UNAUDITED RESULTS

for the year ended 31 August

2019

REBOSIS

PROPERTY FUND

HIGHLIGHTS

Net Property Income
0.4%

Tangible NAV B Shares*
R7.78

** The reported tangible NAV attributable to the REB shares is the net asset value excluding goodwill after netting off market cap of REA shares*

Total Assets
R17.2bn

Portfolio WAULT
3.3years

Retail Trading Density
5.4%

Retail Footfall
2.5%

Vacancy Rate
6.5%

Office Renewals
202 574m²

REBOSIS PROPERTY FUND LIMITED
(Rebosis or the company)
(Registration number 2010/003468/06)
(Approved as a REIT by the JSE)
JSE share code Rebosis A share: REA
JSE share code Rebosis Ordinary share: REB
Alpha code: REBI
ISIN Rebosis A share: ZAE000240552
ISIN Rebosis Ordinary share: ZAE000201687

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 3.7 years
- Average contractual escalation of 6.7%
- Portfolio by GLA 326 008 m2
- Portfolio by value 47%

Number of properties	6
Portfolio valuation R'000	7 800 000
Gross lettable area - m²	326 008
Value per m² - R	24 001

OFFICE

- 36 predominantly A and B grade well-located properties in nodes attractive to government tenants
- 6 properties were sold as part of the Boxwood transaction
- Let primarily to National Department of Public Works
- Weighted average lease expiry of 3 year
- Average contractual escalation of 7.0%
- Shielded from private sector e.g. tenant cash flow and insolvency related default
- Portfolio by GLA 496 612 m2
- Portfolio by value 52%

Number of properties	36
Portfolio valuation R'000	8 500 000
Gross lettable area - m²	496 612
Value per m² - R	17 134

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 6.3 years
- Contractual escalation of 7.0%
- Portfolio by GLA 18 954 m2
- Portfolio by value 1.0%

Number of properties	1
Portfolio valuation R'000	164 000
Gross lettable area - m²	18 954
Value per m² - R	8 653

CONTENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		Company	
	Unaudited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000	Unaudited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000
Revenue	1 842 144	2 261 439	1 022 316	1 248 500
Investment property income	1 905 109	2 087 179	1 062 312	1 094 621
Net income from facilities management agreement	29 557	22 488	29 835	22 104
Management fees received	-	4 668	16 152	20 888
Listed property securities and related income	-	62 348	713	65 491
Straight line rental income accrual	(92 522)	84 756	(86 696)	45 396
Property expenses	(605 476)	(539 006)	(267 901)	(222 442)
Net property income	1 236 668	1 722 433	754 415	1 026 058
Other operating expenses	(142 104)	(127 428)	(136 104)	(119 120)
Operating income	1 094 564	1 595 004	618 311	906 938
Net interest	(996 982)	(755 278)	(625 689)	(357 994)
Paid	(999 928)	(902 951)	(628 238)	(491 046)
Received	2 946	147 673	2 549	133 052
Net operating income/(loss)	97 582	839 726	(7 378)	548 944
Other income	4 992	4 621	2 377	-
Changes in fair values and impairments	(3 403 426)	(1 768 329)	(2 450 034)	(3 353 951)
Investment property	(848 664)	(1 013 622)	(104 514)	(135 404)
Investment in subsidiaries	-	-	(208 185)	(2 392 163)
Investment in listed securities	(992 774)	(484 949)	-	-
Derivative instruments	1 340	(92 677)	7 948	(110 366)
Loan impairment	(1 422 101)	-	(2 049 580)	(716 018)
Goodwill impairment	(141 227)	(177 081)	(95 703)	-
Total loss from operations	(3 300 852)	(923 981)	(2 455 035)	(2 805 007)
Taxation	(38 314)	-	(20 117)	-
Total comprehensive loss	(3 339 166)	(923 981)	(2 475 152)	(2 805 007)
Basic and diluted earnings per REA share (cents)	265.50	252.86		
Basic and diluted earnings per REB share (cents)	(503.29)	(163.75)		

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	Unaudited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000	Unaudited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000
ASSETS				
Non-current assets	**15 155 761**	**19 620 367**	**10 879 588**	**14 414 723**
Investment property	**14 779 200**	16 682 000	**8 625 000**	9 481 000
Fair value of property portfolio	**14 488 785**	16 266 788	**8 524 445**	9 286 836
Straight line rental income accrual	**290 415**	415 212	**100 555**	194 164
Loans to group companies	**-**	-	**-**	1 319 038
Investment in subsidiaries	**-**	-	**2 239 689**	2 447 876
Investment in securities	**4 275**	992 774	**2 491**	-
Loans to related companies	**-**	180 472	**-**	-
Loans receivable	**-**	1 246 994	**-**	1 058 749
Goodwill	**358 104**	499 331	**-**	95 703
Derivative instruments	**8 334**	10 201	**8 334**	6 518
Property, plant and equipment	**5 848**	8 595	**4 074**	5 839
Current assets	**291 827**	**631 326**	**582 503**	**411 022**
Short-term portion of derivative instruments	**9**	5 826	**-**	5 826
Short-term portion of loans to group companies	**-**	-	**431 818**	-
Trade and other receivables	**219 661**	445 557	**93 047**	247 752
Cash and cash equivalents	**72 157**	179 943	**57 638**	157 444
Investment property held for sale	**1 723 102**	1 403 000	**708 486**	-
Total assets	**17 170 690**	**21 654 693**	**12 170 577**	**14 825 745**
EQUITY AND LIABILITIES				
Equity	**6 637 673**	**10 329 420**	**4 846 957**	**7 651 802**
Stated capital	**9 015 068**	9 015 068	**9 040 201**	9 040 201
Reserves	**(2 377 395)**	1 314 352	**(4 193 244)**	(1 388 399)
Non current liabilities	**3 112 707**	**4 926 245**	**-**	**1 818 942**
Interest bearing borrowings	**3 112 707**	4 899 095	**-**	1 404 396
Loans from group companies	**-**	-	**-**	397 631
Derivative instruments	**-**	27 150	**-**	16 915
Current liabilities	**7 420 310**	**6 399 028**	**7 323 620**	**5 355 001**
Short-term portion of interest bearing borrowings	**7 018 650**	5 856 984	**6 443 170**	4 954 186
Short-term portion of deferred payment liability	**123 471**	124 936	**123 471**	141 047
Short-term portion of loans to group companies	**-**	-	**654 506**	-
Short-term portion of derivative instruments	**32 010**	65 311	**23 833**	65 311
Trade and other payables	**207 865**	351 797	**58 523**	194 457
Tax payable	**38 314**	-	**20 117**	-
Total equity and liabilities	**17 170 690**	**21 654 693**	**12 170 577**	**14 825 745**
Number of ordinary A shares in issue	**63 266 012**	63 266 012	**63 266 012**	63 266 012
Number of ordinary shares in issue	**699 253 200**	699 253 200	**699 253 200**	699 253 200
Number of treasury shares	**(2 408 326)**	(2 408 326)	**(2 408 326)**	(2 408 326)
Number of shares less treasury shares	**696 844 874**	696 844 874	**696 844 874**	696 844 874
Net asset value per REA share (R)	**13.65**	22.75	**13.65**	22.75
Net asset value per REB share (R)	**8.29**	12.76	**5.72**	8.92
Loan to value (%)	**60.9%**	51.6%	**68.4%**	43.3%
Net debt	**10 059 200**	10 576 136		
Interest bearing borrowings (excluding derivatives)	**10 131 357**	10 756 079		
Less: cash and cash equivalents	**(72 157)**	(179 943)		
Property assets	**16 506 577**	20 505 240		
Investment property	**14 779 200**	16 682 000		
Investment property held for sale	**1 723 102**	1 403 000		
Investment securities	**4 275**	992 774		
Loan receivable	**-**	1 246 994		
Loans to related companies	**-**	180 472		

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	Stated capital R'000	Accumulated loss R'000	Total R'000
Balance at 31 August 2017	8 464 527	3 383 323	**11 847 850**
Issue of shares	550 541		**550 541**
Dividend paid		(1 012 679)	**(1 012 679)**
Total comprehensive loss for the year	-	(923 981)	**(923 981)**
Balance at 31 August 2018 - as previously reported	9 015 068	1 446 663	**10 461 731**
Prior period restatement - 01 September 2016		(132 311)	**(132 311)**
Balance at 31 August 2018 - restated	9 015 068	1 314 352	**10 329 420**
Change in accounting policy (IFRS 9) - 01 September 2018	-	(66 328)	**(66 328)**
Dividend paid		(286 253)	**(286 253)**
Total comprehensive loss for the year	-	(3 339 166)	**(3 339 166)**
Balance at 31 August 2019	**9 015 068**	**(2 377 395)**	**6 637 673**

COMPANY	Stated capital R'000	Accumulated loss R'000	Total R'000
Balance at 31 August 2017	8 489 660	2 564 746	**11 054 406**
Issue of shares	550 541		**550 541**
Dividend paid	-	(1 015 827)	**(1 015 827)**
Total comprehensive loss for the year	-	(2 805 007)	**(2 805 007)**
Balance at 31 August 2018 - as previously reported	9 040 201	(1 256 089)	**7 784 112**
Prior period restatement - 01 September 2016		(132 311)	**(132 311)**
Balance at 31 August 2018 - Restated	9 040 201	(1 388 400)	**7 651 802**
Change in accounting policy (IFRS9) - 01 September 2018	-	(43 439)	**(43 439)**
Dividend paid	-	(286 253)	**(286 253)**
Total comprehensive loss for the year	-	(2 475 152)	**(2 475 151)**
Balance at 31 August 2019	**9 040 201**	**(4 193 244)**	**4 846 957**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Group		Company	
	Unaudited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000	Unaudited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000
Cash flows from operating activities				
Cash generated by operations	**1 074 114**	1 355 577	**607 018**	768 122
Finance income	**2 946**	47 284	**2 549**	46 572
Finance costs	**(955 499)**	(887 610)	**(598 330)**	(479 536)
Dividends received	**-**	62 348	**713**	65 491
Net cash inflow from operating activities	**121 561**	577 599	**11 950**	400 649
Cash flow from investing activities				
Acquisition of property, plant and equipment	**(1 712)**	(5 670)	**(1 713)**	(6 778)
Capital expenditure, tenant installations and lease commissions	**(56 786)**	(305 376)	**(43 702)**	(181 018)
Transaction and compliance cost on disposal of investment property	**(96 613)**	-	**-**	-
Proceeds from disposal of investment property	**868 000**	112 689	**-**	-
Acquisition of listed securities and investments	**-**	(289 933)	**-**	-
Repayments on B-BBEE and Jiraserve loans	**-**	95 423	**-**	98 414
Loans advanced to related company	**-**	(109 773)	**-**	(286 532)
Loan repaid to group entity	**-**		**151 321**	
Net cash inflow/(outflow) from investing activities	**712 891**	(502 640)	**105 906**	(375 914)
Cash flow from financing activities				
Proceeds from issue of shares	**-**	121 101	**-**	121 101
(Repayments)/proceeds from financial liabilities	**(642 598)**	908 558	**76 987**	879 438
(Decrease)/increase in deferred payment liability	**-**	(16 565)	**-**	112 720
Settlement of derivative instruments	**(13 386)**	(71)	**(8 396)**	-
Dividend paid	**(286 253)**	(1 012 679)	**(286 253)**	(1 015 828)
Net cash (outflow)/inflow from financing activities	**(942 238)**	344	**(217 662)**	97 431
Net (decrease)/increase in cash and cash equivalents	**(107 786)**	75 303	**(99 806)**	122 166
Cash and cash equivalents at the beginning of the year	**179 943**	104 640	**157 444**	35 278
Cash and cash equivalents at the end of the year	**72 157**	179 943	**57 638**	157 444

COMMENTARY

INTRODUCTION

Rebosis is a JSE listed real estate investment trust (REIT) with a high quality diversified portfolio across commercial and retail assets. The majority of the commercial income enjoys a sovereign underpin from leases to national government departments accross 36 buildings. Its retail portfolio has a mix of dominant and newly built shopping centres set to dominate in their nodes in Port Elizabeth (Baywest Mall) and Centurion (Forest Hill City).

FINANCIAL RESULTS

Distributable income decreased by 71% from R791 million to R226 million for this reporting period of which R250 million was as a result of once off items. In addition, finance income decreased by R190 million due to lower income from cross currency swaps as well as loss of income due to the BEE consortium and the Charitable trust. The increase in bad debt provision of R61 million and tax expense of R38 million reduced the distributable income further.

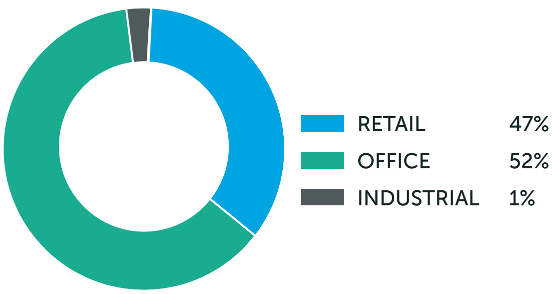
The Board deemed it prudent to deleverage the fund and has therefore resolved to not declare a full year dividend for the year ending 31 August 2019.

Investment property was revalued at year-end by independent valuers. The value of the property declined by 8.7% to R16.5 billion. The direct investment in New Frontier Properties and the loan to the BEE consortium has been written off. The impairment of New Frontier Properties of R2.4 billion together with the valuation adjustments above, resulted in the loan to value increasing from 51.6% as at 31 August 2018 to 60.9% as at 31 August 2019.

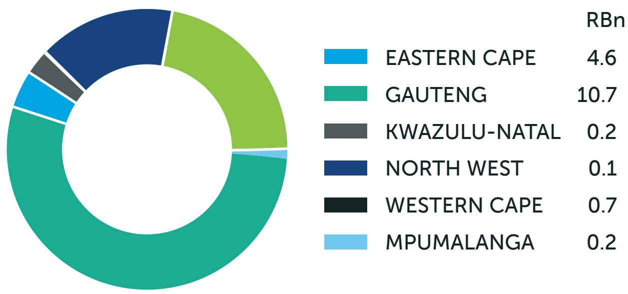
PROPERTY PORTFOLIO

The consolidated property portfolio of Rebosis is illustrated in the following graphs in terms of sectoral and geographical splits..

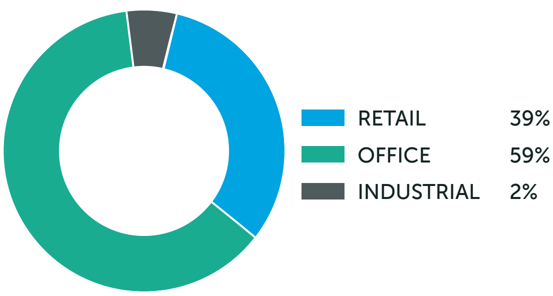
AS AT 31 AUGUST 2019
SECTORAL BY VALUE



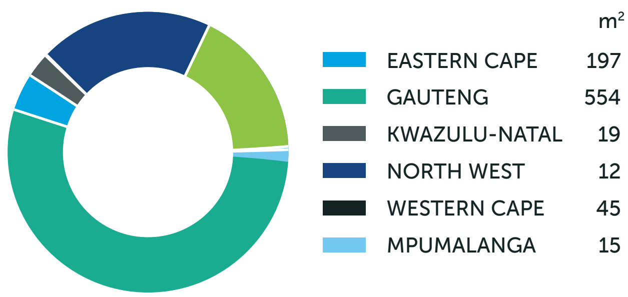
GEOGRAPHIC BY VALUE



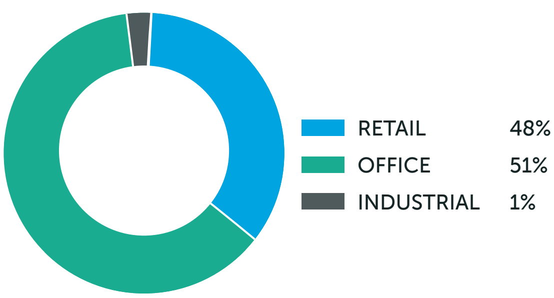
AS AT 31 AUGUST 2019
SECTORAL BY GLA



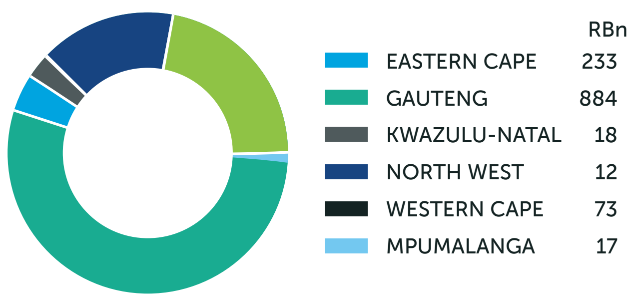
GEOGRAPHIC BY GLA



AS AT 31 AUGUST 2019
SECTORAL BY NET INCOME



GEOGRAPHIC BY NET INCOME



COMMENTARY

Our South African retail portfolio consists of six high-quality, dominant shopping malls with strong anchor national tenants delivering income streams escalating at a weighted average of 6.7%. The office portfolio consists of 36 buildings in nodes attractive to government tenants. These buildings are mainly single-tenanted buildings let to the National Department of Public Works, providing for a weighted average escalations of 7.0%. The office portfolio represents a defensive sovereign underpin, shielding the group from private sector risks such as tenant insolvency and default which are material risks in the context of sluggish economic growth and constrained consumer spend.

The groups industrial property is a single-tenanted industrial warehouse with lease escalation at 7.0%.

The groups' expiry profile by gross lettable area is as follows:

	Monthly	Vacant	31 August 2020	31 August 2021	31 August 2022	31 August 2023	After 31 August 2023	Beyond
Retail	5.9%	6.7%	19.2%	9.6%	9.7%	10.1%	16.7%	22.1%
Office	13.2%	6.6%	22.6%	11.4%	6.4%	0.6%	14.5%	24.8%
Industrial	-	-	-	–	–	–	–	100%
Total portfolio	10.1%	6.5%	20.8%	10.4%	7.6%	4.2%	15.0%	25.4%

FUNDING

Rebosis' borrowings decreased to R10.1 billion from R10.8 billion in the prior year due to the proceeds from the Boxwood disposal.

The weighted average cost of debt increased from 9.3% to 9.8%, largely due to the increase in the Prime rate as well as the refinancing of some of the 3m Jibar facilities to Prime facilities.

There are currently hedge arrangements in place for 77% of the debt.

The loan to value increased from 51.6% to 60.9% mainly resulting from the write down of New Frontier Properties and the devaluation of assets.

EARNINGS AND HEADLINE EARNINGS

	Group	
	Unaudited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000
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	**696 844 874**	696 844 874
Weighted average number of shares in issue used for the calculation of earnings and headline earnings per share	**696 844 874**	661 948 658
CONTINUING OPERATIONS	R'000	R'000
Profit attributable to ordinary equity holders of the parent entity	**(3 339 165)**	(923 981)
Adjusted for:		
Change in fair value of investment properties	**848 664**	1 013 622
Loan impairment	**1 422 101**	-
Impairment of Investment in listed securities	**992 774**	-
Goodwill impairment	**141 227**	177 081
Headline profit attributable to shareholders	**65 602**	266 721
Basic and diluted earnings per REA share (cents)	**265.50**	252.86
Basic and diluted earnings per REB share (cents)	**(503.29)**	(163.75)
Basic and diluted headline earnings per REA share (cents)	**265.50**	252.86
Basic and diluted headline earnings per REB share (cents)	**(14.69)**	16.13

SEGMENT REPORT

The group classifies segments based on the type of property i.e. Commercial, Retail, Industrial, and Other. Properties can be mixed use properties. In this instance the property will be classified according to its principle use. Accordingly, the group only has three reporting segments as set out below. Some of the buildings do have a small retail component (normally at street level), but seldom exceeds 10% of the total GLA per building.

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

	Property portfolio					
For the year ended 31 August 2019	Retail R'000	Office R'000	Industrial R'000	Total R'000	Admin and corporate costs R'000	Total R'000
Property portfolio	797 452	1 031 306	13 386	1 842 144	-	**1 842 144**
Investment property income	788 669	1 097 951	18 489	1 905 109	-	**1 905 109**
Net income from facilities management	-	29 557	-	29 557	-	**29 557**
Straight line rental income accrual	8 783	(96 202)	(5 103)	(92 522)	-	**(92 522)**
Property expenses	(388 249)	(218 696)	(531)	(605 476)	-	**(605 476)**
Net property income	411 203	812 610	12 855	1 236 668	-	**1 236 668**
Other operating expenses	-	-		-	(142 104)	**(142 104)**
Operating income/(loss)	411 203	812 610	12 855	1 236 668	(142 104)	**1 094 564**
Net interest	-	-	-	-	(996 982)	**(996 982)**
Net operating income/(loss)	411 203	812 610	12 855	1 236 668	(1 139 086)	**97 582**
Other income	-	-	-		4 992	**4 992**
Changes in fair values	(304 567)	(358 498)	(15 897)	(678 962)	(2 724 464)	**(3 403 426)**
Segment profit/(loss) before taxation	**106 636**	**454 112**	**(3 042)**	**557 706**	**(3 858 557)**	**(3 300 851)**
Investment property	7 263 000	7 352 200	164 000	14 779 200	-	**14 779 200**
Investment property held for sale	561 486	1 161 616	-	1 723 102	-	**1 723 102**
Other assets	77 242	146 265	30	223 537	444 851	**668 388**
Total assets	**7 901 728**	**8 660 081**	**164 030**	**16 725 839**	**444 851**	**17 170 690**
Total liabilities	**68 857**	**41 425**	**-**	**110 282**	**10 422 735**	**10 533 017**

SEGMENT REPORT

For the year ended 31 August 2018	Property portfolio Retail R'000	 Office R'000	 Industrial R'000	 Total R'000	Admin and corporate costs R'000	Total 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	**4 620**
Changes in fair values	(960 725)	(60 383)	7 486	(1 013 622)	(577 626)	**(1 591 248)**
Goodwill impairment	-	-	-	-	(177 081)	**(177 082)**
Listed security income	-	-	-	-	62 348	**62 348**
Segment profit/(loss) before taxation	(263 925)	879 937	25 782	641 795	(1 565 776)	**(923 982)**
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**

DISTRIBUTABLE INCOME

	Unaudited for the year ended 31 August 2019 R'000	Audited for the year ended 31 August 2018 R'000
Non-IFRS information		
Reconciliation of profit before tax to distributable earnings:		
Total profit before taxation	**(3 300 851)**	(923 981)
Taxation	(38 314)	-
Profit for the year	**(3 339 166)**	(923 981)
Adjusted for:		
Changes in fair value	**3 403 426**	1 768 329
Straight line rental accrual	**92 522**	(84 756)
Amortisation of structuring fees	**69 452**	15 342
Corporate transaction costs	**-**	3 549
Antecedent interest	**-**	23 558
Dividend income distributed in previous periods	**-**	(33 183)
Rates refund from Council	**-**	21 609
Distributable earnings attributable to shareholders/owners of the parent	**226 235**	790 466
Distributable income per REA share (cents)	**265.50**	252.86
Distributable income per REB share (cents)	**8.36**	92.83
Year-on-year distribution growth REA (%)	**5.0%**	5.0%
Year-on-year distribution growth REB (%)	**-91.0%**	-27.7%

SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	for the year ended 31 Aug 2019 R'000	for the year ended 31 Aug 2018 R'000
Loans accounts- owing (to) by related parties		
New Frontier Properties Limited	-	180 472
Billion Group Proprietary Limited	(4 889)	(4 889)
Abacus Property Fund	(70 000)	(70 000)
Interest received from related parties		
New Frontier Properties Limited	-	18 278
Rental warranty income		
Billion Group Proprietary Limited	-	88 491
Asset management fee income		
Mthatha Mall Proprietary Limited	-	16 850

ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND RESTATEMENTS

i) Change in accounting policy

During the year, the Group adopted the New IFRS 9 Financial Instruments standard. IFRS 9 replaces the "incurred loss" model in IAS 39 with a forward-looking "expected credit loss (ECL) " model. This requires a loss allowance to be recognised at the amount equal to the lifetime ECLs. Lifetime ECLs result from all possible default events over the expected life of a financial instrument.

This requires considerable judgement over how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model applies to the following financial instruments that are not measured at Fair value through profit and loss (FVTPL):

- financial assets that are debt instruments;
- lease receivables; and
- loan commitments and financial guarantee contracts issued (previously, impairment was measured under IAS 37 Provisions, Contigent Liabilities and Contingent Assets).

Under IFRS 9, no impairment loss is recognised on equity investments.

Impact of assessment

The most significant impact on the Group's financial statements from the implementation of IFRS 9 is expected to result from the new impairment requirements. Impairment losses will increase and become more volatile for financial instruments in the scope of the IFRS 9 impairment model.

The Group has estimated that, on adoption of IFRS 9 at 1 September 2018, the net financial impact of the change in classification and measurement after tax is a reduction in opening retained earnings of R66 million.

ii) Prior period error

The Group and company had incorrectly accounted for a portion amounting to R132 million of the Goodwill arising from the acquisition of Billion Property Developments, Baywest City Mall, Billion Asset Managers and Billion Property Services on 1 September 2016. This amount was reflected under the short-term portion of other financial assets in the annual financial statements for the year-ended 31 August 2018.

This should have reduced the gain on bargain purchase which was recognised in the 2017 financial year. Accordingly the asset of R132million has been written off against the retained earnings of 2017.

The company reflected the investment in Billion Asset Managers at a carrying value of R370. 93 million as opposed to R193.85 million in 2018.

Impact of assessment

The Group has estimated that the net financial impact of the change in classification and measurement after tax is a reduction in opening retained earnings of R132 million.

The company has estimated that the net financial impact of the impairment in investment is a reduction in opening retained earnings of R177 million.

Related party transactions and balances

	As reported	Adjustments 2018 R'000	Restated
Group statements of financial position			
Short-term portion of other financial assets	132 311	(132 311)	-
Total assets	21 787 005	(132 311)	**21 654 694**
Total equity	10 461 730	(132 311)	**10 329 419**
Opening retained income - 2018	1 446 663	(132 311)	**1 314 352**
Company statements of financial position			
Investment in subsidiaries	2 624 958	(177 081)	**2 447 877**
Short-term portion of other financial assets	132 311	(132 311)	-
Total assets	15 135 139	(309 392)	**14 825 747**
Total equity	7 961 194	(309 392)	**7 651 802**
Opening retained income - 2018	(1 079 007)	(309 392)	**(1 388 399)**
Company statement of profit or loss and other comprehensive income			
Change in fair values and impairments			
Change in fair value - investment in subsidiaries	(3 176 870)	(177 081)	**(3 353 951)**
Loss for the year	(2 627 927)	(177 081)	**(2 805 008)**
Total comprehensive loss	(2 627 927)	(177 081)	**(2 805 008)**

DECLARATION AND PAYMENT OF CASH DIVIDEND

The Rebosis Board has resolved not to declare a dividend for the financial year-ended 31 August 2019.

SUBSEQUENT EVENTS.

The shareholders approved the sale of Mdanstane City and the application for transfer of the property has been lodged.

BASIS OF PREPARATION

These results have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34, Interim Financial Reporting, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, JSE Listings Requirements and the requirements of the Companies Act of South Africa.

All amendments to standards that are applicable to Rebosis for its financial year beginning 1 September 2018 have been considered. Based on management's assessment, the amendments do not have a material impact on the group's condensed consolidated financial statements with the exception of IFRS 9. The impact of IFRS 9 has resulted in the restatement of certain items in the Statement of Financial Position.

The accounting policies are consistent with those applied in the previous consolidated annual financial statements except for the adoption of the new standard - IFRS 9 Financial instruments. According to the new standard, Rebosis has applied the "credit loss" model for the measurement of financial assets, specifically to trade receivables. These financial results have been prepared under the supervision of the Chief Financial Officer, I King, (CA) SA.

The directors are not aware of any matters or circumstances arising subsequent to 31 August 2019 that require any additional disclosure or adjustment to the financial statements, other than as disclosed in this announcement.

CHANGE OF DIRECTORATE

There has been no changes in directors since the last reporting period.

PROSPECTS

The company has achieved good operational efficiencies in a difficult trading environment including progress on lease renewals and containing vacancies. It will continue to focus on these key efficiencies including remaining renewals on expired leases in order to improve WAULT that would lead to better credit profile especially in light of expiring debt.

There will be more emphasis to continue the disposal program on the back of the lease renewals to reduce LTV and the Delta merger including other measures to unlock value.

By order of the Board

11 November 2019

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 (Chief Executive Officer)
RP Becker (Chief Investment Officer)
I King (Chief Financial Officer)
Z Kogo
WJ Odendaal*
NV Qangule*
TSM Seopa*
M Mdlolo*
F Froneman*

* Independent Non-executive

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RELATED QUERIES

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