
- *where to shop,*
- *what to buy,*
- *how to travel,*

that affects their environment on some level, some effects are immediate, and others have a hidden, long term impact on the environment. For example, turning off the light to save electricity has a direct savings factor while other actions, such as purchasing clothing produced in a factory that prioritizes safe working conditions for its employees, serves more global, long term sustainability goals.

In order to achieve a holistically sustainable framework for Global Environmental Health we can apply the four principles of sustainability set forth by Terry Gips, an ecologist and sustainability business consultant.

The principles are as follows:

1. To limit what is taken from the earth by reducing the consumption of natural capital and reusing extracted resources;
2. To limit the use of toxic substances through strategic vision, high quality maintenance and use of innovative technologies;
3. To respect and protect the earth through careful waste management and resource recycling; and
4. To meet fundamental human needs through providing healthy and sustainable environments while achieving excellence in service delivery

Environmental

Waste Management Locations:

Rebosis have ongoing waste management initiatives at the following Retail Centres:

1. Baywest Mall (Port Elizabeth)
2. Forest Hill City (Centurion)
3. Hemingway's Mall (East London)
4. Mdantsane City (East London)

Key Findings and Results

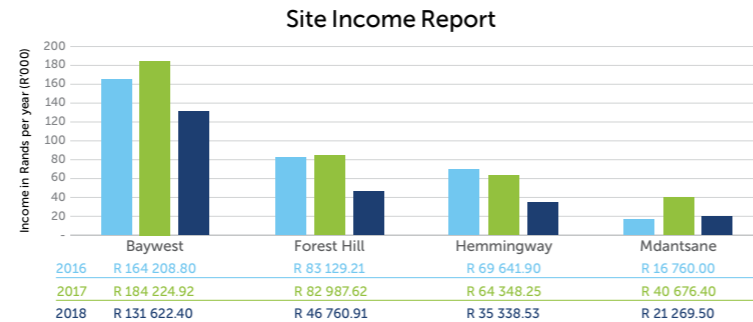
Across the four properties where holistic waste management systems have been implemented the following results have been achieved:

- ✓ **50% reduction** in total volume disposable waste and **40% recyclable waste**;
- ✓ **3% increase** in total waste materials recycled;
- ✓ **50% reduction** in general waste products;
- ✓ **40% reduction** in plastic wastage

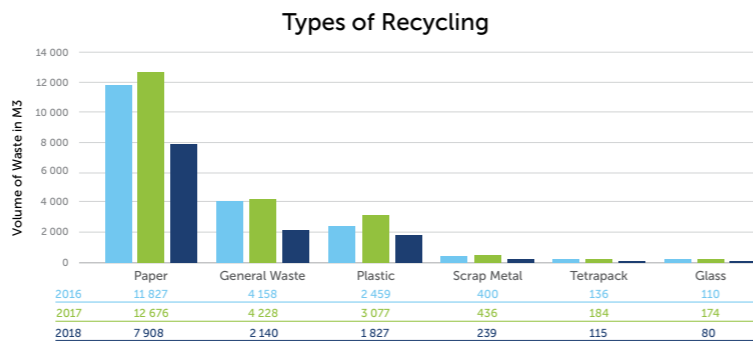
In addition to the successful implementation of natural capital initiatives, Rebosis receives an income generated through the recycling of waste material. This project is implemented on site, generating employment as well as keeping cost down.



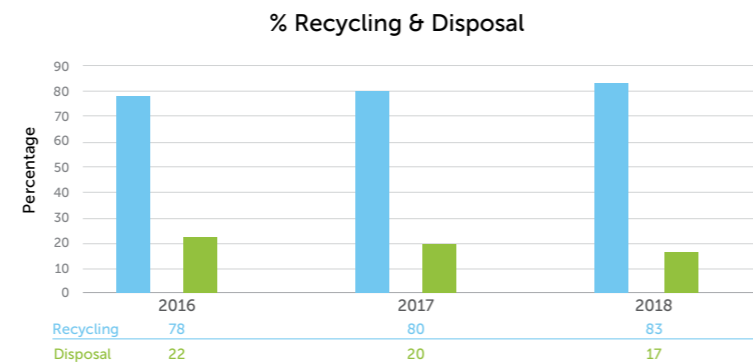
The four retail properties have generated a combined income of R234 991 during 2018 with a total income over the last 3 years of R 940 968. The below shown Graph shows **the income received in terms of the buildings** as per the three-year cycle with Baywest topping the list and the lowest being Mdantsane Mall.



The Graph shows the various **types of products** that were recycled during the three-year cycle, with paper being the highest and glass recycled lesser than the rest of the materials.



The Recycling and Disposal Graph indicates an increase in Recycling trend over the three-year cycle and with Disposal experiencing a slight decline



Electricity Reduction

Why?

In keeping with the Rebosis framework for environmental capital the reduction of electricity usage remains a top priority, with supply uncertainty and global environmental impact being top determining factors.

Ongoing and unpredictable electricity supply shortcomings from Eskom creates an uncertain environment that at times is dependent on high cost and inefficient backup systems such as diesel generators. These solutions are not sustainable, in terms of property expenditure and environmental impact and a long term approach to reducing power wastage, as well as materials wastage, is needed.



Goals and results

The GOAL in electricity reduction for 2018 is to reduce consumption average 1% per year across all buildings, this goal was achieved through the application of two main initiatives –

- **Installing LED lighting; and**
- **Power factor correction equipment.**

This was to enlighten work areas and create bright, clear light for showcasing retail property.



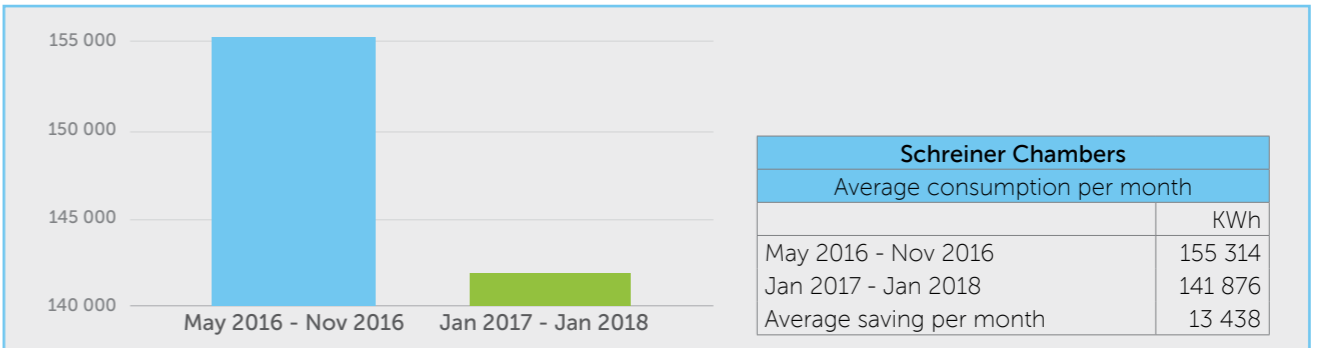
Initiatives

LED Lighting

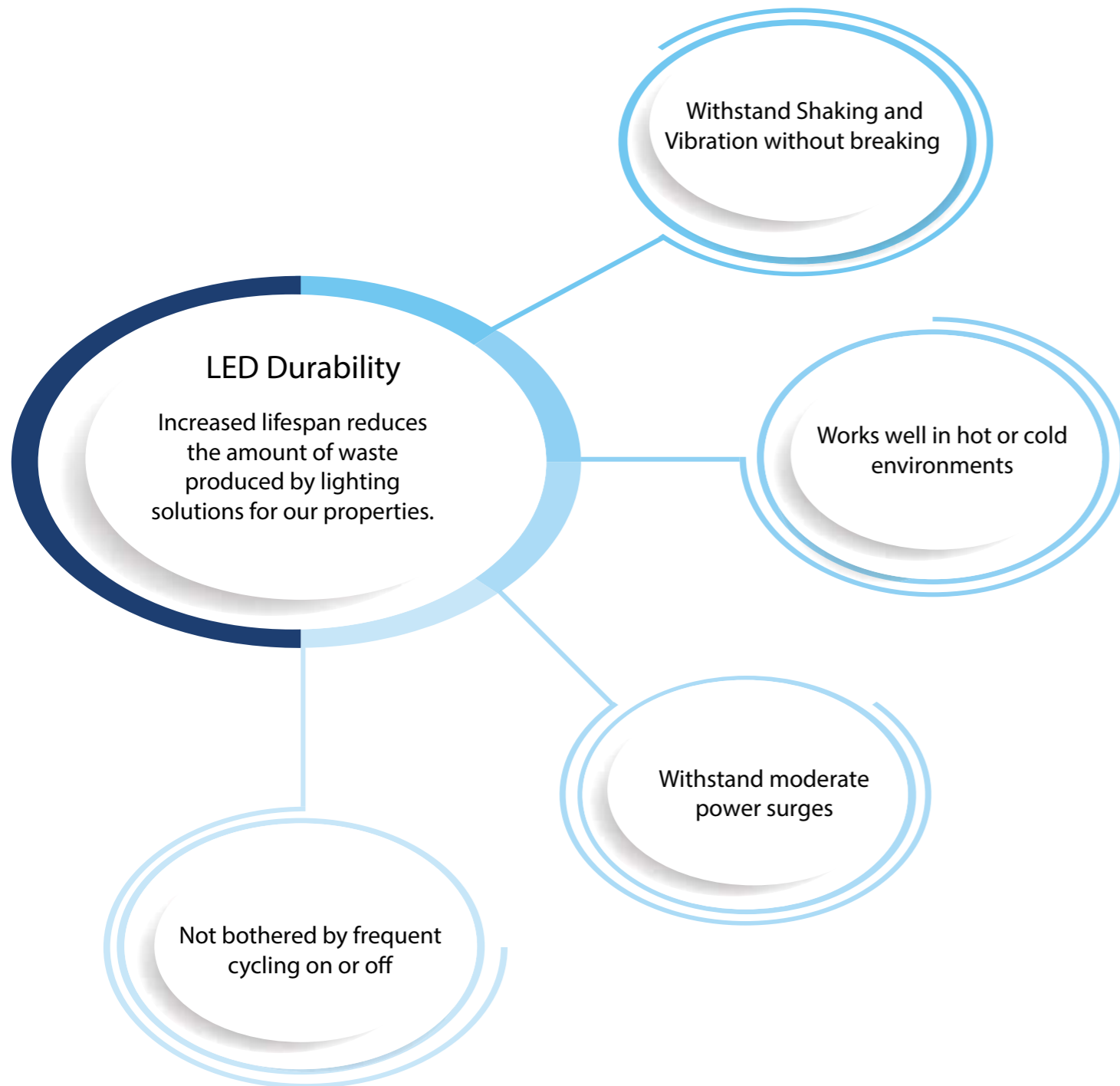
LED stands for Light Emitting Diode, a bright, energy-efficient lighting component with no moving or fragile parts. Modern LED lighting has far surpassed other solutions in terms of flexibility, sustainability and cost efficiency, providing a first class illumination solution for both commercial and residential uses.

LED lighting has distinct advantages from older technologies such as xenon tube lighting, providing a more sustainable and cost efficient future. Human friendly advantages include zero electromagnetic interference, thus no background static hum. LEDs generate a full-spectrum light closely resembling daylight, illuminating tasks and enhancing work, school, and retail environments. LEDs can provide exceptional directional lighting application of two main initiatives - installing LED lighting and power factor correction equipment. to enlighten a work area and create a bright, clear light for showcasing retail.

The extreme durability and low maintenance nature of LEDs also render them perfect for commercial use:



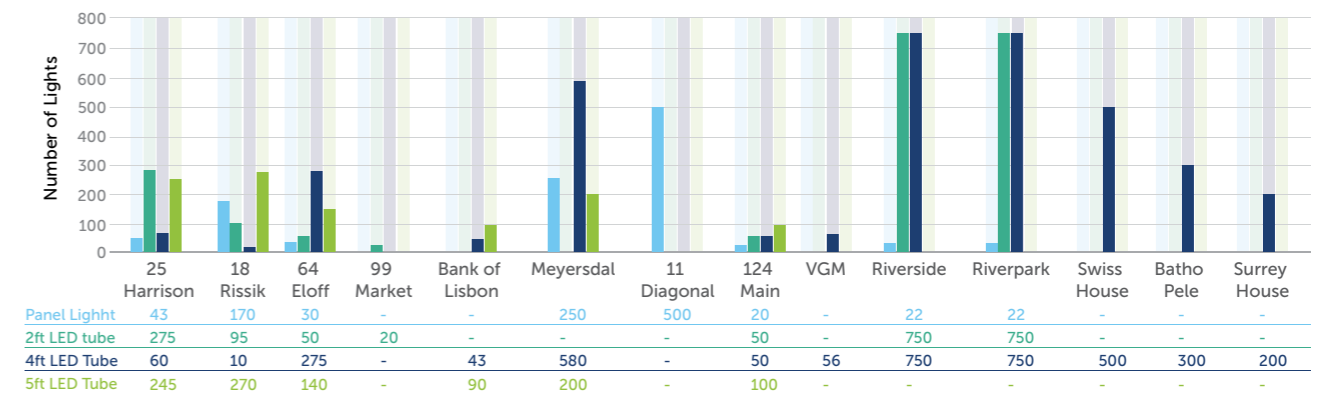
Environmental



The other advantages in terms of reduction and avoidance is:

Advantages: Reduction and Avoidance		
Max Efficiency	Minimum Heat	Minimum Environmental Impact
LED lighting use substantially less power than incandescent or compact fluorescent lamps (CFLs). Replacing existing lighting with LED lighting can save between 50% and 90% of lighting energy costs.	Minimum Heat LEDs generate very little heat, transferring power to light instead of heat. Heat from traditional lighting creates a higher load on air conditioning systems, adding to the energy inefficiencies of non-LED lighting.	LEDs are 100% recyclable. In addition LEDs do not require a Material Safety Data Sheet (MSDS) or hazardous waste disposal.
Retrofitting to LEDs creates energy efficiencies, reducing our carbon footprint and minimising the impact of human activities regarding the amount of greenhouse gases produced Power Factor Correction Equipment . Power Factor is a measure of how effectively incoming power is used in an electrical system and defined as the ratio of Real to Apparent (total) power where:		
Real Power		
Real Power is the power that actually powers the equipment and performs useful, productive work.	Reactive Power is required by some equipment	These equipment realize huge savings on the electricity bills
Example: <i>During 2016 power factor equipment has been installed at Schreiner Chambers Johannesburg, reducing electricity consumption.</i>		

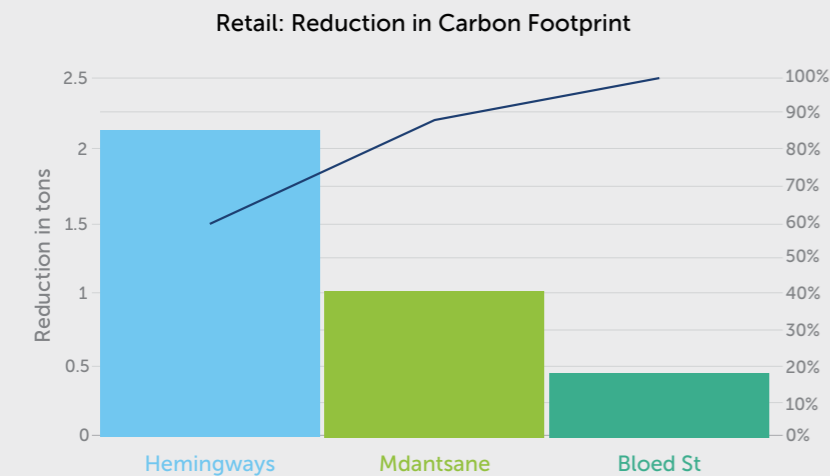
LED Lights Replacement (Commercial)



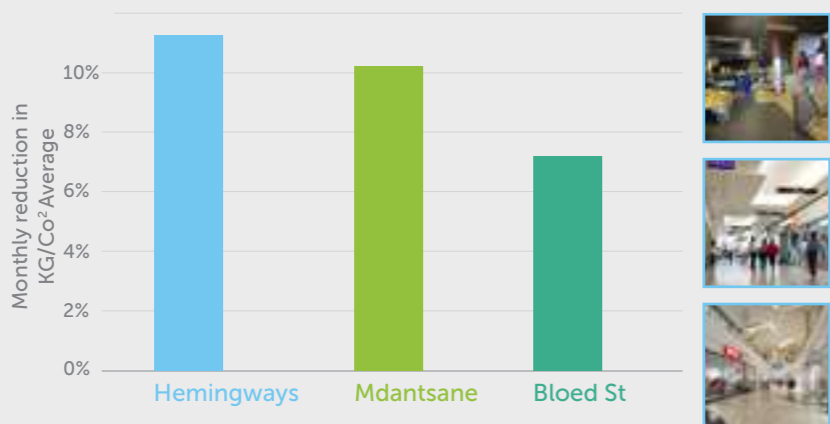
Environmental

Rebosis Carbon Foot Print (Retail)

The below Graph indicates the statistics on the reduction of carbon footprint on expected electrical consumption due to the Lighting Projects at the mentioned Shopping Malls:



The Current Carbon Footprints are:



Looking ahead

In order to maintain and expand the current environmental initiatives, Rebosis is committed to ensuring that the highest standard of natural capital management and preservation is achieved.

Data tracking

A further initiative is to implement power factor correction in certain buildings. Implementing smart reading is another initiative being implemented for proper metering of electricity consumption and effectively managing energy efficiency and sustainability.

Solar power

In addition to our current investment of R2,5m into solar energy, Rebosis is investigating new and better ways to incorporate renewable energy as part of the energy mix for our buildings. Ensuring independent, sustainable and reliable power supply for our portfolio that is set to take energy savings at our buildings into the future.

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.

In terms of the Occupational Health and Safety Act (Act 85 of 1993), the primary responsibility for ensuring a safe and healthy work environment is placed on the Chief Executive Officer. The CEO may delegate his responsibility without derogating from the responsibility of a 16(1) appointment; to Management of the business. The 16(2) appointee/s will then be responsible for the management of the occupational health and safety matters. The officials are appointed on an annual basis as 16(2) and 17(1) appointments in accordance with the Occupational Health and safety Act. These appointees are delegated to ensure compliance to Health & Safety within their areas of responsibility.

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 programmers.

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 few 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.



Carbon Footprint

As part of our sustainability strategy, Rebois committed to quantifying, reporting and managing our carbon footprint. This is the first Carbon Footprint Report on the portfolio.

This report deals only with the Scope 2 emissions – i.e. emissions as a result of purchased electricity.

A Carbon Footprint is the total set of greenhouse gas (GHG) emissions caused by an organisation, event, product or person. Greenhouse gases are emitted through transport, land use change, the production and consumption of food, fuel combustion, manufactured goods, material consumption, waste disposal and use of services. A carbon footprint is usually reported in CO₂e (carbon dioxide equivalent) which is the internationally recognised measure of greenhouse gases.

The GHG Protocol is the most widely used standard for mandatory and voluntary GHG reports and is compatible with other international GHG standards such as ISO 14064.

According to the GHG Protocol, 3 emission Scopes are defined as illustrated below.



Scope 1 Emissions

Emissions from sources owned or controlled by the company, e.g., generators, refrigeration, air-conditioning units.

Scope 2 Emissions

Emissions associated with the consumption of purchased electricity, heat or steam from a source that is not owned or controlled by the company, e.g., an electricity utility such as Eskom.

Scope 3 Emissions

Scope 3 emissions are indirect emissions, other than purchased electricity, heat or steam, which can be described as relevant to the activities of the company, e.g., business travel, but which are emitted by sources in the company's supply chain.

Electricity consumption data provided for this report was obtained from billing meters or billing reports. Any renewable energy generated on-site is therefore already subtracted from these figures and has therefore effectively reduced the carbon footprint (as it should). The GHG Protocol does not require water usage to be recorded in a carbon inventory – water usage was therefore excluded.

A total of 28 buildings' data was obtained for the purpose of this report. The total estimated annual power consumption is 108 645 186 kWh. The resulting CO₂ emissions is 103 212 926kg. The Sulphur Oxide (Sox) emissions is 906 101kg. The Nitrogen Oxide (Nox) emissions is 432 408kg. The shopping centers contribute significantly to the carbon footprint, but this also includes much of the consumption that is not under the direct control of Rebois as it is tenant usage.

Social and Human

We are invested in South Africa. A better South Africa means a better Rebois. We seek to be an agent of social change. Youth in South Africa account for approximately 36% of the population and roughly 53% of the total unemployment figures. This remains a serious concern to Rebois and as we have created an academy to educate, train and develop 20 previously disadvantaged entrepreneurs.

The academy is run from our Forest Hill mall and is called Room 2 Grow. The objective of this initiative is to empower these entrepreneurs to establish and run their own businesses within the Rebois retail portfolio, thereby supporting the sustainability and longevity of the Rebois Property Fund rental income model.

The candidates are taught substantial theory, but the main focus of this program is for them to gain practical understanding of how this information can be used to run their business. They are required to complete assignments throughout the course and are given the opportunity to practically apply every skill taught. Both of these elements are used in the evaluation of their performance.

Once the businesses are established there will be ongoing mentoring and support through mentoring groups and entrepreneurship communities.

This initiative is aimed at directly reducing the unemployment rate and contribute in some way towards a sustainable future for South Africa. This initiative is central to the fight to eradicate poverty and to promote economic development in our country.



The two primary objectives are:

- To support the **sustainability** and **longevity** of the Rebois Property Fund rental income model; and
- To provide **real** opportunities to previously disadvantaged groups in South Africa.

Recognised Problems of business owners in Retail, Franchising and Food are:

- Lack of business acumen;
- Lack of financial acumen;
- Lack of management skills;
- No training given on optimizing the business (driving sales/ effective cost management);
- Isolation and resultant inability to troubleshoot and get support;
- Lack of ability to handle conflict or confront unsatisfactory support from franchisor/landlords;
- Underestimate the necessity of systems and processes to control the business eg: cash handling, stock control, customer relationships etc;
- No networking, mentoring or ongoing coaching available; and
- Access to funding

Objectives

- To ensure that the maximum number of doors are open across all operating centres;
- To ensure that projected rental is being generated;
- To provide an incubation environment to groom individuals to take over outlets that have been abandoned or closed down due to non-payment of rental and/or operational inefficiencies;
- To uplift selected individuals, through the Academy by grooming them to be entrepreneurs and business owners; and
- To contribute to B-BBEE targets.

Social and Human

Benefits

- Projected rental will be generated sustainably through the ongoing operation of the affected outlets;
- The academy will produce skilled entrepreneurs to run and ultimately own businesses;
- There will be an ongoing supply of potential business owners to support the growth of the organization;
- Franchisors could potentially draw from this pool when new opportunities arise within the Reboasis portfolio;
- The candidates will achieve a holistic skill set through training and development which will be practical in its applicability;
- It will contribute to B-BBEE targets and the upliftment of people;
- There are a variety of B-BBEE points that could be generated through this initiative (enterprise development, skills development and potentially could extend to supplier development); and
- The reputation of the organisation will be enhanced

As part of the practical element of the course, the candidates worked in three stores in Forest Hill namely, The Daily, Smooch as well as the Space Bar. For training in marketing and sales, the candidates were taken to the Coke manufacturing plant in Midrand. The candidates were given an overview of the history of Coke as well as an introduction to the marketing, branding and distribution systems in the facility.

The candidates were taught the basic principles of using social media in business by a social media expert. All candidates were provided to access to online training tools to further their learning in this field.

An Entrepreneurship Symposium sponsored by UNISA were attended by all the candidates. During the two days the candidates had the opportunity to network and expand their knowledge in running a business successfully.



Rise
AGAINST HUNGER

in partnership with



Rise against hunger is a monthly – 2nd Saturday of every month event as well as an annual Mandela Day Meal Packing event.

Since Rise against hunger took up premises at Hemingways Mall during July 2017, they have been hard at work involving corporate sponsors and local organisations in their national "2nd Saturday" meal packing events.

Because of the great work done by this organisation, Rise Against Hunger is currently feeding 2,523 children 5 nutritious meals per week.

All meals are allocated to improve education and concentration in children they feed, and from February 2018, Rise Against Hunger has undertaken a feeding scheme with the University of Fort Hare. After extensive research done, the organisation has recognised hunger as the number one leading cause for students not being able to complete their tertiary studies.

Hemingways Mall is proud to have sponsored over 42,120 meals from the Mandela Day 2018 meal packing event towards this cause. The value of the meals distributed for the financial year, including Mandela Day, amounted to R1,577 008.



School Shoe PROJECT



580

pairs of donated shoes in total



May 2018 Rebois and Hemingways Mall distributed R49,967 in school shoes to previously disadvantaged schools. Altogether 326 pairs of shoes were distributed as follows:

Mdantsane City received 44 school shoes, 11 school shirts, some socks and pads from tenants and shoppers which were deposited into the box provided at Woolworths Court.

6 schools benefited from the Rebois Agoa FM campaign which includes Vulumzi Primary School (selected by Algoa FM). Other schools were Ulwazi High school (100% matric pass in 2016/2017), Mzonhle High School, Phakamile Junior Primary, Zukisa Junior Primary & Nkululeko Higher Primary school.

Thursday, 15 and Friday 16 February were dedicated to the handover to all schools selected. Pick n Pay donated shoe polish for each pair of shoes and KFC fed 200 learners on Friday the 16th.

Mdantsane City was accompanied by Brian Ndevu of Algoa FM, to Vulumzi Primary School, the very first school built in Mdantsane Township. Vulumzi Primary is also Brian's first grade school.



School Debate

September 2017 4 hrs R19 900

Forest Hill City hosted the 2nd annual school's debate with local high school teams from Olivenhoutsbosch. The debate attracted 220 learners who came to cheer their participating peers on.

CANSA Shavathon



Forest Hill City hosted the national CANSA Shavathon event with other prominent CANSA ambassadors.



SHAVATHON

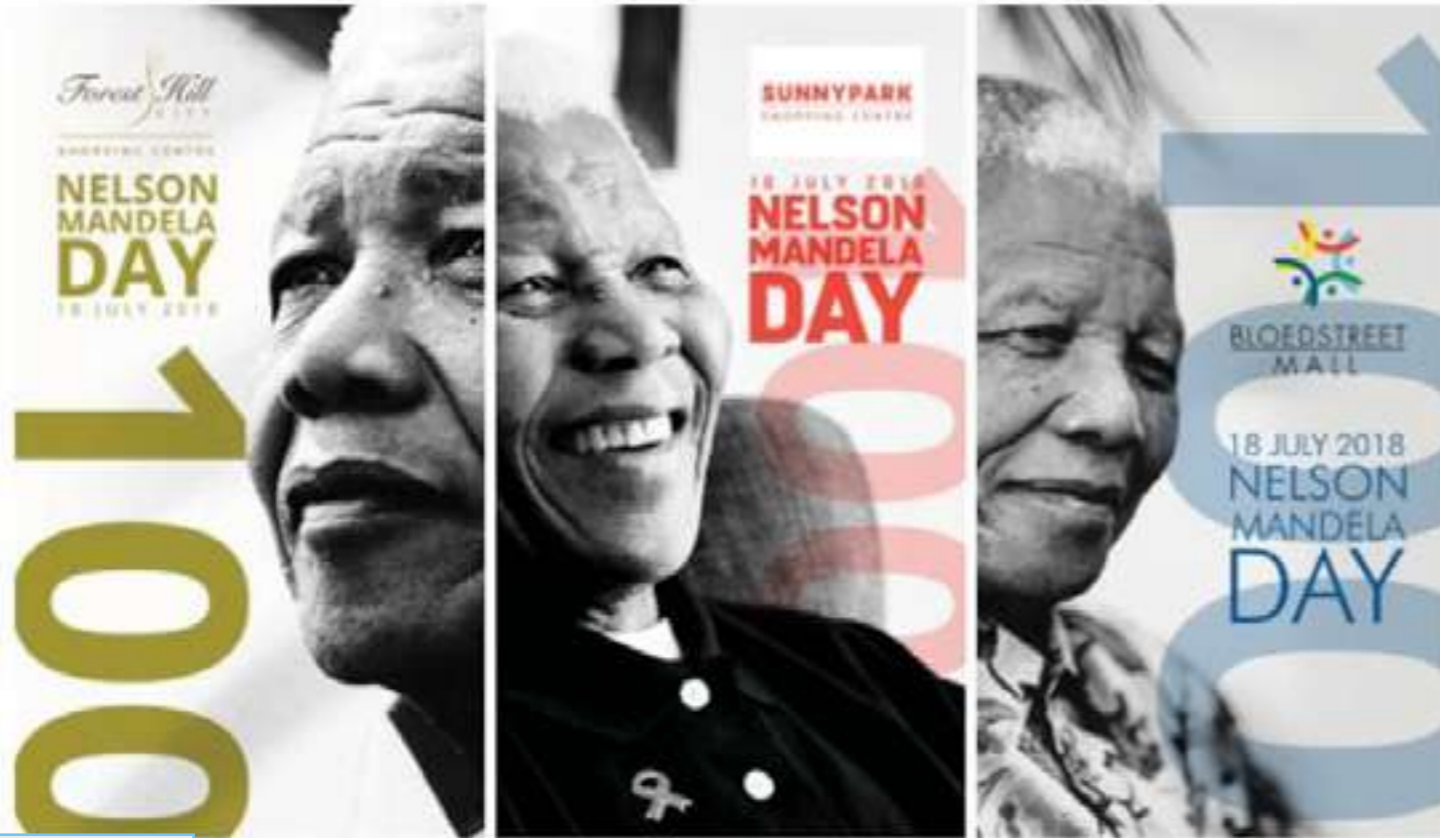
www.shavathon.org.za

SA Blood Drive

We hosted the SA Blood drive at our malls as an exhibition which was widely advertised on social media.



Rebosis Celebrates **Mandela Day**



Local **Feeding Scheme**



Mdantsane City

donates **R36 000** towards Local feeding scheme initiative every month.

On Wednesday, 20 December 2017 the local feeding scheme, organised an early Christmas lunch, food parcels and gifts for 50 children from Nxahun villages.

DONATIONS FOR CHILD HEADED FAMILIES



Every December festive period Mdantsane City donates food parcels, toys and clothes to child headed families from Mdantsane Township. This is made possible by various tenants and M&T Photolab who from taking pictures with Santa, donate a portion of proceeds to orphans. 20 families benefited this year.

WOMAN'S DAY CELEBRATION

Woman Empowerment Fun Walk & Prize Giving

Mdantsane City and the Department of Social Development celebrated WOMEN under the theme "EMPOWERMENT" on 23 August 2018. Over 500 women from Mdantsane and surroundings gathered at Mdantsane City and participated in a 5km fun walk and the categories were female youth, disabled females and woman over 50. Some men volunteered to assist along the road and their slogan was "NOT IN MY NAME".

Speakers from organisations such as SEDA, MYDA, DOH, OLD MUTUAL, BCMM – LED and others were there to motivate all that participated in the day. Various prizes from Hotel vouchers to branded items were given during the fun day where entertainment and refreshments were provided to all.

Prizes given were; Old Mutual branded water bottles & medals, Coca Cola branded items, 3 Hotel weekend vouchers, Social Development Jackets, massages & manicures by Beauty Academy, entertainment by Amasiba and refreshments for all who attended.

04

Annual Financial Statements



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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 auditor is 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 2019 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 auditor is responsible for independently auditing and reporting on the group and company's financial statements.

The financial statements (Pages 109 to 163) have been examined by the group's external auditor and his report is presented on pages 100 to 163.

Approval of the Annual Financial Statements

The annual financial statements were approved by the board on 14 December 2018 and are signed on its behalf by:

Dr Anna Mokgokong
Chairman

14 December 2018

Dr Sisa Ngebulana
Deputy Chairman and Chief Executive Officer

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 2018, Reboasis 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

14 December 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, CIO, External Auditor and Internal Auditor are present at meetings by standing invitation.

The Committee is governed by a 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 four 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 52 and 53.

Responsibilities

The 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 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 purpose of the committee is to provide the board and shareholders with assurance that their interests are protected in respect of enterprise risk management, information and technology governance, legal and regulatory compliance, internal controls and financial reporting.

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

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

- nominated and recommended the appointment of the external auditor of the company who is a registered auditor and who, in the opinion of the committee, is independent of the company;
- determined the auditor's terms of engagement and the fees to be paid to the auditor;
- ensured that the appointment of the auditor complies with the Companies Act, 71 of 2008, as amended, and any other legislation relating to the appointment of the auditor;
- determined the nature and extent of any non-audit services that the auditor may provide to the company;
- reviewed and evaluated the quality of the financial information prepared to ensure integrity of reporting;
- reviewed and approved the interim and final financial results, and the related press releases, for recommendation to the board;
- prepared this report for inclusion in the annual financial statements;
- confirming that the company has established appropriate financial reporting procedures and that those procedures are operating;
- 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; and
- 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 2018 financial year have been:

- to obtain an understanding to the requirements of the external auditor 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; and
- the potential impacts of IFRS 16 to the extent applicable to the company.

Audit and Risk Committee Report

External Auditor

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

The committee is satisfied of the required independence of the external auditor is independent from Rebosis, as set out in section 94(8) of the Companies Act, after considering the following factors:

- Representations made by the external auditor 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 2018.

The external auditor is invited to and attend all the Committee meetings and are required to meet independently with the Committee at least annually. Findings by the external auditor arising from their annual statutory audit are tabled and presented at a 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 2018.

Effective 1 December 2018, Grant Thornton Johannesburg Partnership has merged with BDO South Africa Inc and accordingly BDO South Africa Inc will be the audit firm for Rebosis going forward, whilst the designated audit partner, Vincent Ngobese, will remain unchanged. The 2018 financial statements are still being signed off under Grant Thornton Johannesburg Partnership as the audit commenced under Grant Thornton.

The Committee has completed the process stipulated in section 3.84(g)(iii) of the JSE Listings Requirements and has nominated, for election at the annual general meeting, BDO South Africa Inc as the external audit firm and Vincent Ngobese as the designated auditor responsible for performing the functions of auditor for the 2018/2019 financial year. The 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 Xabacha SA Incorporated, a professional service provider, ensuring that an independent strategically aligned function exists. The 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. During the year, the company changed its internal auditor from Kwinana and Associates Incorporated to Xabacha SA Incorporated.

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

Risk Management

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

Rebosis has an enterprise risk management policy which is reviewed, assessed and amended, where applicable, by the Audit and Risk Committee. Rebosis applies a formal risk assessment process on an annual basis and continuously identifies and quantifies emerging risk to the company. The board of directors takes ultimate responsibility for risk management and has delegated oversight responsibility to the 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 Committee are committed to continuously improving the risk management process to ensure a risk-resilient environment.

Compliance

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

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

Expertise and Experience of CFO and the Finance Function

The Audit and Risk Committee has considered and is satisfied with the expertise and experience of the CFO, Marelise de Lange during the financial year. The committee also satisfied themselves with the expertise and experience of Isabeau King appointed on 1 December 2018.

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 by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, JSE Limited Listings Requirements and the requirements of the Companies Act, 71 of 2008, as amended.

Going Concern

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

Recommendation of the Integrated Report of Approval by the Board

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



Francois Froneman

Chairman of the Audit and Risk Committee

14 December 2018

Independent Auditor's Report

To the shareholders of

Rebosis Property Fund Limited and its subsidiaries

Report on the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Rebosis Property Fund Limited and its subsidiaries (the group and company) set out on pages 96 to 163, which comprise the consolidated and separate statements of financial position as at 31 August 2018, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate 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 Rebosis Property Fund as at 31 August 2018, 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 and company 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. We have determined the matters below to be key audit matters to be communicated in our report. The following key audit matters relate to the consolidated and separate financial statements, as indicated.

Key audit matters (KAM)	How our audit addressed the KAM
<p>Valuation of Investment properties – Group (R16.7 billion) and Company (R9.5 billion)</p> <p>Significant judgement is required in determining the fair value of investment property. 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 Board 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. 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>Our procedures included amongst other:</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 included a 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 and 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

Key audit matters (KAM)	How our audit addressed the KAM
<p>Goodwill impairment test - Group</p> <p>As disclosed in note 11 to the financial statements, the Group has goodwill amounting to R499 million (2017: R676 million), which is attributed to three cash generating units (CGUs). Management is required to perform an impairment test on goodwill at least annually. An impairment of R177 million relating to Billion Asset Management has been recognised in the current financial period.</p> <p>We have determined this as a key audit matter due to the judgement required by management in preparing a 'value-in-use' model to satisfy the impairment test. Forecasting future cash flows and applying an appropriate discount rate, inherently involves a high degree of estimation and judgement by management.</p>	<p>Our procedures included amongst other:</p> <ul style="list-style-type: none"> Reviewed the model for compliance with ISA 36 Impairment of Assets; Assessed the determination of CGUs based on our understanding of how management monitors the Group's operations and makes decisions about groups of assets that generate independent cash flows; Verified the mathematical accuracy and methodology appropriateness of the underlying model calculations; Evaluated the cash flow projections and the process by which they were developed, comparing the cash flows to the latest budgets, and assessing the historical accuracy of the budgeting process; Assessed the key growth rate assumptions by comparing them to historical results, economic and industry forecasts, and assessing the discount rate by reference to the cost of capital of the Group; and Performed sensitivity analysis of the key assumptions in model. Reviewed the adequacy of the disclosures in the financial statements, including disclosure on significant inputs and sensitivity analyses.
<p>Valuation of unlisted investments – Company R2.6 billion (2017: R4.8 billion)</p> <p>Rebosis changed its accounting policy in the current year from carrying its investments in subsidiaries at fair value in the prior years to cost less accumulated impairment.</p> <p>The basis for the valuation applied in determining the recoverable amounts of these investments by management is a discounted cash flow model.</p> <p>The valuation of this investment is considered a key audit matter as it is a significant figure and is reliant on key estimations and judgements which could have a significant impact on the financial results. An impairment of R2.2 billion was recognised in the current financial period.</p>	<p>Our procedures included amongst other:</p> <ul style="list-style-type: none"> Reviewed the accuracy of the application of the change in accounting policy; Assessed the reasonability of key inputs and estimations, such as growth rates, discount rates and the period of forecast cash flows in determining the recoverable amounts. This assessment took into account a comparison of growth and discount rates to market and industry data as well as applying sensitivity analyses to key inputs; 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 note 6 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Integrated Annual Report, which 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.

Independent Auditor's Report

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, 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 International Standards on Auditing (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.

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.

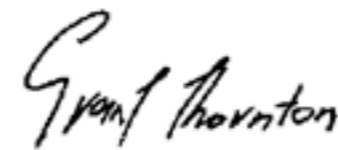
Independent Auditor's Report

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 Johannesburg Partnership has been the auditor of the Group for eight years.



GRANT THORNTON JOHANNESBURG

Registered Auditors
Practice Number: 903485E

V Ngobese

Partner
Registered Auditor
Chartered Accountant (SA)

14 December 2018

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Directors' Report for the year ended 31 August 2018

The board has pleasure in submitting their directors' report for the year ended 31 August 2018.

Nature of Business

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

The group's portfolio, valued at R18,09 billion, comprises 49 quality grade retail, commercial and industrial properties located in Gauteng, the Eastern Cape, KwaZulu-Natal and Northwest Province.

At 31 August 2018, seven of these properties valued at R1.40 billion (2017: R212 million) 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 group and 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 96 to 163.

Share Capital (Shares in Issue)

During the year under review, Rebosis issued the following ordinary shares ("REB"):

Date of issue 2018	Number of shares issued	Issue price R	Value of shares issued R'000
15 January 2018	30 973 451	11.30	350 000
27 August 2018	15 852 048	7.57	120 000
27 August 2018	10 111 373	8.00	80 891
	56 936 872		550 891
2017			
20 October 2016	14 270 270	11.10	158 400
15 December 2016	49 840 696	10.71	533 794
19 January 2017	9 897 292	10.71	106 000
02 March 2017	38 339 921	12.65	485 000
	112 348 179		1 283 194

The company's authorised share capital comprises of 5 000 000 000 ordinary shares of no par value.

The purpose of the shares issued were as follows:

Specific issue of shares for cash pursuant to the clawback offer for the acquisition of the of Baywest City, Forest Hill and the services businesses to Billion, Abacus and Nedbank:

- 15 December 2016.

Specific issue of shares pursuant to a compulsory re-investment requirement following the acquisition of Baywest City, Forest Hill and the services businesses by Billion Group Proprietary Limited:

- 19 January 2017.

Specific issue of shares for the deferred payment relating to the acquisition of Baywest City, Forest Hill and the services businesses to:

- 15 January 2018.

Issue of shares under a general authority to issue shares for cash:

- 20 October 2016;
- 02 March 2017; and
- 27 August 2018.

There were no A ordinary shares ("REA") issued during the year.

Directors' Report for the year ended 31 August 2018

Dividend Distributions

The following dividends were declared during the year under review:

Dividend number 15 of 63,23 cents per REB share for the six months ended 28 February 2018;

Dividend number 16 of 29.60 cents per REB share for the six months ended 31 August 2018;

Dividend number 3 of 126,43 cents per REA share for the six months ended 28 February 2018; and

Dividend number 4 of 126,43 cents per REA share for the six months ended 31 August 2018

The total dividends per share for the year ended 31 August 2018, is 92.83 cents per REB share and 252.86 cents per REA 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:

Current directors

ATM Mokgokong (Chairman) [§]
 SM Ngebulana (Deputy Chairman and Chief Executive Officer) * (appointed effective 18 April 2018)
 RP Becker (Chief Investment Officer) * (appointed 1 August 2018)
 I King (Chief Financial Officer) * (appointed 1 December 2018)
 WJ Odendaal [§]
 NV Qangule [§]
 GFvL Froneman [§]
 MM Mdlolo [§]
 TSM Seopa [§]
 Z Kogo *

Resigned directors

AM Mazwai (Chief Executive Officer) * (resigned effective 18 April 2018)
 M de Lange (Chief Financial Officer) * (resigned effective 30 November 2018)

* Executive directors

[§] Independent non-executive directors

The number of board and committee meetings attended by each of the directors during the year is tabled in the Corporate Governance Report pages 49 to 53.

Directors' Report for the year ended 31 August 2018

Directors' Interests

The interests of the directors in the REB share of the company at 31 August 2018 were as follows:

	Beneficial		Total
	Direct	Indirect	
Executive directors			
SM Ngebulana	-	40 470 122	40 470 122
RP Becker	225 000	-	225 000
M de Lange	29 662	-	29 662
Z Kogo	15 577	-	15 577
	270 239	40 470 122	40 740 361
Non-executive directors			
ATM Mokgokong	-	-	-
GFvL Froneman	-	-	-
MM Mdlolo	-	-	-
WJ Odendaal	-	5 637 168	5 637 168
NV Qangule	-	-	-
TSM Seopa	-	-	-
	-	5 637 168	5 637 168

No changes to the interest of directors took place between year-end and the date of approval of the annual financial statements. No director has any direct or indirect interest in the REA share in the current or prior year of the company.

As at 31 August 2017 the interests of the directors in the REB share of the company were as follows:

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

Directors' Interests in Contracts

Dr 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.

Disposal of Assets

Disposal of assets to the value of R6.0 billion will continue in the new financial year as indicated to shareholders. R1.4 billion 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 2018

Dividend Declared

On 12 November 2018 the company declared a dividend amounting to R206.3 million (29,60 cents per share) relating to the REB share and R79,9 million (126,43 cents per share) relating to the REA 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.

Although the current liabilities exceed the current assets resulting from the short term nature of the liabilities, in anticipation of the disposals communicated above, the directors have satisfied themselves that the group and company has the support of its funders 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 167 and 168 of the annual report.

Executive Directors' Service Contracts

The executive directors' have service contracts with the company. A three-month notice period is required by the Chief Executive Officer, Dr Sisa Ngebulana, Chief Investment Officer, Rob Becker, and the Chief Financial Officer, Isabeau King.

Subsequent Events

On 4 October 2018, six properties valued at R868 million were transferred to the purchaser and 100% of the proceeds were used to settle debt. A further sale agreement was entered into to dispose of the property known as Grand central for a net sales value of R535 million. The transfer of the property is subject to normal conditions for a sale of this nature.

On 29 and 30 November 2018 further sale and purchase agreements to dispose of the following properties were signed:

The Avento disposal

Avento Properties Proprietary Limited ("Avento") is a woman led 100% black owned and managed company, currently pursuing Property and Social Infrastructure Developments, and is represented by Mrs Tebogo Nkosi, Ms Joan Madibeng and Mr Mncedisi Ndlovhu.

In terms of the agreement concluded between Rebosis and Avento, Rebosis has agreed to dispose of two properties: Erf 1264 Marshalls Town, Johannesburg ("124 Main") and Erf 1183, Marshalls Town, Johannesburg ("18 Rissik") to Avento for an aggregate consideration of the lesser of (i) R894,6 million (inclusive of VAT at zero percent), or (ii) 9.75% yield on the 12 months forward net income of the market related rental on lease renewals achieved with the tenant. The maximum consideration attributable to 124 Main is R556,1 million and to 18 Rissik is R328,5 million.

The Endless Fortune disposal

Endless Fortune Proprietary Limited ("Endless Fortune") is a 100% black owned company, that is actively acquiring Government tenanted portfolios, and is represented by Mr Mpho Maerane.

In terms of an agreement concluded between Rebosis and Endless Fortune, Rebosis has agreed to dispose of two properties: Erf 1271, Erf 191 and Portions 2,4, 5 and the remaining extent of Erf 1021 Marshalls Town, Johannesburg, ("28 Harrison") and Erf 2950 Pretoria ("189 Schoeman") to Endless Fortune for an aggregate consideration of the lesser of (i) R588,8 million (inclusive of VAT at zero percent), or (ii) 9.75% yield on the 12 months forward net income of the market related rental on lease renewals achieved with the tenant. The maximum consideration attributable to 28 Harrison is R230,6 million and to 189 Schoeman is R358,2 million.

The Lunar Stone disposal

Lunar Stone Trading Proprietary Limited ("Lunar Stone") is a 100% black owned and managed company, seeking to acquire and develop a large unlisted sovereign-focused property fund, and is represented by Mr Lemane Bridgman Sithole.

In terms of an agreement concluded between Rebosis and Lunar Stone Trading, Ascension has agreed to dispose of three properties: Erf 5327, Johannesburg, ("Bathopele Building"), Erven 676 and 4677, Johannesburg ("Game Building") and Erf 1236 Marshalls Town, Johannesburg ("Surrey House") to Lunar Stone for an aggregate consideration of the lesser of (i) R705.9 million (inclusive of VAT at zero percent), or (ii) 9.75% yield on the 12 months forward net income of the market related rental on lease renewals achieved with the tenant. The maximum consideration attributable to Bathopele Building is R160,5 million, Game Building is R298,8 million and Surrey House is R246,6 million.

Directors' Report for the year ended 31 August 2018

The considerations payable for the disposals are payable as follows:

- 20% payable by way of a vendor loan granted by Rebosis to relevant Purchaser at an annual interest rate of 9.75% serviced quarterly in advance on an interest only basis, with an initial loan term of 36 months and secured by a second covering mortgage bond registered in favour of Rebosis; and
- the balance payable in cash on the Transfer Date.

Should the Transfer Date be later than 1 May 2019, the relevant consideration will accrue interest at 9.75%, calculated and expressed as an effective daily rate.

Warranties

The three agreements governing the disposals contain representations and warranties by the Seller in favour of the relevant purchaser's which are standard for transactions of this nature.

As disclosed in the SENS announcement dated 3 December 2018, in terms of an agreement concluded between Rebosis and Lunar Stone Trading, Ascension has agreed to dispose of three properties: Erf 5327, Johannesburg, ("Bathopele Building"), Erven 676 and 4677, Johannesburg ("Game Building") and Erf 1236 Marshalls Town, Johannesburg ("Surrey House") to Lunar Stone for an aggregate consideration of the lesser of (i) R705.9 million (inclusive of VAT at zero percent), or (ii) 9.75% yield on the 12 months forward net income of the market related rental on lease renewals achieved with the tenant. The maximum consideration attributable to Bathopele Building is R160,5 million, Game Building is R298,8 million and Surrey House is R246,6 million.

Company Secretary

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

The Board has considered and is satisfied with the competence, qualification and experience of the company secretary, Mande Ndema.

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

M Ndema
The Campus
2nd floor, Roland Garros Building
Corner Sloane and Main streets
Bryanston, 2191
(Postnet Suite 158, Private Bag x21, Bryanston, 2021)
Telephone: +27(0) 11 575 4835

By order of the board



Dr Sisa Ngebulana
Deputy Chairman and Chief Executive Officer

Bryanston
14 December 2018

Statement of Financial Position as at 31 August 2018

	Note	Group		Company	
		2018 R'000	2017 R'000	2018 R'000	*Restated 2017 R'000
ASSETS					
Non-current assets		19 620 368	21 617 102	14 591 806	16 856 795
Investment property		16 682 000	18 608 490	9 481 000	9 389 990
Fair value of property portfolio	3	16 266 788	18 275 621	9 286 836	9 240 404
Straight-line rental income accrual		415 212	332 869	194 164	149 586
Investment in subsidiaries	6	-	-	2 624 958	4 840 040
Loans to group companies	5	-	-	1 319 038	1 412 505
Investment in listed securities	8	992 774	1 044 979	-	-
Loans to related companies	9	180 472	70 699	-	70 699
Other financial assets	10	1 246 995	1 150 247	1 058 749	989 794
Goodwill	11	499 331	676 412	95 703	95 703
Derivative instruments	12	10 201	60 540	6 519	57 210
Property, plant and equipment	13	8 595	5 735	5 839	854
Current assets		763 636	816 263	543 333	276 441
Short term portion of other financial assets	10	132 311	286 013	132 311	-
Short term portion of derivatives	12	5 826	49 131	5 826	49 131
Trade and other receivables	14	445 556	376 479	247 752	192 032
Cash and cash equivalents	15	179 943	104 640	157 444	35 278
Investment property held for sale	4	1 403 000	212 689	-	-
Total assets		21 787 004	22 646 054	15 135 139	17 133 236
EQUITY AND LIABILITIES					
Equity					
Stated capital	16	9 015 068	8 464 527	9 040 201	8 489 660
Reserves		1 446 663	3 383 323	(1 079 007)	2 564 747
Total equity attributable to equity owners of the parent		10 461 731	11 847 850	7 961 194	11 054 407
Non-current liabilities		4 926 245	5 293 967	1 818 944	2 056 325
Interest bearing borrowings	17	4 899 095	4 973 983	1 404 398	1 877 160
Loans from group companies	5	-	-	397 631	-
Deferred payment liability		-	228 542	-	115 365
Derivative instruments	12	27 150	91 442	16 915	63 800
Current liabilities		6 399 028	5 504 237	5 355 001	4 022 504
Short term portion of interest bearing borrowings	17	5 856 984	4 858 196	4 954 186	3 590 476
Short term portion of derivatives	12	65 311	2 057	65 311	2 057
Short term portion of deferred payment liability		124 936	350 000	141 047	350 000
Trade and other payables	18	351 797	293 984	194 457	79 971
Total equity and liabilities		21 787 004	22 646 054	15 135 139	17 133 236
Number of REA shares in issue		63 266 012	63 266 012	63 266 012	63 266 012
Number of REB shares in issue		699 253 200	642 316 328	699 253 200	642 316 328
Net asset value per REA share (R)		22.75	24.50	22.75	24.50
Net asset value per REB share (R)		12.95	18.42	9.33	14.80
Loan to value (%)		51.6	45.5	58.9	31.8

* The restatement relates to the voluntary change in accounting policy relating to Investment in subsidiaries being held at cost less accumulated impairment losses and no longer at fair value (refer note 7).

Statements of Profit or Loss and Other Comprehensive Income for the year ended 31 August 2018

Note	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	*Restated 2017 R'000
Revenue	2 261 439	1 883 818	1 248 500	1 335 175
Investment Property Income	2 087 179	1 949 509	1 094 621	1 074 596
Net income from facilities management	22 488	21 951	22 104	21 951
Management fees received	4 668	5 416	20 888	17 393
Listed property securities and related income	62 348	-	65 491	288 075
Straight-line rental income accrual	84 756	(93 058)	45 396	(66 840)
Property expenses	(539 006)	(416 276)	(222 442)	(208 141)
Net property income	1 722 433	1 467 542	1 026 058	1 127 034
Other operating expenses	(127 428)	(142 457)	(119 120)	(127 497)
Operating income	1 595 005	1 325 085	906 938	999 537
Net interest	(755 278)	(758 101)	(357 995)	(331 901)
Received	147 674	87 042	133 050	79 646
Paid	(902 952)	(845 143)	(491 045)	(411 547)
Net operating income	839 727	566 984	548 943	667 636
Gain on bargain purchase	-	237 121	-	-
Other income	4 621	37 444	-	20 529
Changes in fair values and impairments	(1 768 329)	1 144 032	(3 176 870)	545 491
Investment property	(1 013 622)	1 269 631	(135 404)	649 728
Investments in subsidiaries	-	-	(2 215 082)	(5 165)
Loan impairment - subsidiaries	-	-	(716 018)	-
Investment in listed securities	(484 949)	-	-	-
Loss on disposal of investment in listed securities	-	(26 705)	-	(26 705)
Derivative instruments	(92 677)	(98 894)	(110 366)	(72 367)
Goodwill impairment	(177 081)	-	-	-
Total (loss)/profit from continuing operations	(923 981)	1 985 581	(2 627 927)	1 233 656
Net result from discontinued operations	-	651 853	-	-
Total (loss)/profit for the year	(923 981)	2 637 434	(2 627 927)	1 233 656
Other comprehensive income				
Items that may be recycled subsequently to profit or loss				
Foreign currency translation reserve	-	73 805	-	-
Total comprehensive (loss)/income	(923 981)	2 711 239	(2 627 927)	1 233 656
Total (loss)/profit attributable to:				
Owners of the parent	(923 981)	2 521 749	(2 627 927)	1 233 656
Non-controlling interests	-	115 685	-	-
(Loss)/profit for the year	(923 981)	2 637 434	(2 627 927)	1 233 656
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(923 981)	2 810 955	(2 627 927)	1 233 656
Non-controlling interests	-	(99 716)	-	-
Total comprehensive (loss)/income for the year	(923 981)	2 711 239	(2 627 927)	1 233 656
Basic and diluted earnings per REA share (cents)	25	252.86	681.42	
Basic and diluted (loss)/earnings per REB share (cents)	25	(163.75)	392.91	

* The restatement relates to the voluntary change in accounting policy relating to Investment in subsidiaries being held at cost less accumulated impairment losses and no longer at fair value (refer note 7).

Statements of Changes in Equity for the year ended 31 August 2018

GROUP	Stated capital R'000	Retained income/(loss) R'000	Foreign currency translation reserve R'000	Total R'000	Non-controlling interests R'000	Total R'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		(512 053)		(512 053)	(1 470 823)	(1 982 876)
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	73 805	2 595 554	(99 716)	2 495 838
Profit for the year		2 521 749		2 521 749	115 685	2 637 434
Other comprehensive income						
Foreign currency translation reserve			73 805	73 805	(215 401)	(141 596)
Balance at 31 August 2017	8 464 527	3 383 323	-	11 847 850	-	11 847 850
Issue of shares	550 541			550 541		550 541
Dividend paid		(1 012 679)		(1 012 679)		(1 012 679)
Total comprehensive loss for the year		(923 981)		(923 981)		(923 981)
Loss for the year		(923 981)		(923 981)		(923 981)
Balance at 31 August 2018	9 015 068	1 446 663	-	10 461 731	-	10 461 731

COMPANY	Note	Stated capital R'000	*Restated Retained income/(loss) R'000	Total R'000
Balance at 31 August 2016 (as previously reported)		5 615 055	2 924 693	8 539 748
Change in accounting policy	7		(787 661)	(787 661)
Issue of shares		2 874 605		2 874 605
Dividend paid			(805 941)	(805 941)
Total comprehensive income for the year			1 233 656	1 233 656
Balance at 31 August 2017		8 489 660	2 564 747	11 054 407
Issue of shares		550 541		550 541
Dividend paid			(1 015 827)	(1 015 827)
Total comprehensive loss for the year			(2 627 927)	(2 627 927)
Balance at 31 August 2018		9 040 201	(1 079 007)	7 961 194

Statements of Cash Flows for the year ended 31 August 2018

Note	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Net cash generated from operating activities	577 599	(239 082)	400 649	368 951
Cash generated from operations	1 355 577	1 596 152	768 122	692 570
Dividend (paid)/received	62 348	(1 001 523)	65 491	-
Taxation received	-	3 693	-	-
Finance costs	(887 610)	(837 404)	(479 536)	(323 619)
Finance income	47 284	-	46 572	-
Net cash utilised in investing activities	(502 640)	(157 353)	(375 914)	(1 805 724)
Capital expenditure, tenant installations and lease commissions	(305 376)	(187 018)	(181 018)	(108 981)
Acquisition of businesses, net of cash acquired	-	9 664	-	(1 450 120)
Acquisition of listed securities and investments	(289 933)	-	-	-
Disposal of listed securities and investments	-	20 701	-	113 303
Repayments on B-BBEE and Jiraserve loans	95 423	-	98 414	-
Loans advanced to related companies	(109 773)	-	(286 532)	(359 226)
Proceeds from disposal of investment property	112 689	-	-	-
Acquisition of property, plant and equipment	(5 670)	(700)	(6 778)	(700)
Net cash (utilised)/generated from financing activities	344	373 817	97 431	1 340 693
Proceeds from issue of shares	121 101	829 423	121 101	1 198 296
Proceeds/ (repayments) of financial liabilities	908 558	(455 606)	879 438	713 979
(Decrease)/ increase in deferred payment liability	(16 565)	-	112 720	-
Settlement of derivative instruments	(71)	-	-	-
Dividends paid	(1 012 679)	-	(1 015 828)	(571 582)
Net movement in cash and cash equivalents	75 303	(22 618)	122 166	(96 080)
Effect of translation	-	(101 820)	-	-
Cash and cash equivalents at the beginning of the year	104 640	229 078	35 278	131 358
Cash and cash equivalents at the end of the year	179 943	104 640	157 444	35 278

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 except for investments in subsidiaries which will now be carried at cost and for the amendments in Disclosure Initiative (amendments to IAS 7) to provide disclosure that enables the user of the financial statements to evaluate changes in liabilities arising from financing activities.

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 2018. 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.

1.1.1. 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 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.

Accounting Policies

1.1.2. Investment in subsidiaries

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

In the separate financial statements of the company, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

1.1.3. Investment 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.

When an investment in an associate is held by a company that is similar to a private equity fund, the company may elect to measure that investment at fair value through profit or loss in accordance with IAS 39. The company shall make this election for each associate at initial recognition of the associate. It is the policy of the company to treat the Investment in listed securities at fair value through profit or loss.

1.1.4. 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.

Accounting Policies

- **Trade and other receivables**

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

- **Cash and cash equivalents**

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

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

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

Financial liabilities

- **Interest-bearing borrowings**

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

- **Trade and other payables**

Trade and other payables are subsequently measured at amortised cost.

- **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.

Accounting Policies

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

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

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

1.4. Investment properties

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

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

Gains and losses on the disposal of investment properties are recognised in profit or 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.

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1.7. Property, plant and equipment

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

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

The estimated useful lives of the assets are:

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

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

1.8. Revenue recognition

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.

Listed securities income

Distributions from listed securities are recognised on date of declaration.

Facility management income

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

Interest income

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

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

Accounting Policies

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 Executive Officer.

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

1.13. Foreign currency

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.

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, and 1.7
- Investment property valuation – note 3
- Fair value of investment in subsidiaries – note 6
- Goodwill – note 11
- Impairment of receivables – note 14

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

Accounting Policies

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.

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 cost less accumulated impairment losses, which are 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 cost and are categorised as level 3. The specific valuation techniques have been disclosed in note 3.

Refer to note 32 for the fair value hierarchy.

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.

Accounting Policies

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 Reboasis's operations have been applied. Amendments in Disclosure Initiative (Amendments to IAS 7) were adopted to provide disclosure that enables the user of the financial statements to evaluate changes in liabilities arising from financing activities (refer note 24.1). There were no other 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:

Standard	Details of amendments	Annual periods beginning on or after
IFRS 3 Business Combinations	<ul style="list-style-type: none"> Annual Improvements 2015 - 2017 Cycle: Clarification that when an entity obtains control of a business that is a joint operation, it is required to re-measure previously held interests in that business. 	1 January 2019
IFRS 9 Financial Instruments	<ul style="list-style-type: none"> A final version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment Hedge Accounting and Derecognition: <ul style="list-style-type: none"> IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A new business model was introduced which does allow certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets. IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity, in addition enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements. IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39. Prepayment Features with Negative Compensation. The narrow-scope amendment allows companies to measure particular prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met. 	1 January 2018 *IFRS 9 (2014) supersedes any previous versions of IFRS 9, but earlier versions of IFRS 9 remain available for application if the relevant date of application is before 1 February 2015* 1 January 2019

Accounting Policies

Standard	Details of amendments	Annual periods beginning on or after
IFRS 10 Consolidated Financial Statements	<ul style="list-style-type: none"> Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. 	The effective date of this amendment has been deferred indefinitely until further notice
IFRS 15 Revenue from Contracts with Customers	<ul style="list-style-type: none"> New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five-step methodology that is required to be applied to all contracts with customers. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements. The new standard supersedes: <ul style="list-style-type: none"> IAS 11 Construction Contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. 	1 January 2018

Accounting Policies

Standard	Details of amendments	Annual periods beginning on or after
IFRS 16 Leases	<ul style="list-style-type: none"> • New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows. • IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee. • IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. • IFRS 16 supersedes the following Standards and Interpretations: <ul style="list-style-type: none"> – IAS 17 Leases; – IFRIC 4 Determining whether an Arrangement contains a Lease; – SIC-15 Operating Leases—Incentives; and • SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. 	1 January 2019

Accounting Policies

Standard	Details of amendments	Annual periods beginning on or after
IAS 28 Investments in Associates and Joint Ventures	<ul style="list-style-type: none"> • Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. • Annual Improvements 2014-2016 Cycle: Clarification that a venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture. • Long-term interest in Associates and Joint Ventures: Clarification provided that an entity should apply IFRS 9 to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. 	<p>The effective date of this amendment has been deferred indefinitely until further notice</p> <p>1 January 2018</p> <p>1 January 2019</p>
IAS 40	<ul style="list-style-type: none"> • Transfers of Investment Property: Clarification of the requirements on transfers to, or from, investment property. 	1 January 2018

The group believes that the adoption of the above-mentioned standards and interpretations are not expected to have a material impact on the Annual Financial Statements.

Notes to the Annual Financial Statements for the year ended 31 August 2018

3. Investment property

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Net carrying value				
Cost	10 792 341	14 508 705	6 874 479	6 685 389
Fair value surplus	5 474 447	3 766 916	2 407 356	2 555 015
	16 266 788	18 275 621	9 281 836	9 240 404
Movement for the year				
Balance at the beginning of the year	18 608 490	16 996 072	9 389 990	7 747 500
Acquisition of land	5 000	-	5 000	-
Capital expenditure, tenant installations and lease commissions	300 376	180 363	176 018	62 104
Acquired through business combinations (refer note 34)	-	4 547 772	-	-
Disposed of on disposal of subsidiary (including straight-line rental adjustment)	-	(4 621 225)	-	-
Change in fair value	(1 013 622)	1 269 631	(135 404)	649 728
Straight-line rental adjustment	84 756	(93 058)	45 396	(66 840)
Effect of translation	-	(615 074)	-	-
Transfer (to)/ from non-current assets held for sale	(1 303 000)	944 009	-	997 498
Balance at the end of the year	16 682 000	18 608 490	9 481 000	9 389 990
Reconciliation of independent valuation				
Investment properties	16 266 788	18 275 621	9 286 836	9 240 404
Straight-line lease accrual	415 212	332 869	194 164	149 586
Investment property at fair value	16 682 000	18 608 490	9 481 000	9 389 990

3.1. Investment property valuation

Valuation process

In terms of company policy, the portfolio is valued annually by independent valuers. More than one independent valuer may be used to provide the valuation. As at 31 August, all properties are reflected at fair value. The portfolio was valued at R16,682 billion (2017: R18,608 billion) for the group and R9,481 billion (2017: R9,390 billion) for the company at 31 August 2018. These values exclude the Investment property held for sale (refer note 4).

It is the intention of the company to change the frequency of external valuations from valuing the entire portfolio of investment properties twice a year by an external valuer to valuing the investment property on a rotational basis, ensuring that every property is valued by an independent valuer once in every three years. The directors value the remaining properties annually.

The Group believes the new policy is preferable as it more closely aligns the accounting treatment to that of the property sector and is more cost effective. As the change in frequency of valuations is a prospective change, the change will have no impact on the consolidated financial statements for this or the prior financial years.

Valuer and qualifications

Mills Fitchet, led by Mike Gibbons, was responsible for the valuation of the South African retail portfolio and the office and industrial properties were valued by LDM, led by Mr Wayne Tweedle. 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.

Notes to the Annual Financial Statements for the year ended 31 August 2018

3.1. Investment property valuation (continued)

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 6.75% to 11.00% (2017: 6.00% to 11.00%) to the properties resulting in an average capitalisation rate of 7.97%. (2017: 8.20%).

As at 31 August 2018, 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 26.

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

All Investment properties valued at R18,085 billion (including investment property held for sale) has been pledged as security for facilities of R10.76 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 R1,000 billion. A 50 basis point decrease in the capitalisation rate will increase the value of the investment property by R1,125 billion.

4. Investment properties held for sale

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Balance at the beginning of the year	212 689	1 156 698	-	997 498
Transfer from/(to) Investment property	1 303 000	(944 009)	-	(997 498)
Sale of Investment property	(112 689)	-	-	-
Balance at the end of the year	1 403 000	212 689	-	-

On 1 September 2017, Island Centre was transferred to the purchaser. The sale relating to 238 Roan Crescent did not materialise and the asset has been transferred back to investment property.

Subject to certain conditions precedent, management concluded agreements of sale to dispose of the 45 on Castle, Rebois House, 14 Long Street, Matrix House, Nedbank Centre, Bergstan House, known as the Boxwood transaction ("Boxwood") and Grand Central. The Boxwood properties were transferred on 4 October 2018 and the net sales values of R868 million is believed to approximate fair market value. Grand Central is held at R651 million and is subject to a due diligence investigation.

The disposals are part of the Rebois long-term strategy to become a more retail focused fund.

Notes to the Annual Financial Statements for the year ended 31 August 2018

5. Loans to/(from) group companies

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Subsidiaries				
Ascension Properties Limited	-	-	(385 017)	8 000
Baywest City Proprietary Limited	-	-	102 040	102 560
Billion Asset Managers Proprietary Limited	-	-	8 445	9 886
Billion Property Developments Proprietary Limited	-	-	207 341	222 659
Billion Property Services Proprietary Limited	-	-	(12 614)	(6 014)
Clyroplex Proprietary Limited	-	-	141 815	153 042
Dalolex Proprietary Limited	-	-	8 437	8 510
Delficraft Proprietary Limited	-	-	141 815	152 442
Delfiflo Proprietary Limited	-	-	141 815	152 442
Delfisat Proprietary Limited	-	-	141 815	151 653
Delfitime Proprietary Limited	-	-	141 815	152 442
Delfiwiz Proprietary Limited	-	-	141 816	152 442
Lesasign Proprietary Limited	-	-	141 887	152 442
	-	-	921 407	1 412 505
Movement in loans to group companies				
Balance at the beginning of the year	-	-	1 412 505	1 946 001
Loans advanced	-	-	524 037	335 614
Loans repaid	-	-	(299 117)	(869 110)
Loans impaired	-	-	(716 018)	-
Balance at the end of the year	-	-	921 407	1 412 505

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 is 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 2018

6. Investment in subsidiaries

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Ascension Properties Limited	-	-	629 641	2 590 795
Ascension Property Management Company Proprietary Limited	-	-	41 710	144 896
Baywest City Proprietary Limited	-	-	995 740	995 740
Billion Asset Managers Proprietary Limited	-	-	370 929	370 929
Billion Property Developments Proprietary Limited	-	-	371 483	521 341
Billion Property Services Proprietary Limited	-	-	215 450	215 450
Clyroplex Proprietary Limited*	-	-	-	127
Dalolex Proprietary Limited*	-	-	-	-
Delficraft Proprietary Limited*	-	-	-	127
Delfiflo Proprietary Limited*	-	-	1	127
Delfisat Proprietary Limited*	-	-	1	127
Delfitime Proprietary Limited*	-	-	1	127
Delfiwiz Proprietary Limited*	-	-	1	127
Lesasign Proprietary Limited*	-	-	1	127
	-	-	2 624 958	4 840 040
Movement in investment in subsidiaries				
Balance at the beginning of the year	-	-	4 840 040	1 289 126
Additional investments	-	-	-	3 696 087
Disposal of investments	-	-	-	(140 008)
Impairment of investments	-	-	(2 215 082)	(5 165)
Balance at the end of the year	-	-	2 624 958	4 840 040

The Company carries investments in subsidiaries at cost less accumulated impairment.

Impairment of investment in subsidiaries

The impairment relates to a decision that the majority of the assets held in Ascension Properties Limited will be sold as part of Reboasis' strategy to dispose of the commercial portfolio. Previously the investment in subsidiaries were held at fair value through profit or loss and with the change in accounting policy, the previous fair value movements were taken back to cost.

The impairment for the subsidiaries referred to with a * above related to the individual subsidiaries holding shares in New Frontier. The investment in those subsidiaries are also impaired as it is the intention of Reboasis not to increase its shareholding in New Frontier and rather decrease the level of investment in through its subsidiaries, in New Frontier.

Notes to the Annual Financial Statements for the year ended 31 August 2018

7. Change in accounting policy

During the year, the company changed its accounting policy with respect to its investment in subsidiaries. The company now applies the cost model to its investments in unlisted subsidiaries. Prior to this change in policy, the company applied the fair value model.

The company believes the new policy is preferable as it more closely aligns the accounting treatment for these transactions. The change in accounting policy has been adopted retrospectively.

The impact of this voluntary change in accounting policy on the consolidated financial statements are nil as these transactions eliminate on consolidation. This change in the company's financial statements resulted in a material impact on the current year and any years included within these financial statements. The impact on each line item of the financial statements is shown in the table below:

	As reported 2017 R'000	Adjustments 2017 R'000	Restated 2017 R'000
Company			
Statement of profit and loss and other comprehensive income			
<i>Changes in fair value</i>			
Investment in subsidiaries	(727 025)	721 860	(5 165)
Profit for the year	511 797	721 860	1 233 656
Total comprehensive income	511 797	721 860	1 233 656
Statement of financial position			
Investment in subsidiaries	4 905 841	(65 801)	4 840 040
Total assets	17 199 037	(65 801)	17 133 236
Total equity	11 120 208	(65 801)	11 054 407
Opening retained income – 2017	2 924 693	(787 661)	2 137 032

8. Investment in listed securities

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
New Frontier Properties Limited	992 774	1 044 979	-	-
Movement in investment in listed securities:				
Balance at the beginning of the year	1 044 979	-	-	-
Investment in associate due to loss of control	-	1 044 979	-	-
Exercise of put options	289 932	-	-	-
Conversion of loan to shares	142 812	-	-	-
Acquisition of shares	80 891	-	-	-
Disposal of shares	(80 891)	-	-	-
Fair value adjustments	(484 949)	-	-	-
Balance at the end of the year	992 774	1 044 979	-	-

In the prior period Rebosis 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.

Notes to the Annual Financial Statements for the year ended 31 August 2018

8. Investment in listed securities

During the year Rebosis acquired a further 13.6 million shares from Prescient Investment Manager Proprietary Limited following the exercise of Put options that were granted when New Frontier listed and subsequently embarked on a capital raise. Rebosis also advanced funds to New Frontier to acquire the Dublin property which was partly settled by the issue of shares to Rebosis. A further tranche of shares were acquired and immediately disposed of to a B-BBEE consortium. At the end of the financial year Rebosis (through its seven subsidiaries) held 49.3% of the shares in New Frontier. Rebosis has two directors on the board of New Frontier with the balance of six other members being executive directors and independent non-executive directors. The B-BBEE consortium runs its own affairs independently of Rebosis and Rebosis does not attend or participate in any of their board meetings. The Memorandum of Incorporation of New Frontier does not entitle Rebosis or any other shareholder to appoint directors as a result of the number of shares held. A decision was made by the Rebosis board that no further financial assistance will be granted to New Frontier. It is the intention of Rebosis to dispose of its investment in New Frontier in the short to medium term. Resulting from the aforementioned facts, Rebosis does not control New Frontier and therefore is not required to consolidate new Frontier.

The closing share price of New Frontier shares were R12.50 (2017: R18.14) per share.

New Frontier Properties Limited has been established in Mauritius as a public company limited by shares holding a Category 1 Global Business License. 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.

Investment in associate

Name of associate	Principal activity	Place of incorporation	% ownership held by the Group	
			2018	2017
New Frontier Properties Limited "New Frontier"	United Kingdom and Europe based Property Fund	Mauritius	49.35%	37.7%

New Frontier 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. Rebosis holds its investment in this entity through the JSE and the fair value at year end was R992.8 million (79 422 553 shares at a fair value of R12.50 per share) (2017: R1.0 billion at R18.1 per share). The increase in shareholding is due to the issue of shares for loans (8.2 million shares), exercise of the PUT option (13.1 million shares) and the purchase of shares (6 420 shares).

Notes to the Annual Financial Statements for the year ended 31 August 2018

Investment in associate (Continued)

New Frontier	Group	
	2018 GBP '000	2017 GBP '000
Summarised statement of financial position		
Non-current assets	194 406	264 817
Current assets	8 650	11 601
Total equity	(23 119)	(99 760)
Non-current liabilities	(143 581)	(159 412)
Current liabilities	(36 356)	(17 246)
Summarised statement of profit or loss and other comprehensive income		
Rental income	17 521	19 279
(Loss)/profit before finance costs	(69 259)	6 005
Net finance costs	(7 201)	(5 847)
(Loss)/profit before income tax	(76 460)	158
Taxation	(21)	84
(Loss)/profit for the year	(76 481)	242
Total comprehensive (loss)/profit for the year	(75 077)	2 526
Group's share of total comprehensive (loss)/profit for the year		
Share of total comprehensive (loss)/profit for the year	(37 050)	952
Dividend received by the Group	62 348	106 488

The information was extracted from New Frontiers' audited consolidated financial statements for the year ended 31 August 2018

9. Loans to related companies

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
New Frontier Properties Limited	180 472	70 699	-	70 699
Movement in loans to related companies:				
Balance at the beginning of the year	70 699	-	70 699	-
Loans advanced/(repaid)	234 105	70 041	(70 699)	70 041
Loans converted into shares	(142 811)	-	-	-
Interest earned on loan	18 480	658	-	658
Balance at the end of the year	180 472	70 699	-	70 699

During the year, Rebois (through its subsidiaries) advanced compulsory convertible loans to New Frontier. The loans bear interest at prime plus 2% and is convertible to shares within the next 6 months. These loans are rolled on a continuous basis as New Frontier are not in a position to convert the loans to shares at this point in time. Upon conversion, Rebois intends to dispose of the shares in order to ensure that the shareholding in New Frontier does not exceed beyond the current shareholding of 49.3%.

Notes to the Annual Financial Statements for the year ended 31 August 2018

10. Other financial assets

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
B-BBEE vendor loan	1 139 640	989 794	1 058 749	989 794
Billion Group Proprietary Limited – adjustment account	132 311	286 013	-	-
Jiraserve Proprietary Limited – charitable trust	107 354	160 453	-	-
	1 379 306	1 436 260	1 058 749	989 794
Short term portion of other financial assets	132 311	286 013	132 311	-
Long term portion of other financial assets	1 246 995	1 150 247	1 058 749	989 794
	1 379 306	1 436 260	1 191 060	989 794
Movement in loans to related companies:				
Balance at the beginning of the year	1 436 260	-	989 794	-
Loans advanced	80 891	1 062 409	-	917 409
Loan repayments	(111 672)	-	(44 662)	-
Structuring fees capitalised	-	29 598	-	18 348
Capitalised cost	957	-	957	-
Interest earned on loan	126 572	58 240	112 660	54 037
Transfer (from)/to Billion adjustment account	(153 702)	286 013	132 311	-
Balance at the end of the year	1 379 306	1 436 260	1 191 060	989 794

On 1 March 2017, Rebois 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. A further vendor loan was extended to a new B-BBEE consortium on 24 August 2018 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.

During the previous financial period Rebois advanced a loan to a charitable trust at 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.

11. Goodwill

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Goodwill arising on business combination	676 412	676 412	95 703	95 703
Movement in goodwill:				
Balance at the beginning of the year	676 412	315 906	95 703	95 703
Impairment	(177 081)	-	-	-
Acquisition of businesses	-	580 709	-	-
Disposal of interest in businesses	-	(194 076)	-	-
Effect of translation	-	(26 127)	-	-
Balance at the end of the year	499 331	676 412	95 703	95 703
Cost	676 412	676 412	95 703	95 703
Accumulated impairment	(177 081)	-	-	-

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:

Notes to the Annual Financial Statements for the year ended 31 August 2018

11. Goodwill (continued)

- 9.6% (2017: 9.6%) for Hemingways Shopping Centre Proprietary Limited, Mdantsane Shopping Centre Proprietary Limited and Phomella Proprietary Limited cash generating unit ("HMP CGU"). This was previously disclosed as the Ascension Properties Management Company Proprietary Limited cash generating unit;
- 18.0% (2017: 9.6%) for Billion Asset Management Proprietary Limited Cash generating unit ("BAM CGU"); and
- 22.1% (2017: 9.6%) for Billion Property Services Proprietary Limited Cash generating unit ("BPS CGU").

The impairment relates to Billion Asset Management. As a result of the decision by Rebois to dispose of a majority of its commercial assets, the income that will be generated by Billion Asset Management from the commercial asset will reduce over time which leads to an impairment of the cash generating unit known as BAM.

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
HMP CGU	95 703	95 703	95 703	95 703
BAM CGU	190 631	367 712	-	-
BPS CGU	212 997	212 997	-	-
	499 331	676 412	95 703	95 703

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

Asset value of the underlying assets being Hemingways shopping centre, Mdantsane shopping centre and Ascension Properties Limited

Goodwill for Ascension CGU

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

Value of the reduced 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 5.8%

Average rental increases in respect of renewals of 7.1%

Average increase in operating costs of 6.5%

Goodwill for BPS CGU

Based on these calculations, no impairment is required.

Notes to the Annual Financial Statements for the year ended 31 August 2018

12. Derivative instruments

Instrument	Rate %	Nominal value		Maturity date	Group		Company	
		2018 R'000	2017 R'000		2018 R'000	2017 R'000	2018 R'000	2017 R'000
Assets								
Interest rate caps		1 700 000	1 700 000		9 509	10 430	5 826	7 101
Rebois	6.5	1 200 000	1 200 000	23 Apr 2019	5 826	7 101	5 826	7 101
Ascension	7.0	500 000	500 000	14 Apr 2020	3 683	3 329	-	-
Long term cancellable interest rate swaps		2 500 000	900 000		6 518	972	6 518	972
Rebois	6.9	-	900 000	19 Oct 2017	-	972	-	972
Rebois	7.4	2 000 000	-	30 Mar 2020	820	-	820	-
Rebois	6.9	500 000	-	28 Jul 2020	5 698	-	5 698	-
Cross currency swaps		500 000	541 667		-	98 269	-	98 268
Rebois*	2.0	-	83 333	18 Sep 2017	-	23 502	-	23 502
Rebois*	1.9	-	83 333	26 Apr 2018	-	24 987	-	24 987
Rebois*	1.9	-	83 333	26 Apr 2018	-	24 489	-	24 489
Rebois*	1.9	-	83 333	16 Mar 2018	-	23 956	-	23 955
Rebois#	0.8	-	41 667	23 Oct 2017	-	387	-	387
Rebois#	0.9	-	41 667	23 Apr 2018	-	316	-	316
Rebois#	0.9	-	41 667	22 Oct 2018	-	276	-	276
Rebois#	1.0	-	41 667	23 Apr 2019	-	224	-	224
Rebois#	1.0	-	41 667	21 Oct 2019	-	132	-	132
Rebois*	2.9	500 000	-	28 Feb 2019	-	-	-	-
Total assets		4 700 000	3 141 667		16 027	109 671	12 344	106 341
Less: current assets		(1 700 000)	(1 066 667)		(5 826)	(49 131)	(5 826)	(49 131)
Non-current assets		3 000 000	2 075 000		10 201	60 540	6 518	57 210

Notes to the Annual Financial Statements for the year ended 31 August 2018

12. Derivative instruments (continued)

Instrument	Rate %	Nominal value		Maturity date	Group		Company	
		2018 R'000	2017 R'000		2018 R'000	2017 R'000	2018 R'000	2017 R'000
Liabilities								
Long term cancellable interest rate swaps		2 235 000	4 857 500		(18 152)	(92 005)	(7 917)	(64 363)
Rebosis	7.3	-	122 500	15 Aug 2018	-	(611)	-	(611)
Rebosis	7.5	125 000	125 000	29 May 2019	(273)	(1 802)	(273)	(1 802)
Rebosis	7.4	1 000 000	1 000 000	29 Mar 2019	(1 608)	(9 911)	(1 608)	(9 911)
Rebosis	7.4	-	2 000 000	30 Mar 2020	-	(33 347)	-	(33 347)
Rebosis	8.4	410 000	410 000	14 Apr 2020	(6 036)	(16 461)	(6 036)	(16 461)
Ascension	8.4	700 000	700 000	14 Apr 2020	(10 235)	(27 641)	-	-
Rebosis	6.9	-	500 000	28 Jul 2020	-	(2 231)	-	(2 231)
Cross currency swaps		566 667	208 333		(74 309)	(1 494)	(74 309)	(1 494)
Rebosis*	2.6	-	166 667	18 Jul 2018	-	(1 445)	-	(1 445)
Rebosis*	2.6	41 667	-	22 Oct 2018	(5 323)	-	(5 323)	-
Rebosis*	2.6	41 667	-	23 Apr 2019	(5 387)	-	(5 387)	-
Rebosis*	2.6	41 667	-	21 Oct 2019	(5 387)	-	(5 387)	-
Rebosis#	1.0	41 667	41 667	21 Apr 2020	(5 492)	(48)	(5 492)	(48)
Rebosis*	2.6	400 000	-	03 Dec 2018	(52 720)	-	(52 720)	-
Total liabilities		2 801 667	5 065 833		(92 461)	(93 499)	(82 226)	(65 857)
Less: current liabilities		(1 608 333)	(289 167)		65 311	2 057	65 311	2 057
Non-current liabilities		1 193 333	4 776 666		(27 150)	(91 442)	(16 915)	(63 800)

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 2018

13. Property, plant and equipment

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Computer equipment	453	283	403	182
Cost	1 512	3 305	811	195
Accumulated depreciation	(1 059)	(3 022)	(408)	(13)
Computer software	693	570	692	565
Cost	1 145	1 668	1 129	565
Accumulated depreciation	(452)	(1 098)	(437)	-
Furniture, fittings and equipment	6 775	4 337	4 426	29
Cost	11 091	7 753	6 386	1 142
Accumulated depreciation	(4 316)	(3 416)	(1 960)	(1 113)
Motor vehicles	674	545	318	77
Cost	2 396	1 825	746	393
Accumulated depreciation	(1 722)	(1 280)	(428)	(316)
	8 595	5 735	5 839	854
Movement for the year				
Balance at the beginning of the year	5 735	580	854	214
Acquisitions	5 700	7 382	6 778	764
Computer equipment	1 792	212	616	195
Computer software	-	565	564	565
Furniture, fittings and equipment	3 338	1 094	5 244	4
Motor vehicles	570	-	354	-
Arising from business combinations	-	5 511	-	-
Depreciation	(2 810)	(2 186)	(1 522)	(124)
Computer equipment	(223)	(793)	(132)	(13)
Computer software	(434)	(7)	(429)	-
Furniture, fittings and equipment	(1 711)	(1 022)	(848)	(33)
Motor vehicles	(442)	(364)	(113)	(78)
Reclassified to building improvements	(30)	(41)	(271)	-
Balance at the end of the year	8 595	5 735	5 839	854

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 2018

14. Trade and other receivables

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Trade receivables	198 656	188 086	95 969	90 426
Allowance for doubtful debts	(29 884)	(21 330)	(7 537)	(2 854)
Accrued recoveries	168 772	166 756	88 432	87 572
Asset management fee accrued	59 928	70 096	20 837	9 081
Municipal deposits	-	-	-	1 302
Deposit – leased premises	7 795	6 254	4 593	3 023
Prepayments	371	-	371	-
Prepayments	23 334	5 304	17 445	1 510
Interest receivable – cross-currency swap	7 725	27 690	7 725	26 687
Sundry receivables and accrued income *	177 240	100 379	108 349	62 857
Receiver of revenue	391	-	-	-
	445 556	376 479	247 752	192 032
Movement in allowance for doubtful debts				
Balance at the beginning of the year	21 330	14 682	2 854	11 593
Increase in allowance	14 691	6 648	4 747	-
Receivables written off during the year	(6 137)	-	(64)	(8 739)
Balance at the end of the year	29 884	21 330	7 537	2 854
Ageing of receivables past due but not yet impaired				
30 days	31 056	36 200	15 163	24 532
60 days	15 253	20 741	7 675	9 364
90 days	9 031	9 237	3 642	3 102
120+ days	77 419	98 379	39 819	32 924
Total	132 759	164 557	66 299	69 922

* Sundry receivables and accrued income include VAT and capital contributions/lease incentives.

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 Rebasis' deposit policy. There are no significant trade receivables that are doubtful that have not been provided for as doubtful debts or written off.

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Ageing of impaired receivables				
Current	-	-	-	-
30 days	-	-	-	-
60 days	-	-	-	-
90 days	-	53	-	17
120+ days	29 884	21 277	7 537	2 837
Total	29 884	21 330	7 537	2 854

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 2018

15. Cash and cash equivalents

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
For purposes of the statement of cash flows, cash and cash equivalents comprise:				
Bank balances	179 943	104 640	157 444	35 278

Cash is invested with reputable banks.

16. Stated capital

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Authorised				
5 000 000 000 REB no par value shares				
70 000 000 A REA no par value shares				
Issued				
699 253 200 (2017: 642 316 328) REB shares	7 422 441	6 871 900	7 447 574	6 897 032
63 266 012 (2017: 63 266 012) REA shares	1 592 627	1 592 627	1 592 627	1 592 627
	9 015 068	8 464 527	9 040 201	8 489 660

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Movement in stated capital:				
Balance at the beginning of the year	8 464 527	5 590 410	8 489 660	5 615 055
Shares issued during the year	550 891	2 875 573	550 891	2 875 561
Share issue expenses	(350)	(956)	(350)	(956)
Treasury shares	-	(500)	-	-
Balance at the end of the year	9 015 068	8 464 527	9 040 201	8 489 660

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Reconciliation of number of REB shares in issue:				
Balance at the beginning of the year			642 316 328	530 178 149
Shares issued during the year			56 936 872	112 138 179
Balance at the end of the year			699 253 200	642 316 328

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Reconciliation of number of REA shares in issue:				
Balance at the beginning of the year			63 266 012	-
Shares issued during the year			-	63 266 012
Balance at the end of the year			63 266 012	63 266 012

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Reconciliation of number of treasury shares:				
Balance at the beginning of the year			(2 408 326)	(2 408 326)
Balance at the end of the year			(2 408 326)	(2 408 326)

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

The following issues of shares took place during the year under review:

Notes to the Annual Financial Statements for the year ended 31 August 2018

16. Stated capital (continued)

Date of issue	Number of shares issued	Issue price	Value of shares issued
2018		R	R'000
15 January 2018	30 973 451	11.30	350 000
27 August 2018	15 852 048	7.57	120 000
27 August 2018	10 111 373	8.00	80 891
	56 936 872		550 891
2017			
20 October 2016	14 270 270	11.10	158 400
15 December 2016	49 840 696	10.71	533 794
19 January 2017	9 897 292	10.71	106 000
02 March 2017	38 339 921	12.65	485 000
	112 348 179		1 283 194

There were no A ordinary shares issued during the year.

During the 2017-year Rebois 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 2018

17. Interest bearing borrowings

Interest rate	Maturity	Group		Company	
		2018 R'000	2017 R'000	2018 R'000	2017 R'000
Nedbank Corporate (a Division of Nedbank Limited)					
1-month JIBAR + 1,99%	7 Dec 2018	148 824	147 331	148 824	147 331
1-month JIBAR + 1,90%	7 May 2019	249 196	249 058	249 196	249 058
3-month JIBAR + 1,90%	7 May 2019	176 199	177 481	176 199	177 481
3-month JIBAR + 1,72%	7 May 2019	365 855	371 180	365 855	371 180
3-month JIBAR + 1,73%	7 May 2019	891 475	1 151 305	891 475	1 151 305
3-month JIBAR + 2,47%	20 Oct 2021	1 521 287	1 522 983	-	-
3-month JIBAR + 2,47%	20 Oct 2021	1 227 514	1 228 964	-	-
3-month JIBAR + 1,72%	7 May 2019	201 365	202 776	201 365	202 776
3-month JIBAR + 2,10%	7 May 2019	929 215	931 016	929 215	931 016
Prime less 0,85%	7 May 2019	45 215	45 104	-	-
3-month JIBAR + 2,34%	8 Jun 2020	150 910	150 949	150 910	150 949
1-month JIBAR + 2,04%	20 Feb 2020	50 389	50 389	-	-
1-month JIBAR + 2,04%	16 Jul 2018	-	26 344	-	-
1-month JIBAR + 2,04%	28 Feb 2020	34 334	34 334	-	-
1-month JIBAR + 2,04%	28 Feb 2020	26 087	26 087	-	-
1-month JIBAR + 2,04%	7 Feb 2019	151 677	151 666	-	-
1-month JIBAR + 1,80%	7 Feb 2019	152 573	152 646	152 573	152 646
Prime less 1,50%	7 Mar 2019	152 953	152 979	-	-
3-month JIBAR + 1,83%	7 Jun 2019	202 305	202 358	202 305	202 358
1-month JIBAR + 1,79%	18 Feb 2019	150 876	150 948	150 876	150 948
3-month JIBAR + 2,36%	9 Mar 2020	123 321	123 447	123 321	123 447
3-month JIBAR + 2,36%	7 May 2020	350 085	350 169	350 085	350 169
3-month JIBAR + 2,36%	7 Aug 2020	25 244	25 258	25 244	25 258
3-month JIBAR + 2,36%	7 Aug 2020	491 701	479 928	491 701	479 928
3-month JIBAR + 2,36%	7 Aug 2020	264 462	262 679	264 462	262 679
1-month JIBAR + 2,04%	23 Nov 2020	41 999	54 611	-	-
Prime	31 Oct 2018	761 527	-	761 527	-
Prime	7 May 2019	250 000	-	250 000	-
		9 136 587	8 421 990	5 885 132	5 128 529
DMTN Programme					
3-month JIBAR + 1,05%	17 Nov 2017	-	10 000	-	10 000
3-month JIBAR + 1,85%	21 May 2018	-	130 450	-	130 450
3-month JIBAR + 1,85%	21 May 2018	-	100 874	-	100 874
3-month JIBAR + 2,00%	21 May 2018	-	100 000	-	100 000
		-	341 324	-	341 324

Notes to the Annual Financial Statements for the year ended 31 August 2018

17. Interest bearing borrowings (continued)

Interest rate	Maturity	Group		Company	
		2018 R'000	2017 R'000	2018 R'000	2017 R'000
DMTN Programme (continued)					
3-month JIBAR + 1.05%	21 May 2019	70 822	-	70 822	-
3-month JIBAR + 1.85%	7 Nov 2018	100 621	-	100 621	-
3-month JIBAR + 2.00%	7 Feb 2019	100 648	-	100 648	-
Investec Private Bank Limited					
Prime less 0,65%	15 May 2023	604 334	532 503	-	-
Standard Bank of South Africa Limited					
Prime less 1,50%	30 Nov 2018	392 916	276 479	-	-
Prime less 1,50%	30 Nov 2018	160 037	276 479	-	-
		552 953	552 958	-	-
Absa Bank Limited					
Prime	7 Mar 2020	392	592	-	-
Rand Merchant Bank Limited					
3-month JIBAR + 2.45%	10 Apr 2019	202 684	-	202 684	-
Total debt		10 769 042	9 849 367	6 359 907	5 469 851
Less: deferred finance costs		(12 963)	(17 187)	(1 323)	(2 215)
Balance at the beginning of the year		(17 187)	(37 790)	(2 215)	(8 806)
(Settled)/ incurred during the year		(11 118)	6 544	(10 618)	(241)
Effect of translation		-	3 314	-	-
Amortisation for the year		15 342	10 747	11 510	6 832
		10 756 079	9 832 179	6 358 584	5 467 637
Less: short term portion		(5 856 984)	(4 858 196)	(4 954 186)	(3 590 476)
Non-current portion		4 899 095	4 973 983	1 404 398	1 877 160
Weighted average rate of interest		%	%	%	%
Nedbank		9.30	9.40		
DMTN Programme		8.70	9.27		
Investec		9.13	9.50		
RMB		9.13	-		
Standard Bank		8.51	9.18		

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.

At year end, the group had no unutilised loan facilities, the gearing ratio was 50.2% (2017: 50.2%) (company: 35.6% (2017: 35.6%)) and the average all-inclusive rate of interest for the year under review was 7.2% (2017: 7.2%) (company: 8.9% (2016: 8.9%)).

Facilities of R4.16 billion from Nedbank are secured by mortgage bonds over investment properties valued at R7.75 billion (note 3).

Facilities of R1.59 billion from Nedbank, Investec and Standard Bank are secured by mortgage bonds over investment properties valued at R4.21 billion (note 3).

Notes to the Annual Financial Statements for the year ended 31 August 2018

18. Trade and other payables

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Income received in advance	17 420	28 806	8 865	21 074
Trade payables	225 119	31 155	140 249	13 854
Value added taxation	2 413	150 463	6 475	5 349
Tenant deposits	35 081	33 245	12 084	16 516
Accrued expenses	71 764	50 315	26 784	23 178
	351 797	293 984	194 457	79 971

19. Operating income

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Operating income includes the following charges:				
Amortisation of structuring fee	15 342	10 747	11 510	6 832
Asset management fees	-	-	45 584	44 162
Asset management fees received	(4 668)	(5 416)	-	-
Salaries	89 710	70 000	89 710	70 000
Loss on sale of listed securities	-	(26 705)	-	(26 705)
Audit fees				
<i>Paid to external auditors</i>	2 025	1 607	1 367	820
For the attest function - current year	1 845	1 420	1 227	731
For other services	180	188	140	89
<i>Paid to internal auditors</i>	-	453	196	453
Depreciation	2 811	2 148	1 522	124
Property management fees paid	(681)	-	26 832	25 298
Property management fees received	(3 738)	(2 927)	-	-

20. Directors' emoluments

Executive director remuneration

	2018	2017	2018	2017
SM Ngebulana *	2 845	6 411	2 254	5 733
Salary and allowances	2 104	4 037	2 104	4 037
Other benefits and payments	150	431	150	431
Performance bonus	-	1 265	-	1 265
For services as director	-	218	-	-
Ascension Properties Limited	-	-	-	-
New Frontier Properties Limited	591	460	-	-
Z Kogo (appointed 4 November 2017)	2 647	-	2 647	-
Salary and allowances	1 841	-	1 841	-
Other benefits and payments	193	-	193	-
Performance bonus [^]	613	-	613	-

Notes to the Annual Financial Statements for the year ended 31 August 2018

20. Directors' emoluments (continued)

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Executive director remuneration				
M De Lange (appointed 1 March 2017)	4 346	1 434	3 927	1 356
Salary and allowances	2 463	1 188	2 463	1 188
Other benefits and payments	336	168	336	168
Performance bonus [^]	1 128	-	1 128	-
For services as director				
New Frontier Properties Limited	419	78	-	-
R Becker (appointed 1 August 2018)	3 333	-	3 333	-
Salary and allowances	308	-	308	-
Other benefits and payments	25	-	25	-
Sign-on bonus	3 000	-	3 000	-
AM Mazwai [#]	4 734	1 924	4 486	1 413
Salary and allowances	2 313	1 304	2 313	1 304
Other benefits and payments	212	109	212	109
Performance bonus [^]	1 961	-	1 961	-
For services as director				
New Frontier Properties Limited	248	511	-	-
K Keshav (resigned 31 March 2017)	-	2 714	-	2 300
Salary and allowances	-	1 343	-	1 343
Other benefits and payments	-	178	-	178
Performance bonus	-	779	-	779
For services as director				
New Frontier Properties Limited	-	414	-	-

* Mr SM Ngebulana took up the position as non-executive deputy chairman on 1 October 2017 and returned as an executive director on 18 April 2018.

Mr AM Mazwai was appointed the Chief Operating Officer on 1 February 2017 and subsequently the Chief Executive Officer on 1 October 2017. Mr Mazwai resigned on 18 April 2018.

[^] Relates to the 2017 performance bonus paid in 2018.

Non-executive director remuneration	2018 R'000	2017 R'000
ATM Mokgokong	653	568
SM Ngebulana*	435	-
AM Mazwai (resigned 18 April 2018) [#]	-	165
WJ Odendaal	235	284
NV Qangule	441	365
TSM Seopa	460	422
MM Mdlolo	368	149
GFvL Froneman	420	160
Total	3 012	2 113

* Mr SM Ngebulana took up the position as non-executive deputy chairman on 1 October 2017 and returned as an executive director on 18 April 2018.

Mr AM Mazwai was appointed the Chief Operating Officer on 1 February 2017 and subsequently the Chief Executive Officer on 1 October 2017. Mr Mazwai resigned on 18 April 2018.

Notes to the Annual Financial Statements for the year ended 31 August 2018

21. Changes in fair values and impairments

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Unrealised (loss)/gain on revaluation of investment property	(1 013 622)	1 269 631	(135 404)	649 728
Investment in subsidiaries impairment	-	-	(2 215 082)	(5 165)
Loan impairment – subsidiaries	-	-	(716 018)	-
Loss on disposal of investment in listed securities	-	(26 705)	-	(26 705)
Investment in listed securities	(484 949)	-	-	-
Derivative instruments	(92 677)	(98 894)	(110 366)	(72 367)
Goodwill impairment	(177 081)	-	-	-
	(1 768 329)	1 144 032	(3 176 870)	545 491

22. Net finance charges

Interest paid – secured financial liabilities	(954 191)	(832 442)	(555 861)	(403 265)
Debt restructuring fee	(15 342)	(12 701)	(11 510)	(8 282)
Interest received – bank	2 823	28 802	1 911	25 609
Interest received – vendor loan	112 660	54 037	112 660	54 037
Interest received – Jiraserve loan	13 912	4 203	-	-
Interest received – New Frontier	18 278	-	-	-
Interest received – intercompany	-	-	18 480	-
Interest received – Derivatives	66 582	-	76 325	-
	(755 278)	(758 101)	(357 995)	(331 901)

23. 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.

No provision for normal taxation has been made as the company has an estimated loss for tax purposes of R33,1 million (2017: 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.

Notes to the Annual Financial Statements for the year ended 31 August 2018

24. Note to the statement of cash flows

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Cash generated by operations				
Profit before tax	(923 981)	2 637 434	(2 627 927)	1 233 656
Adjusted for:				
Non-cash items	1 607 927	(1 736 380)	3 049 526	(502 380)
Changes in fair values and impairments	1 768 329	(1 144 032)	3 176 870	(545 491)
Straight line rental income accrual	(84 756)	93 058	(45 396)	66 840
Depreciation	2 810	2 151	1 522	120
Tenant installation amortisation	-	6 973	-	2 305
Gain on bargain purchase	-	(237 121)	-	-
Changes in fair value of discontinued operations	-	132 100	-	-
Rental guarantees	(88 491)	-	(88 491)	-
Other non-cash items	(4 656)	12 707	274	(29 008)
Allowance for doubtful debts	14 691	6 648	4 747	2 854
Profit on loss of control	-	(608 864)	-	-
Net finance charges	755 278	838 101	357 995	331 901
Dividend income	(62 348)	-	(65 491)	(288 075)
Operating profit before working capital changes	1 376 876	1 739 155	714 103	775 102
Working capital changes	(21 299)	(143 003)	54 019	(82 532)
Trade and other receivables	(79 112)	(212 638)	(60 467)	(66 494)
Trade and other payables	57 813	69 635	114 486	(16 038)
Cash generated from operations	1 355 577	1 596 152	768 122	692 570

Reconciliation of movement of liabilities to cash flows from financing activities

Group	Share capital R'000	Retained income R'000	Interest bearing borrowings R'000	Deferred payment liability R'000	Derivative instruments R'000	Total R'000
Opening balance as at 1 September 2017	8 464 527	3 383 323	9 832 179	578 542	(16 172)	22 242 399
Changes from financing cash flows	121 101	(1 012 679)	908 558	(16 565)	(71)	344
Proceeds from issue of shares	121 101					121 101
Proceeds from interest bearing borrowings			1 791 697			1 791 697
Transaction costs relating to interest bearing borrowings			10 461			10 461
Repayment of interest bearing borrowings			(893 600)			(893 600)
Payments in settlement of derivatives					(71)	(71)
Payment of deferred payment liability				(16 565)		(16 565)
Dividend paid		(1 012 679)				(1 012 679)
Total liability related other changes			15 342	(437 041)	92 677	(329 022)
Total equity related other changes	429 440	(923 981)				(494 541)
Closing balance as at 31 August 2018	9 015 068	1 446 663	10 756 079	124 936	76 434	21 419 180

Notes to the Annual Financial Statements for the year ended 31 August 2018

25. Earnings and headline earnings

	Group	
	2018	2017
Number of REA shares in issue at year end	63 266 012	63 266 012
Weighted average number of REA shares in issue used for the calculation of earnings and headline earnings per share	63 266 012	22 730 376
Number of REB shares in issue at year end	699 253 200	642 316 328
Weighted average number of shares in issue used for the calculation of earnings and headline earnings per share	661 948 658	603 010 544
CONTINUING OPERATIONS	R'000	R'000
(Loss)/Profit attributable to ordinary equity holders of the parent entity	(923 981)	2 018 813
Adjusted for:		
Change in fair value of investment properties	1 013 622	(1 269 631)
Goodwill impairment	177 081	-
Loss on disposal of securities	-	26 705
Gain on bargain purchase	-	(237 121)
Headline profit attributable to shareholders	266 722	601 766
Basic and diluted earnings per REA share (cents)	252.86	681.42
Basic and diluted (loss)/earnings per REB share (cents)	(163.75)	319.96
Basic and diluted headline earnings per REA share (cents)	252.86	681.42
Basic and diluted headline earnings per REB share (cents)	16.13	74.51
DISCONTINUING OPERATIONS		
Profit attributable to ordinary equity holders of the parent entity	-	439 936
Adjusted for:		
Change in fair value of investment properties	-	115 576
Profit on loss of control	-	(608 864)
Headline loss attributable to shareholders	-	(53 352)
Basic and diluted earnings per REB share (cents)	-	72.96
Basic and diluted headline loss per REB share (cents)	-	(8.85)
TOTAL OPERATIONS		
Profit attributable to equity holders of the parent entity	(923 981)	2 521 749
Adjusted for:		
Change in fair value of investment properties	1 013 622	(1 154 055)
Goodwill impairment	177 081	-
Profit/Loss on disposal of listed securities	-	(582 159)
Gain on bargain purchase	-	(237 121)
Headline earnings attributable to shareholders	266 721	548 414
Basic and diluted earnings per REA share (cents)	252.86	681.42
Basic and diluted (loss)/earnings per REB share (cents)	(163.75)	392.91
Basic and diluted headline earnings per REA share (cents)	252.86	681.42
Basic and diluted headline earnings per REB share (cents)	16.13	65.67

Notes to the Annual Financial Statements for the year ended 31 August 2018

26. Commitments

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Capital commitments				
Capital improvements in respect of investment properties				
Approved and committed	12 868	143 272	2 077	66 200
Approved not yet committed	84 599	54 232	50 688	54 232
	97 467	197 504	52 765	120 432
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	31 098	32 046	15 268	18 506
Due within two to five years	33 224	40 914	16 250	15 019
	64 322	72 960	31 518	33 525
Operating minimum lease payments				
Operating lease represents rental payable by the company for its office properties. No contingent rental is payable:				
Payable within one year				
Payable within two to five years	4 855	1 253	4 855	1 090
Payable beyond five years	2 971	70	2 971	-
	7 826	1 323	7 826	1 090

Notes to the Annual Financial Statements for the year ended 31 August 2018

27. Minimum lease payments receivable

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Minimum lease payments comprise contractual rental income from investment properties and operating lease recoveries due in terms of signed lease agreements:				
Receivable within one year	1 184 271	1 303 079	903 291	515 412
Receivable within two to five years	1 652 999	2 713 890	1 143 646	836 507
Receivable beyond five years	1 198 959	431 014	1 101 158	126 444
	4 036 229	4 447 983	3 148 095	1 478 363

28. 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
Lesasign Proprietary Limited

Associates

New Frontier Properties Limited

Related companies

Billion Group 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 Rebois.

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

Mthatha Mall Proprietary Limited

Notes to the Annual Financial Statements for the year ended 31 August 2018

29. Related parties and related party transactions (continued)

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	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Loan accounts – owing (to)/by related parties				
Ascension Properties Limited	-	-	(385 017)	8 000
Baywest City Proprietary Limited	-	-	102 040	102 560
Billion Asset Managers Proprietary Limited	-	-	8 445	9 886
Billion Property Developments Proprietary Limited	-	-	207 341	222 659
Billion Property Services Proprietary Limited	-	-	(12 614)	(6 014)
Clyroplex Proprietary Limited	-	-	141 815	153 042
Dalolex Proprietary Limited	-	-	8 437	8 510
Delficraft Proprietary Limited	-	-	141 815	152 442
Delfiflo Proprietary Limited	-	-	141 815	152 442
Delfisat Proprietary Limited	-	-	141 815	151 653
Delfitime Proprietary Limited	-	-	141 815	152 442
Delfiwiz Proprietary Limited	-	-	141 816	152 442
Lesasign Proprietary Limited	-	-	141 887	152 442
New Frontier Properties Limited	180 472	-	-	70 699
Amounts included in trade and other receivables				
Ascension Property Management Company Limited	-	-	6 039	1 374
Billion Group Proprietary Limited	-	235	-	235
Mthatha Mall Proprietary Limited	16 850	5 416	-	-
Alkara 329 Proprietary Limited	1 021	-	-	-
Amounts included in trade and other payables				
Billion Asset Managers Proprietary Limited	-	-	-	1 374
Billion Group Proprietary Limited	-	578 542	-	465 365

Notes to the Annual Financial Statements for the year ended 31 August 2018

29. Related parties and related party transactions (continued)

	Group		Company	
	2018 R'000	2017 R'000	2018 R'000	2017 R'000
Related party transactions				
Interest received from related parties				
New Frontier Properties Limited	18 278	-	-	658
Administration fee received from related parties				
Ascension Property Management Company Limited	-	-	20 888	17 464
Billion Asset Managers Proprietary Limited	-	-	50 250	48 917
Billion Property Services Proprietary Limited	-	-	71 838	69 702
Clyroplex Proprietary Limited	-	-	-	127
Delficraft Proprietary Limited	-	-	-	134
Delfiflo Proprietary Limited	-	-	-	134
Delfisat Proprietary Limited	-	-	-	134
Delfitime Proprietary Limited	-	-	-	133
Delfiwiz Proprietary Limited	-	-	-	134
Lesasign Proprietary Limited	-	-	-	134
Administration fee paid to related parties				
Billion Property Services Proprietary Limited	-	-	15 117	6 464
Property Management fee paid to related parties				
Billion Property Services Proprietary Limited	-	-	26 832	25 298
Asset management fee expense to related parties				
Billion Asset Managers Proprietary Limited	-	-	45 584	48 902
Asset management fee received from related parties				
Mthatha Mall Proprietary Limited	16 850	5 416	-	-
Rental warranty income				
Billion Group Proprietary Limited	88 491	85 631	-	-

Notes to the Annual Financial Statements for the year ended 31 August 2018

30. Financial risk management

The company's financial instruments consist 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:

	Financial assets		Financial Liabilities		Total R'000
	At cost R'000	At fair value through profit or loss R'000	At amortised cost R'000	At fair value through profit or loss R'000	
As at 31 August 2018					
GROUP					
Financial assets					
Other financial assets	1 379 306	-	-	-	1 379 306
Derivative instruments	-	16 027	-	-	16 027
Trade and other receivables*	422 222	-	-	-	422 222
Cash and cash equivalents	179 943	-	-	-	179 943
Total financial assets	1 981 471	16 027	-	-	1 997 498
Financial liabilities					
Deferred payment liability	-	-	124 936	-	124 936
Interest bearing borrowings	-	-	10 756 079	-	10 756 079
Derivative instruments	-	-	-	92 461	92 461
Trade and other payables **	-	-	331 964	-	331 964
Total financial liabilities	-	-	11 212 979	92 461	11 305 440
COMPANY					
Financial assets					
Other financial assets	1 191 060	-	-	-	1 191 060
Investment in subsidiaries	2 624 958	-	-	-	2 624 958
Loan to group companies	1 319 038	-	-	-	1 319 038
Derivative instruments	-	12 344	-	-	12 344
Trade and other receivables	230 307	-	-	-	230 307
Cash and cash equivalents	157 444	-	-	-	157 444
Total financial assets	5 522 807	12 344	-	-	5 535 152
Financial liabilities					
Deferred payment liability	-	-	141 047	-	141 047
Interest bearing borrowings	-	-	6 358 584	-	6 358 584
Derivative instruments	-	-	-	82 226	82 226
Trade and other payables	-	-	179 117	-	179 117
Total financial liabilities	-	-	6 678 748	82 226	6 767 448

* Excludes pre-payments/ VAT and tax receivable.

** Excludes income received in advance and VAT payables.

Notes to the Annual Financial Statements for the year ended 31 August 2018

30. Financial risk management (continued)

	Financial assets		Financial Liabilities		Total R'000
	At cost R'000	At fair value through profit or loss R'000	At amortised cost R'000	At fair value through profit or loss R'000	
As at 31 August 2017					
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
Derivative instruments	-	106 341	-	-	106 341
Loan to group companies	1 412 505	-	-	-	1 412 505
Trade and other receivables	190 522	-	-	-	190 522
Cash and cash equivalents	35 278	-	-	-	35 278
Total financial assets	2 698 798	106 341	-	-	2 805 139
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 payables.

Notes to the Annual Financial Statements for the year ended 31 August 2018

30. Financial risk management (continued)

Interest rate risk

The group manages its exposure to changes in interest rates by fixing interest rates by way of interest rate swaps, caps and cross currency swap arrangements in respect of borrowings. At year end, interest rates for the company in respect of 99.1% (2017: 85.5%) (group: 69.7% (2017:82.9%)) 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 9.2% (2017: 9.3%) (group: 9.1% (2017: 9.4%).

An increase of 1% in the prime interest rate will result in an increased interest cost of R3.6 million (2017: R3.6million) (group: R3.6 million (2017: R3.6million) 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 facilities and cash on hand to meet its short term funding requirements.

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

	Weighted average effective interest rate %	Less than one year R'000	One to five years R'000	More than five years R'000	Total R'000
As at 31 August 2018					
GROUP					
Financial assets					
Other financial assets	11.1	132 311	1 246 995	-	1 379 306
Derivative instruments	9.0	5 826	10 201	-	16 027
Trade and other receivables*		422 222	-	-	422 222
Cash and cash equivalents	9.4	179 943	-	-	179 943
Total financial assets		740 302	1 257 196	-	1 997 498
Financial liabilities					
Deferred payment liability		124 936	-	-	124 936
Interest bearing borrowings	9.2	5 856 984	4 899 095	-	10 756 079
Derivative instruments	2.0	65 311	27 150	-	92 461
Trade and other payables **		331 964	-	-	331 964
Total financial liabilities		6 379 195	4 926 245	-	11 305 440
Interest payments relating to interest bearing borrowings above		172 871	1 268 742	-	1 441 612

* Excludes prepayments

** Excludes VAT payable and income received in advance

Notes to the Annual Financial Statements for the year ended 31 August 2018

30. Financial risk management (continued)

	Weighted average effective interest rate %	Less than one year R'000	One to five years R'000	More than five years R'000	Total R'000
As at 31 August 2018					
COMPANY					
Financial assets					
Other financial assets	11.1	132 311	1 058 749	-	1 191 061
Derivative instruments	9.0	5 826	6 519	-	12 344
Trade and other receivables		230 307	-	-	230 307
Cash and cash equivalents	9.4	157 444	-	-	157 444
Total financial assets		525 888	1 065 268	-	1 591 156
Financial liabilities					
Deferred payment liability		141 047	-	-	141 047
Interest bearing borrowings	9.2	4 954 186	1 404 398	-	6 358 584
Trade and other payables		185 592	-	-	185 592
Total financial liabilities		5 280 825	1 404 398	-	6 685 223
Interest payments relating to interest bearing borrowings above		147 867	240 076	-	387 943

As at 31 August 2017

GROUP					
Financial assets					
Other financial assets	11.40	286 013	1 150 267	-	1 436 280
Derivative instruments	7.50	49 131	60 540	-	109 671
Trade and other receivables*		370 096	-	-	370 096
Cash and cash equivalents	5.15	104 640	-	-	104 640
Total financial assets		809 880	1 210 807	-	2 020 687
Financial liabilities					
Deferred payment liability	-	350 000	228 542	-	578 542
Interest bearing borrowings	9.40	4 858 196	4 973 983	-	9 832 179
Derivative instruments	7.50	2 057	91 442	-	93 499
Trade and other payables **		114 715	-	-	114 715
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

* Excludes prepayments

** Excludes VAT payable and income received in advance

Notes to the Annual Financial Statements for the year ended 31 August 2018

30. Financial risk management (continued)

	Weighted average effective interest rate %	Less than one year R'000	One to five years R'000	Total R'000
As at 31 August 2017				
COMPANY				
Financial assets				
Other financial assets	11.30	-	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		274 931	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

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 2018 of R29,9 million (2017: R21,3 million) (company: R7,5 million (2017: R2,9 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.

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.

Notes to the Annual Financial Statements for the year ended 31 August 2018

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 2018, the borrowing capacity of the company was as follows:

	Group	
	2018 R'000	2017 R'000
Net debt	10 576 136	9 727 538
Interest bearing borrowings (excluding derivatives)	10 756 079	9 832 178
Less: cash and cash equivalents	(179 943)	(104 640)
Property assets	20 505 241	21 373 116
Investment property	16 682 000	18 608 490
Investment property held for sale	1 403 000	212 689
Listed REIT securities	992 774	1 044 979
Loan receivable	1 246 995	1 436 259
Loans to related companies	180 472	70 699
Loan-to-value	51.6%	45.5%
Available borrowing capacity	-	929 020

As at 31 August 2018, the loan-to-value ratio for the Rebois Group was 51.6%. Post year-end, the Rebois Group disposed of the Boxwood property and the loan-to-value ratio was subsequently reduced to 49.41%. Following the planned disposal of the Grand Central property, the loan to value ratio is estimated to be 48.01%.

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

Notes to the Annual Financial Statements for the year ended 31 August 2018

32. Fair value hierarchy (continued)

The table below analyses financial instruments measured at fair value by the level into which the fair value measurement is categorised. Refer to note 3 for the fair value estimation techniques used.

GROUP Assets	Assets carried at fair value through profit and loss R'000	Level 1 R'000	Level 2 R'000	level 3 R'000
31 August 2018				
RECURRING				
Investment property	16 682 000	-	-	16 682 000
Investment in listed securities	992 774	992 774	-	-
Derivative instruments	16 027	-	16 027	-
NON-RECURRING				
Investment properties held for sale	1 403 000	-	-	1 403 000
31 August 2017				
RECURRING				
Investment property	18 608 490	-	-	18 608 490
Investment in listed securities	1 044 979	1 044 979	-	-
Derivative instruments	109 671	-	109 671	-
NON-RECURRING				
Investment properties held for sale	212 689	-	-	212 689

The investment property valuations were based on the discounted cash flow methodology applying appropriate capitalisation rates of between 6.75% to 11.00% to the properties resulting in an average capitalisation rate of 7.97%.

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

GROUP Liabilities	Liabilities designated at fair value through profit and loss R'000	Level 1 R'000	Level 2 R'000	level 3 R'000
RECURRING 31 August 2018				
Derivative instruments	92 461	-	92 461	-
31 August 2017				
Derivative instruments	93 499	-	93 499	-

Notes to the Annual Financial Statements for the year ended 31 August 2018

32. Fair value hierarchy (continued)

COMPANY Assets	Liabilities designated at fair value through profit and loss R'000	Level 1 R'000	Level 2 R'000	level 3 R'000
31 August 2018				
RECURRING				
Investment property	9 481 000	-	-	9 481 000
Derivative instruments	12 345	-	12 345	-
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	-
Liabilities	Liabilities designated at fair value through profit and loss R'000	Level 1 R'000	Level 2 R'000	level 3 R'000
RECURRING 31 August 2018				
Derivative instruments	82 226	-	82 226	-
31 August 2017				
Derivative instruments	65 857	-	65 857	-

Notes to the Annual Financial Statements for the year ended 31 August 2018

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.

	Retail	Office	Industrial	Total	Admin and corporate costs	Total
2018	R'000	R'000	R'000	R'000	R'000	R'000
Property portfolio	972 797	1 202 836	18 790	2 194 423	4 668	2 199 091
Investment property income	900 339	1 169 563	17 277	2 087 179	-	2 087 179
Net income from facilities management	-	22 488	-	22 488	-	22 488
Management fees received	-	-	-	-	4 668	4 668
Straight line rental income accrual	72 458	10 785	1 513	84 756	-	84 756
Property expenses	(275 997)	(262 515)	(494)	(539 006)	-	(539 006)
Net property income	696 800	940 321	18 296	1 655 417	4 668	1 660 085
Other operating expenses	-	-	-	-	(127 428)	(127 428)
Operating income	696 800	940 321	18 296	1 655 417	(122 760)	1 532 657
Net interest	-	-	-	-	(755 278)	(755 278)
Net operating income	696 800	940 321	18 296	1 655 417	(878 038)	777 379
Other income	-	-	-	-	4 621	4 621
Changes in fair values	(960 725)	(60 383)	7 486	(1 013 622)	(577 626)	(1 591 248)
Goodwill impairment	-	-	-	-	(177 081)	(177 081)
Listed security income	-	-	-	-	62 348	62 348
Segment profit before taxation	(263 925)	879 937	25 783	641 795	(1 565 776)	(923 981)
Investment property	8 080 000	8 417 000	185 000	16 682 000	-	16 682 000
Investment property held for sale	-	1 403 000	-	1 403 000	-	1 403 000
Other assets	104 259	130 668	-	234 927	3 467 078	3 702 005
Total assets	8 184 259	9 950 668	185 000	18 319 927	3 467 078	21 787 005
Total liabilities	66 453	61 801	-	128 254	11 197 020	11 325 274

Notes to the Annual Financial Statements for the year ended 31 August 2018

33. Segmental report (continued)

Continuing	Retail	Office	Industrial	Total	Admin and corporate costs	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	3 664 048	3 824 874
Total assets	8 920 603	9 775 714	285 689	18 982 005	3 664 048	22 646 053
Total liabilities	258 839	376 194	9 154	644 187	10 154 017	10 798 204

Notes to the Annual Financial Statements for the year ended 31 August 2018

33. Segmental report (continued)

Non-IFRS information	2018 R'000	2017 R'000
Reconciliation of profit before tax to distributable earnings:		
Total segment (loss)/profit before taxation (as per above)	(923 981)	1 985 581
Profit from discontinued operations	-	651 853
Taxation	-	-
Loss/profit for the year	(923 981)	2 637 434
Less: Portion attributable to non-controlling interests	-	(115 685)
Adjusted for:		
Changes in fair value	1 768 329	(1 170 737)
Gain on bargain purchase	-	(237 121)
Straight line rental accrual	(84 756)	93 058
Loss on sale of listed securities	-	26 705
Amortisation of structuring fees	15 342	12 701
Corporate transaction costs	3 549	40 826
Antecedent interest	23 558	55 388
Profit on sale of asset	-	40 871
Dividend income distributed in previous periods	(33 183)	-
Anticipated distribution from listed REIT subsidiaries	-	114 547
Rates rebate from council	21 609	-
Consolidation adjustments between group entities	-	(524 328)
Distributable earnings attributable to shareholders/owners of the parent	790 466	973 659
Less: dividends paid in first 6 months		
Dividend REA	(79 987)	(76 178)
Dividend REB	(424 197)	(389 085)
Distributable income available for distribution at year end	286 281	508 396
Dividend per REA share (cents)	252.86	240.82
Dividend per REB share (cents)	92.83	128.35
Year-on-year distribution growth REA (%)	5.0%	5.0%
Year-on-year distribution growth REB (%)	(27.7)%	7.4%

Notes to the Annual Financial Statements for the year ended 31 August 2018

34. Group entities

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

	Country of Incorporation and principal place of business	2018	2017
Ascension Properties Limited	South Africa	100.00%	100.00%
Ascension Property Management Company Proprietary Limited	South Africa	100.00%	100.00%
Bay West City Proprietary Limited	South Africa	100.00%	100.00%
Billion Asset Managers Proprietary Limited	South Africa	100.00%	100.00%
Billion Property Developments Proprietary Limited	South Africa	100.00%	100.00%
Billion Property Services Proprietary Limited	South Africa	100.00%	100.00%
Clyroplex Proprietary Limited	South Africa	100.00%	100.00%
Dalolex Proprietary Limited	South Africa	100.00%	100.00%
Delficraft Proprietary Limited	South Africa	100.00%	100.00%
Delfiflo Proprietary Limited	South Africa	100.00%	100.00%
Delfisat Proprietary Limited	South Africa	100.00%	100.00%
Delfitime Proprietary Limited	South Africa	100.00%	100.00%
Delfiwiz Proprietary Limited	South Africa	100.00%	100.00%
Lesasign Proprietary Limited	South Africa	100.00%	100.00%
Hemingways Shopping Centre Proprietary Limited #	South Africa	100.00%	100.00%
Phomella Property Investments Proprietary Limited #	South Africa	100.00%	100.00%

** Indirectly held

These entities are dormant

35. Discontinued operations

On 31 August 2017, Rebosis 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
Revenue	328 105
Property expenses	(32 251)
Net property income	295 854
Other operating expenses	(24 371)
Operating income	271 483
Net interest	(99 509)
Net operating income	171 975
Other income	3 115
Profit on loss of control	608 863
Changes in fair values	(132 100)
Profit before taxation	651 853
Taxation	-
Net result from discontinued operations	651 853

There were no discontinued operations in the current year

36. Subsequent events

On 4 October 2018, six properties valued at R868 million were transferred to the purchaser and 100% of the proceeds were used to settle debt. A further sale agreement was entered into to dispose of the property known as Grand central for a net sales value of R535 million. The transfer of the property is subject to normal conditions for a sale of this nature.

On 29 and 30 November 2018 further sale and purchase agreements to dispose of the following properties were signed:

The Aventure disposal

Aventure Properties Proprietary Limited ("Aventure") is a woman led 100% black owned and managed company, currently pursuing Property and Social Infrastructure Developments, and is represented by Mrs Tebogo Nkosi, Ms Joan Madibeng and Mr Mncedisi Ndlovhu.

In terms of the agreement concluded between Rebosis and Aventure, Rebosis has agreed to dispose of two properties: Erf 1264 Marshalls Town, Johannesburg ("124 Main") and Erf 1183, Marshalls Town, Johannesburg ("18 Rissik") to Aventure for an aggregate consideration of the lesser of (i) R894,6 million (inclusive of VAT at zero percent), or (ii) 9.75% yield on the 12 months forward net income of the market related rental on lease renewals achieved with the tenant. The maximum consideration attributable to 124 Main is R556,1 million and to 18 Rissik is R328,5 million.

36. Subsequent events (continued)

The Endless Fortune disposal

Endless Fortune Proprietary Limited ("Endless Fortune") is a 100% black owned company, that is actively acquiring Government tenanted portfolios, and is represented by Mr Mpho Maerane.

In terms of an agreement concluded between Rebosis and Endless Fortune, Rebosis has agreed to dispose of two properties: Erf 1271, Erf 191 and Portions 2,4,5 and the remaining extent of Erf 1021 Marshalls Town, Johannesburg, ("28 Harrison") and Erf 2950 Pretoria ("189 Schoeman") to Endless Fortune for an aggregate consideration of the lesser of (i) R588,8 million (inclusive of VAT at zero percent), or (ii) 9.75% yield on the 12 months forward net income of the market related rental on lease renewals achieved with the tenant. The maximum consideration attributable to 28 Harrison is R230,6 million and to 189 Schoeman is R358,2 million.

The Lunar Stone disposal

Lunar Stone Trading Proprietary Limited ("Lunar Stone") is a 100% black owned and managed company, seeking to acquire and develop a large unlisted sovereign-focused property fund, and is represented by Mr Lemane Bridgman Sithole.

In terms of an agreement concluded between Rebosis and Lunar Stone Trading, Ascension has agreed to dispose of three properties: Erf 5327, Johannesburg, ("Bathopele Building"), Erven 676 and 4677, Johannesburg ("Game Building") and Erf 1236 Marshalls Town, Johannesburg ("Surrey House") to Lunar Stone for an aggregate consideration of the lesser of (i) R551,5 million (inclusive of VAT at zero percent), or (ii) 9.75% yield on the 12 months forward net income of the market related rental on lease renewals achieved with the tenant. The maximum consideration attributable to Bathopele Building is R160,5 million, Game Building is R298,8 million and Surrey House is R246,600,000.

The considerations payable for the disposals are payable as follows:

- 20% payable by way of a vendor loan granted by Rebosis to relevant Purchaser at an annual interest rate of 9.75% serviced quarterly in advance on an interest only basis, with an initial loan term of 36 months and secured by a second covering mortgage bond registered in favour of Rebosis; and
- the balance payable in cash on the Transfer Date.

Should the Transfer Date be later than 1 May 2019, the relevant consideration will accrue interest at 9.75%, calculated and expressed as an effective daily rate.

Warranties

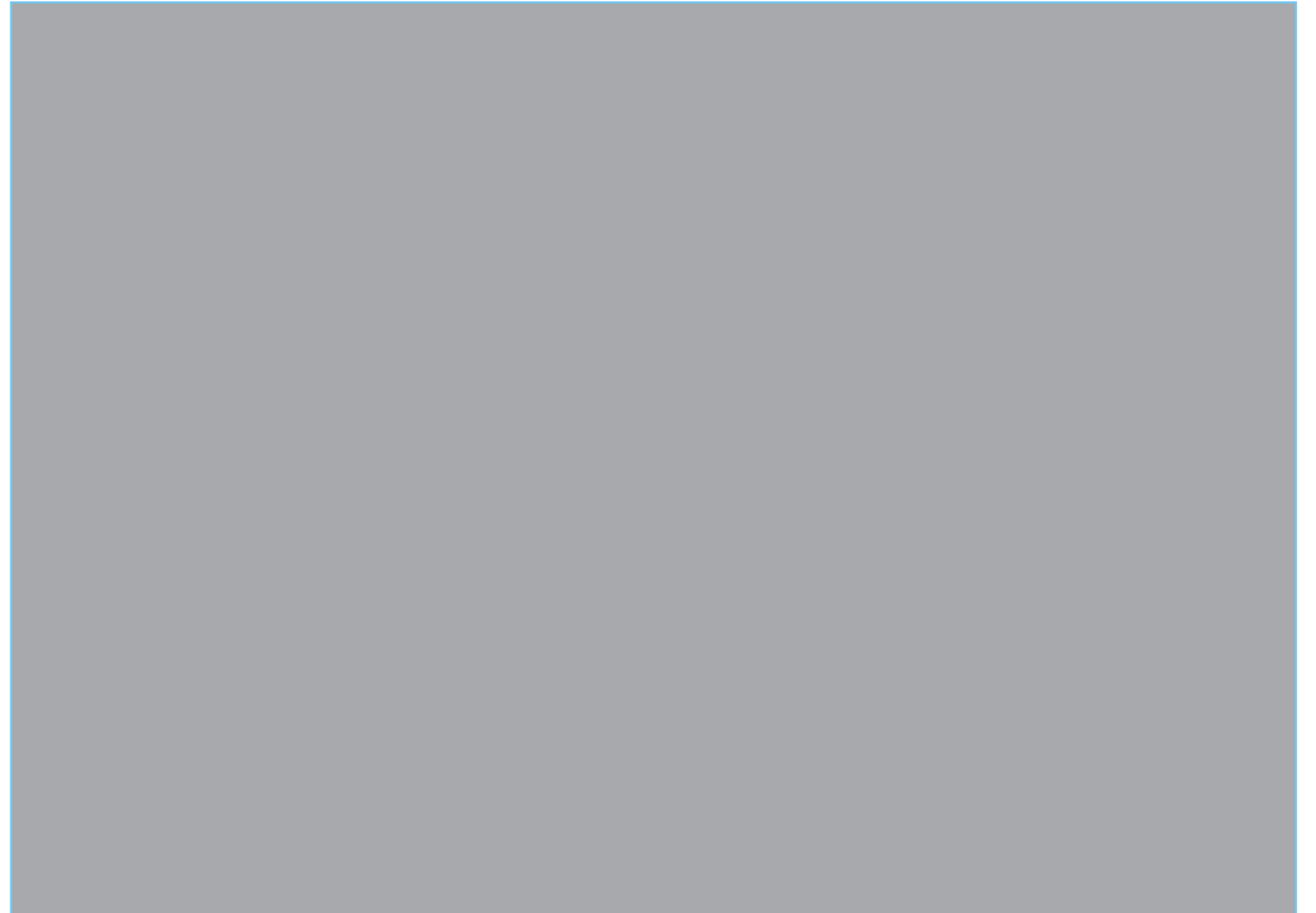
The three agreements governing the disposals contain representations and warranties by the Seller in favour of the relevant purchaser's which are standard for transactions of this nature.



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Shareholders Information

We ask our shareholders to please familiarise themselves with the following dates found in the shareholders' diary.

Shareholders Diary

Financial year end	31 August
Integrated report	posted Thursday, 20 December 2018
Annual general meeting	Monday, 28 January 2019
Announcement of interim results	May 2019
Announcement of annual results	November 2019

DIVIDEND DETAILS for the year ended 31 August 2018

REA dividend	Dividend number	Cents per share
Six months ended 28 February 2018	3	126.43
Six months ended 31 August 2018	4	126.43
Total		252.86

REB dividend	Dividend number	Cents per share
Six months ended 28 February 2018	15	63.23
Six months ended 31 August 2018	16	29.60
Total		92.83

Shareholders Analysis Rebosis A Ordinary Share (REA)

SHAREHOLDER SPREAD	No of Shareholders	%	No of Shares	%
1 - 1 000 shares	473	56.92	25 322	0.04
1 001- 10 000 shares	107	12.88	511 403	0.81
10 001- 100 000 shares	152	18.29	6 309 619	9.97
100 001- 1 000 000 shares	84	10.11	25 799 093	40.78
1 000 001 shares and over	15	1.81	30 620 575	48.40
Totals	831	100.00	63 266 012	100.00

DISTRIBUTION OF SHAREHOLDERS	No of Shareholders	%	No of Shares	%
Banks/Brokers	12	1.44	258 078	0.41
Close Corporations	2	0.24	55 555	0.09
Endowment Funds	18	2.17	1 965 807	3.11
Individuals	500	60.17	328 096	0.52
Insurance Companies	21	2.53	4 414 540	6.98
Investment Companies	3	0.36	61 349	0.10
Medical Schemes	9	1.08	524 817	0.83
Mutual Funds	103	12.39	37 845 417	59.82
Private Companies	12	1.44	212 203	0.34
Retirement Funds	119	14.32	16 940 416	26.78
Trusts	32	3.85	659 734	1.04
Totals	831	100.00	63 266 012	100.00

PUBLIC / NON - PUBLIC SHAREHOLDERS	No of Shareholders	%	No of Shares	%
Public Shareholders	831	100.00	63 266 012	100.00
Totals	831	100.00	63 266 012	100.00

Beneficial shareholders holding 5% or more	No of Shares	%
Coronation Fund Managers	18 808 834	29.73
Sanlam	6 808 299	10.76
Alexander Forbes Investments	2 480 474	3.92
Nedbank Group	2 475 122	3.91
Government Employees Pension Fund	2 233 957	3.53
Old Mutual	2 169 914	3.43
Totals	34 976 600	55.28

Shareholders Analysis Rebosis Ordinary Share (REB)

SHAREHOLDER SPREAD	No of Shareholders	%	No of Shares	%
1 - 1 000 shares	1 550	45.94	213 699	0.03
1 001- 10 000 shares	899	26.64	4 145 715	0.59
10 001- 100 000 shares	676	20.04	20 914 026	2.99
100 001- 1 000 000 shares	173	5.13	55 097 564	7.88
1 000 001 shares and over	76	2.25	618 882 196	88.51
Totals	3 374	100.00	699 253 200	100.00

DISTRIBUTION OF SHAREHOLDERS	No of Shareholders	%	No of Shares	%
Banks/Brokers	62	1.84	34 851 527	4.98
Close Corporations	41	1.22	827 032	0.12
Endowment Funds	27	0.80	2 077 886	0.30
Individuals	2 549	75.55	18 661 949	2.67
Insurance Companies	31	0.92	9 359 424	1.34
Investment Companies	8	0.24	2 373 962	0.34
Medical Schemes	3	0.09	254 933	0.04
Mutual Funds	194	5.75	206 500 747	29.53
Other Corporations	13	0.39	79 006	0.01
Own Holdings	1	0.03	2 408 326	0.34
Private Companies	93	2.76	71 981 617	10.29
Public Companies	1	0.03	147 358	0.02
Retirement Funds	83	2.46	196 923 971	28.16
Strategic Investor	1	0.03	125 194 254	17.90
Trusts	267	7.91	27 611 208	3.95
Totals	3 374	100.00	699 253 200	100.00

PUBLIC / NON - PUBLIC SHAREHOLDERS	No of Shareholders	%	No of Shares	%
Non-Public Shareholders	15	0.44	311 053 337	44.48
Directors and Associates of the Company	11	0.33	40 984 865	5.86
Strategic Holdings more than 10%	3	0.09	267 660 146	38.28
Own Holdings/Treasury Stock	1	0.03	2 408 326	0.34
Public Shareholders	3 359	99.56	388 199 863	55.52
Totals	3 374	100.00	699 253 200	100.00

Beneficial shareholders holding 5% or more	No of Shares	%
Government Employees Pension Fund	142 465 892	20.37
Arrowhead Properties Limited	125 194 254	17.90
Nedbank Group	56 666 418	8.10
Coronation Fund Managers	44 193 304	6.32
SM Ngebulana	40 470 122	5.79
Totals	408 989 990	58.49

Notice of Annual General Meeting

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

Alpha code: REBI

(Approved as a REIT by the JSE)

("Rebosis" or "the company" or the "group")

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 Monday, 28 January 2019 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 2018 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	Date
Record date to receive this notice of annual general meeting	Friday, 21 December 2018
Last day to trade in order to be eligible to participate in and vote at the annual general meeting	Tuesday, 15 January 2019
Record date for voting purposes ("voting record date")	Friday, 18 January 2019
Last day to lodge forms of proxy, for administrative purposes, by 10h00 on	Thursday, 24 January 2019
Annual general meeting held at 10h00 on	Monday, 28 January 2019
Results of annual general meeting released on the Stock Exchange News Service	Monday, 28 January 2019

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

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 repurchase of Rebois ordinary shares or Rebois A ordinary shares (collectively, "Shares") by the company, or to approve the purchase of Shares 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 JSE Listings Requirements ("Listings Requirements") and the Companies Act on the following basis:

- 1.1) the general repurchase of Shares 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 Shares in the aggregate in any one financial year by the company may not in the aggregate exceed 20% or each class of the company's issued Shares 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 per class of Share 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 any class of Shares in issue (at the time that authority from shareholders for the repurchase is granted), and for each 3% in aggregate acquired in respect of any class of Shares thereafter, the company shall publish an announcement in terms of the Listings Requirements containing full details of such repurchases;
- 1.10) if applicable, 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 group."

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

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

Notice of Annual General Meeting

The directors undertake that the company will not commence a general repurchase of Shares as contemplated above, unless in their opinion 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;
- 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; and
- the working capital of the company and the group will be adequate for ordinary business purposes.

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

- Major beneficial shareholders – page 167 and 168;
- Share capital structure of the company – page 137

Directors' responsibility statement

The directors whose names appear on pages 30 to 38 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 2018 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, to cause 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 JSE Listings Requirements (Listings Requirements"), each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance in terms of section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, such authority to endure for two years from the adoption of this special resolution or until its renewal, whichever is the earliest.

Notice of Annual General Meeting

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 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: GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE FOR THE SUBSCRIPTION AND/OR PURCHASE OF SECURITIES IN THE COMPANY OR IN RELATED OR INTER-RELATED COMPANIES

"Resolved that the Board be and is hereby authorised in terms of section 44(3)(a)(iii) of the Companies Act as a general approval, to authorise the Company to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise to any related or inter-related company of the Company ("related" and "inter-related" will herein have the meanings attributed to those terms in section 2 of the Companies Act) and/or to any financier of the Company or any of its related or inter-related companies for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company of the Company, or for the purchase of any securities of the Company or a related or interrelated company of the Company, on the terms and conditions and for the amounts that the Board may determine, such authority to endure for two years from the adoption of this special resolution or until its renewal, whichever is the earliest.

Notice of Annual General Meeting

The Board undertakes that it will not adopt a resolution to authorise such financial assistance, unless the Board is satisfied that –

- a) immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
- b) the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

The reason for and effect of special resolution number 3:

The company would like the ability to provide financial assistance, in appropriate circumstances and if necessary, in accordance with section 44 of the Companies Act. The reason for and the effect of Special Resolution Number 3 is to provide a general authority to the Board for the company to provide financial assistance to its related and inter-related companies and/or the financiers of the group for the purposes of the subscription of options and/or securities, issued or to be issued by the company or its related or inter-related companies, or for the purchase of any securities of the company or its related or inter-related companies, to fund the activities of the group.

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) SPECIAL RESOLUTION NUMBER 4: 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:

	2019	2018	%
Board fee (per meeting)	R11 400	R11 400	-
Sub-Committee fee (per meeting)	R17 100	R17 100	-
Basic Annual Fee (Board)	R136 750	R136 750	-
Board Chair (Annual fee)	R398 850	R398 850	-
Board Deputy Chair (Annual fee)#	R339 020	R339 020	-
Audit Committee Chair (per meeting)	R17 100	R17 100	-
Other Sub-Committee Chair (per meeting) *	R11 400	R11 400	-

* with the exception of Nomination Committee chair

the deputy chair of the board is an executive director and no additional fees are paid to executive directors.

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.

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

"Resolved that the annual financial statements of the company for the year ended 31 August 2018, 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

6) ORDINARY RESOLUTION NUMBER 2: CONFIRMATION OF THE APPOINTMENT OF ROBERT PAUL BECKER

"Resolved that the appointment of Robert Paul Becker as an executive director of the company (effective 1 August 2018) 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 3: CONFIRMATION OF THE APPOINTMENT OF ISABEAU KING

"Resolved that the appointment of Isabeau King as an executive director of the company (effective 1 December 2018) 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.

8) ORDINARY RESOLUTION NUMBER 4: RE-ELECTION OF DIRECTOR

"Resolved that Dr Anna T Mokgokong who retires by rotation in terms of the company's Memorandum of Incorporation and who, being eligible, offers herself for re-election, be re-elected as 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 Dr Anna T Mokgokong's past performance and contribution to the company and recommends that Dr Anna T Mokgokong is re-elected as a director of the company.

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

9) ORDINARY RESOLUTION NUMBER 5: RE-ELECTION OF DIRECTOR

"Resolved that Maurice Mdlolo 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 Maurice Mdlolo's past performance and contribution to the company and recommends that Maurice Mdlolo 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 6: 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.

The membership as proposed by the nomination committee is:

9.1) GFvL Froneman (chairman);

9.2) TS Seopa; and

9.3) NV Qangule, all of whom are independent non-executive directors."

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

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

Notice of Annual General Meeting

11) ORDINARY RESOLUTION NUMBER 7: RE-APPOINTMENT OF AUDITORS

"Resolved that Grant Thornton Johannesburg Partnership (new BDO South Africa Inc) be and are hereby re-appointed as the auditors of the company. It is noted that Vincent Ngobese will be the individual and designated auditor who will undertake the audit of the company for the financial year ending 31 August 2019."

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 Section 94 of the Companies Act, 71 of 2008 and paragraph 3.84 of the JSE Listings Requirements, the company's audit and risk committee (committee) assessed the suitability of Grant Thornton now BDO South Africa Inc, following the merger between Grant Thornton and BDO South Africa Inc and Vincent Ngobese for re-appointment as the company's independent external auditors and designated individual auditor for the 2018/2019 financial year. In conducting this assessment, the committee considered the continuity, real estate experience and technical expertise of the BDO South Africa Inc 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 8: GENERAL AUTHORITY TO 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 Rebosis ordinary shares ("REB Shares") for cash as and when they in their discretion deem fit, subject to the memorandum of incorporation of the company, the JSE Listings Requirements ("Listings Requirements") and the Companies Act, 71 of 2008, as amend ("Companies Act"), and on the following basis:

- a) the allotment and issue of REB shares for cash shall be made only to persons qualifying as public shareholders and not to related parties, as defined in the Listings Requirements;
- 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 REB Shares which may be issued for cash in terms of this authority may not exceed 104 887 980 REB Shares, being 15% of the company's issued REB Shares as at the date of this notice of annual general meeting. Accordingly, any REB Shares issued under this authority shall be deducted from the 104 887 980 REB Shares the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of REB Shares that may be issued in terms of this authority;;
- 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 REB 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 REB Shares may be made in terms of this authority, the maximum discount at which REB shares may be issued for cash is 10% (ten 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 REB Shares;
- g) after the company has issued REB Shares for cash, within the period that this authority is valid, which represents 10% (ten per cent) or more of the number of REB 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; and
- h) the REB 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, 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.

Notice of Annual General Meeting

13) ORDINARY RESOLUTION NUMBER 9: 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."

14) ORDINARY RESOLUTION NUMBER 10: CONTROL OVER UNISSUED SHARES

"Resolved that ordinary resolution 9 adopted at the annual general meeting of the Company held on 18 April 2018, in terms whereof it was resolved that the authority of the Board to issue shares be limited such that, inter alia, the number of authorised but unissued shares of the Company that may be issued for certain purposes may not exceed 5% of the total number of issued shares in the capital of the Company, is hereby revoked, and that it accordingly be confirmed that the only limitations on the authority of the Board to issue shares are those imposed by the Companies Act, the JSE Listings Requirements, the Company's Memorandum of Incorporation and, if adopted, ordinary resolution number 9 (general authority to issue shares for cash, as contemplated in the JSE Listings Requirements) included in this notice."

15) ORDINARY RESOLUTION NUMBER 11 – 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 pages 66 to 69 of this Integrated Annual Report.

16) ORDINARY RESOLUTION NUMBER 12 – 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 pages 70 to 71 of this Integrated Annual Report.

Explanatory note for Ordinary Resolutions Number 11 and 12

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.

17) SPECIAL RESOLUTION [5]: APPROVAL TO ISSUE SHARES IN TERMS OF SECTION 41(1) OF THE COMPANIES ACT

"Resolved that, in accordance with section 41(1) of the Companies Act, the issue by the company of shares to any director, future director, prescribed officer or future prescribed officer of the company, or to a person related or inter-related to the company, or to a person related or inter-related to a director or prescribed officer of the company, or to any nominee of such person, in terms of any private placement, offer, book-build or similar capital raising, at the same price and at the same terms as those upon which shares are issued to other investors in terms of such capital raising, be and is hereby approved."

The reason for and effect of special resolution number [5]:

In the event that the company undertakes equity capital raisings, directors of the company and/or related persons may wish to participate therein on the same basis as other participants. The reason for and effect of this resolution is to enable such participation.

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

18) ORDINARY RESOLUTION 13: 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 Rebois ordinary share or Rebois A ordinary share (collectively, "Share" or Shares") 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.

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, 18 January 2019.

Notice of Annual General Meeting

Electronic participation

The company has made provision for its shareholders or their proxies to participate electronically in the Annual General Meeting ("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 Thursday, 24 January 2019 by submitting an email to the company secretary at mande@mnaattorneys.co.za, including an email address, cellular number and landline as well as full details of the shareholder's title to Shares issued by the company and proof of identity, in the form of copies of identity documents and in the case of dematerialised shareholders, written confirmation from the shareholder's CSDP confirming the shareholder's title. Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the AGM. Shareholders must note that access to the electronic communication will be at the expense of the shareholder who wishes to utilise the facility. Shareholders will not be able to participate in voting electronically and should either complete a form of proxy or contact their CSDP or broker if they wish to have their vote counted at the AGM.

By order of the board.



Mande Ndema
Company Secretary

Registered office

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

Transfer Secretaries

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

Form of Proxy of Shareholders

REBOSIS PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2010/003468/06)

JSE share codes:

REA ISIN: ZAE000240552

REB ISIN: ZAE000201687

Alpha code: REBI

(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 Rebosis ordinary shares and Rebosis A ordinary shares (collectively "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 Monday, 28 January 2019 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 Rebosis ordinary shares

being the registered holder of Rebosis A ordinary 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.

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: General authority to provide financial assistance for the subscription and/or purchase of securities in the company or in related or inter-related companies			
4. Special resolution 4: Approval of non-executive directors' remuneration for their services as directors			
5. Ordinary resolution 1: Approval of the annual financial statements of the company			
6. Ordinary resolution 2: To confirm the appointment of Robert Paul Becker as a director of the company			

Form of Proxy of Shareholders

	In favour of	Against	Abstain
7. Ordinary resolution 3: To confirm the appointment of Isabeau King as a director of the company			
8. Ordinary resolution 4: To re-elect Dr Anna T Mokgokong as a director of the company			
9. Ordinary resolution 5: To re-elect Maurice Mdlolo as a director of the company			
10. Ordinary resolution 6: Re-appointment and appointment of members of the audit and risk committee			
9.1. Ordinary resolution 6: To re-appoint Francois Froneman as a member and the chairman of the audit and risk committee			
9.2. Ordinary resolution 6: To re-appoint Thabo Seopa as a member of the audit and risk committee			
9.3. Ordinary resolution 6: To re-appoint Nomfundo Qangule as a member of the audit and risk committee			
11. Ordinary resolution 7: To reappoint BDO South Africa Inc as auditors of the company			
12. Ordinary resolution 8: General authority to issue of shares for cash			
13. Ordinary resolution 9: Specific authority to issue shares pursuant to a reinvestment option			
14. Ordinary resolution 10: Control over unissued shares			
15. Ordinary resolution 11: Remuneration policy			
16. Ordinary resolution 12: Approval of remuneration implementation report			
17. Special resolution [5]: Approval to issue shares in terms of section 41(1) of the companies act			
18. Ordinary resolution 13: To authorise the signature of documentation			

Signed this _____ day of _____ 2019

Signature _____

Assisted by _____ (if applicable)

Please read the notes on the reverse.

Notes to the Form of Proxy

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

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
Alpha code: REBI
JSE sector: Real Estate –
Real Estate holdings and development
Listing date: 17 May 2011
Number of shares in issue:
REA shares: 63 266 012 (2017: Nil)
REB shares: 673 289 779 (2017: 642 316 328)
Company registration number: 2010/003468/06
Country of incorporation: South Africa
Website: www.rebosis.co.za

DIRECTORS

ATM Mokgokong*# (Chairperson)
SM Ngebulana (CEO and Executive Deputy Chairman)
RP Becker (Chief Investment Officer)
I King (Chief Financial Officer)
Z Kogo
WJ Odendaal*#
NV Qangule*#
TSM Seopa*#
M Mdlolo*#
F Froneman*#

*Non-executive # Independent

REGISTERED OFFICE AND COMPANY SECRETARY

2nd Floor, Roland Garros Building,
The Campus,
Corner Sloane and Main streets,
Bryanston,
2191

Private Bag x21
Bryanston
2021
Tel: 011 575 4835

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

Nedbank Corporate and Investment Banking

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)

RELATED QUERIES

Mr RP Becker CIO
robb@rebosis.co.za

REBOSIS
PROPERTY FUND



SK

The Ice Rink

Pizza Ice Cream

EL5 76F EG