REVIEWED RESULTS
for the six months ended
29 February
2020

REBOSIS
PROPERTY FUND

HIGHLIGHTS

Net Property Income Growth (like for like)
(4.7%)

Portfolio Vacancy
7.1%

Total Assets
R14.1bn

Portfolio WALE
3.1 years

Retail Trading Density Growth
6.5%

Retail Footfall Growth
1.9%

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

- 5 high quality dominant malls
- Baywest, Hemingways, Forest Hill, Sunnypark and Bloed Street
- Strong national tenant profile
- Weighted average lease expiry of 3.7 years
- Average contractual escalation of 6.5%
- Portfolio by value 47%

Number of properties	5
Portfolio valuation R'000	6 200 000
Gross lettable area - m^2	291 073
Value per m^2 - R	21 179

OFFICE

- 36 predominantly A and B grade well located properties in nodes attractive to government tenants
- Let primarily to National Department of Public Works
- Weighted average lease expiry of 2.6 years
- Average contractual escalation of 6.9%
- Portfolio by value 52%

Number of properties	36
Portfolio valuation R'000	7 100 000
Gross lettable area - m^2	496 612
Value per m^2 - R	14 240

INDUSTRIAL

- Single tenanted industrial warehouse in Johannesburg
- Lease underpinned by international listed parent company
- Weighted average lease expiry of 5.8 years
- Average contractual escalation of 7.0%
- Portfolio by value 1%

Number of properties	1
Portfolio valuation R'000	164 000
Gross lettable area - m^2	18 954
Value per m^2 - R	5 112

CONTENTS

FREE SECURE PARKING
ALL DAY, EVERY DAY
Forest Hill
SHOPPING CENTRE
Forest Hill
CITY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group	
	Reviewed for the six months ended 29 Feb 2020 R'000	Unaudited for the six months ended 28 Feb 2019 R'000
Investment property income	918 546	970 763
Net income from facilities management agreement	14 657	14 941
Straight-line rental adjustment	(9 022)	(32 387)
Property income	924 181	953 317
Property expenses	(301 698)	(282 926)
Net property income	622 483	670 391
Other operating expenses	(82 311)	(70 062)
Operating profit	540 172	600 329
Finance income	2 938	38 902
Finance cost amortisation	(10 111)	(19 532)
Finance costs	(496 688)	(479 317)
Net operating income	36 311	140 382
Other income	2 191	3 194
Changes in fair values	(1 793 773)	(1 093 570)
Investment property	(1 737 992)	(227 375)
Investment in listed securities	-	(884 184)
Disposal of investment property	(51 808)	-
Derivative instrument	(3 973)	17 989
Changes in impairments	(12 158)	(1 073 629)
Loss before income tax	(1 767 430)	(2 023 623)
Prior year income tax	(35 834)	-
Loss for the period	(1 803 263)	(2 023 623)
Total comprehensive loss for the period attributable to equity holders	(1 803 263)	(2 023 623)
Basic and diluted earnings per REA share (cents)	139.39	132.75
Basic and diluted (loss) per REB share (cents)	(271.43)	(302.45)

STATEMENT OF FINANCIAL POSITION

	Group	
	Reviewed for the six months ended 29 Feb 2020 R'000	Audited for the year ended 31 August 2019 R'000
ASSETS		
Non-current assets	12 538 390	14 254 761
Investment property	12 169 733	13 878 200
Fair value of property portfolio	11 887 631	13 587 785
Straight-line rental income accrual	282 102	290 415
Property, plant and equipment	10 553	5 848
Investment in securities	-	4 275
Goodwill	358 104	358 104
Derivative instruments	-	8 334
Current assets	344 248	291 827
Trade and other receivables	258 223	219 661
Short term portion of derivatives	4 656	9
Cash and cash equivalents	81 369	72 157
Investment property reclassified as held for sale	1 169 588	1 723 102
Total assets	14 052 225	16 269 690
EQUITY AND LIABILITIES		
Equity	3 931 436	5 734 700
Stated capital	9 015 068	9 015 068
(Accumulated loss)	(5 083 632)	(3 280 368)
Total equity attributable to equity owner of the parent	3 931 436	5 734 700
Non-current liabilities	18 981	-
Derivative instruments	18 981	-
Current liabilities	10 101 807	10 534 990
Interest bearing borrowings	9 651 856	10 131 357
Deferred payment liability	140 026	123 471
Derivative instruments	16 453	32 010
Trade and other payables	245 647	209 838
Tax payable	47 826	38 314
Total liabilities	10 120 789	10 534 990
Total equity and liabilities	14 052 225	16 269 690
Number of A ordinary shares in issue	63 266 012	63 266 012
Number of ordinary shares in issue	699 253 200	699 253 200
Treasury shares	(2 408 326)	(2 408 326)
Number of ordinary shares in issue (net of treasury shares)	696 844 874	696 844 874
Net asset value per A ordinary - REA (R)	0.77	13.65
Net asset value per ordinary - REB (R)	5.57	6.99
Gearing %	70.5%	63.5%
Loan to value (%)	71.7%	64.5%
Loan to value calculated in terms of REIT best practice		
Net debt	9 570 487	10 059 200
Interest bearing borrowings (excluding derivatives)	9 651 856	10 131 357
Less: cash and cash equivalents	(81 369)	(72 157)
Property assets	13 339 320	15 605 577
Investment property	12 169 733	13 878 200
Investment property held for sale	1 169 588	1 723 102
Listed securities	-	4 275
Loan-to-value	71.7%	64.5%
Available borrowing capacity	Nil	Nil

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Group	
	Reviewed for the six months ended 29 Feb 2020 R'000	Unaudited for the six months ended 28 Feb 2019 Restated R'000
Balance at 31 August	5 734 700	10 461 731
Prior period error due to incorrect goodwill on acquisition on 01 September 2016	-	(132 311)
Balance at 31 August - Restated	5 734 700	10 329 420
Change in accounting policy due to IFRS9- 01 September 2018	-	(66 328)
Loss for the year	(1 803 263)	(2 023 623)
Dividend paid	-	(285 794)
Balance at 29 February	**3 931 436**	7 953 674

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Group	
	Reviewed for the six months ended 29 Feb 2020 R'000	Unaudited for the six months ended 28 Feb 2019 R'000
Cash flow from operating activities	15 228	16 925
Cash generated from operations	533 729	490 080
Income tax paid	(25 937)	-
Net finance costs	(492 563)	(473 156)
Cash flow from investing activities	468 028	844 344
Capex and tenant installations	(48 222)	(22 101)
Acquisition of listed securities and investments	-	(518)
Acquisition of property, plant and equipment	(250)	(1 037)
Proceeds on sale of assets	516 500	868 000
Cash flow from investing activities	(474 045)	(994 830)
Repayment of financial liabilities	(474 045)	(696 437)
Derivative instruments	-	(12 600)
Dividend paid	-	(285 793)
Net movement in cash and cash equivalents	9 212	(133 562)
Cash and cash equivalents at the beginning of the year	72 157	179 943
Cash and cash equivalents at the end of the year	**81 368**	46 381

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. The retail portfolio has dominant shopping centres in Port Elizabeth (Baywest Mall) and East London (Hemingways Mall) and three regional malls located in Pretoria.

FINANCIAL RESULTS

The group was negatively impacted by tough trading conditions in the property sector during the six-month period ending 29 February 2020. The net property income declined by 4.7% on a like for like basis from the previous period as a result of reversions in lease renewals and the loss of income from disposed properties. The increase in estimated credit loss allowance of R21 million further reduced the net property income. Other operating expenses increased by 17% mainly due to the increase in transactional and professional fees.

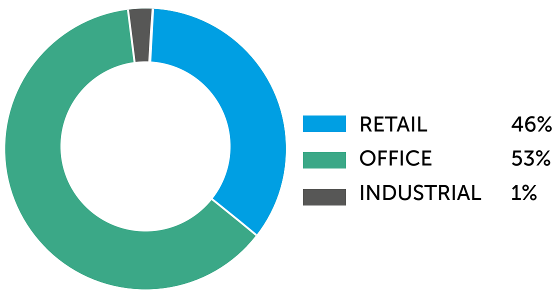
Net finance costs increased by R53 million due to lower income from cross currency swaps of R30 million and interest raised on the deferred payment liabilities of R17 million. This resulted in distributable income declining by 88,8% from R195 million to R22 million for the period ending 29 February 2020.

Investment property was revalued for the Interim reporting period. The commercial property portfolio was independently valued by CBRE while due to the impact of the lockdown directors' valuations were performed for the retail portfolio. A fair value write-down of R1.7 billion was processed reducing the carrying value of the commercial properties by 7% to R7.2 billion and the retail portfolio by 21.0% to R6.2 billion.

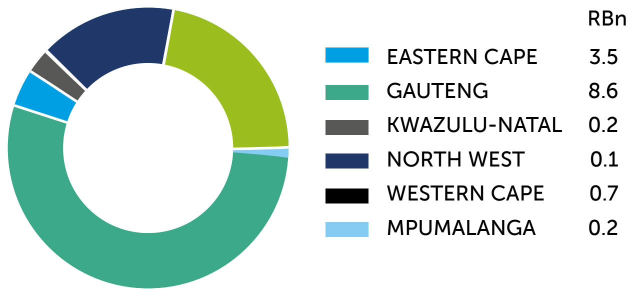
PROPERTY PORTFOLIO

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

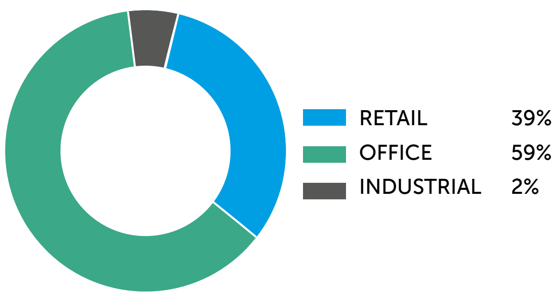
AS AT 31 AUGUST 2019
SECTORAL BY VALUE



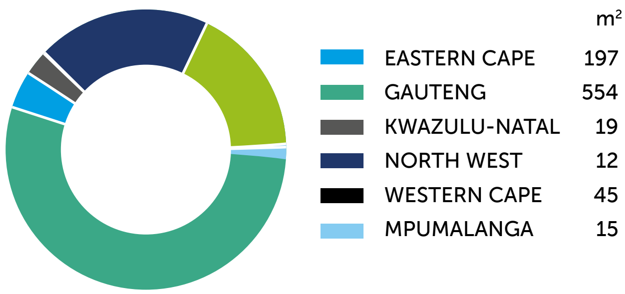
GEOGRAPHIC BY VALUE



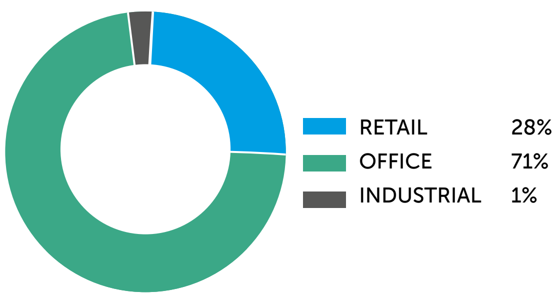
AS AT 31 AUGUST 2019
SECTORAL BY GLA



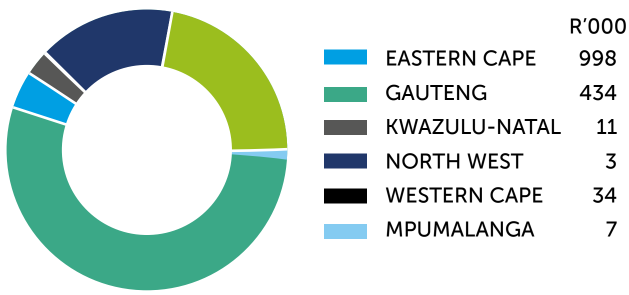
GEOGRAPHIC BY GLA



AS AT 31 AUGUST 2019
SECTORAL BY NET INCOME



GEOGRAPHIC BY NET INCOME



COMMENTARY (CONTINUED)

Our South African retail portfolio consists of five high-quality, dominant shopping malls with strong anchor national tenants delivering income streams escalating at a weighted average of 6.6%. 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 6.9%. 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	28 February 2021	28 February 2022	28 February 2023	28 February 2024	After 28 February 2024
Retail	5%	8%	17%	11%	8%	7%	42%
Office	19%	7%	23%	5%	7%	1%	38%
Industrial	0%	0%	0%	0%	0%	0%	100%
Total portfolio	13%	7%	20%	7%	7%	3%	41%

COMMENTARY (CONTINUED)

FUNDING

At 29 February 2020, Rebosis' borrowings decreased to R9.7 billion from R10.1 billion in the prior reporting period due to the utilisation of the proceeds from the disposal of Mdantsane shopping centre. Management continues to actively engage all lenders /funding partners in order to retain ongoing financial support for the Group and roll expiring facilities. We obtained an extension for 6 months of some R5.4bn from Nedbank (with Sanlam and RMB as partners), Standard bank (R271m) and Investec bank (R291m) on their own facilities for 6 months and 1 year respectively.

The weighted average cost of debt marginally decreased from 9.8% to 9.6% mainly due to the repo rate cut in January 2020.

There are currently hedge arrangements in place for 76.1% of the debt.

The loan to value increased from 64.5% to 71.7% mainly resulting from the write down of investment property values.

EARNINGS AND HEADLINE EARNINGS	Group	
	Reviewed for the six months ended 29 Feb 2020 R'000	Unaudited for the six months ended 28 Feb 2019 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**	63 266 012
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**	696 844 874
CONTINUING OPERATIONS	**R'000**	R'000
Loss attributable to ordinary equity holders of the parent entity	**(1 803 263)**	(2 023 623)
Adjusted for:		
Change in fair value of investment properties	**1 737 992**	227 375
Change in fair value of investment in listed securities	**-**	884 184
Change in fair value of investment properties from disposals	**51 808**	-
Changes in impairments on listed and unlisted securities	**12 158**	1 073 629
Headline (loss)/earnings attributable to shareholders	**(1 305)**	161 565
Basic and diluted earnings per REA share (cents)	**139.39**	132.75
Basic and diluted loss per REB share (cents)	**(271.43)**	(302.45)
Basic and diluted headline earnings per REA share (cents)	**139.39**	132.75
Basic and diluted headline (loss)/earnings per REB share (cents)	**(12.84)**	11.13

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

CBRE was responsible for the valuation of the commercial and industrial portfolio totalling R7.2 billion (Aug 2019: R7.8 billion). The valuations were performed by applying appropriate capitalisation rates of between 8.25% to 10.75% (Aug 2019: 9.0% to 10.3%) to the properties 11.1% (Aug 2019: 9.5%).

Directors' valuations were performed for the retail portfolio totalling R6.2 billion (Aug 2019: R7.3 billion). The valuations were performed by applying appropriate capitalisation rates of between 7.4% to 8.7% (Aug 2019: 6.5% to 7.8%) to the properties 7.7% (Aug 2019: 6.5%).

The group considers that the carrying amount of the following financial assets and liabilities are a reasonable approximation of their fair value:

- Trade and other receivables
- Trade and other payables
- Cash and cash equivalents

The table below analyses financial instruments measured at fair value by the level into which the fair value measurement is categorised.

Assets	Assets carried at fair value through profit and loss R'000	Level 1 R'000	Level 2 R'000	level 3 R'000
29-Feb-20				
RECURRING				
Investment property	12 169 733	-	-	12 169 733
Derivative instruments	4 656	-	4 656	-
NON-RECURRING				
Investment properties held for sale	1 169 588	-	-	1 169 588
31-Aug-19				
RECURRING				
Investment property	13 878 200	-	-	13 878 200
Derivative instruments	8 343	-	8 343	-
NON-RECURRING				
Investment properties held for sale	1 723 102	-	-	1 723 102

Liabilities	Liabilities designated at fair value through profit and loss R'000	Level 1 R'000	Level 2 R'000	level 3 R'000
29-Feb-20				
RECURRING				
Derivative instruments	35 434	-	35 434	-
31-Aug-19				
Derivative instruments	32 010	-	32 010	-

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 office 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				Admin and corporate costs	
	Retail	Office	Industrial	Total		Total
29-Feb-20	R'000	R'000	R'000	R'000	R'000	R'000
Property portfolio	355 986	561 797	6 397	924 181	-	**924 181**
Investment property income	354 817	555 494	8 236	918 546	-	**918 546**
Net income from facilities management	-	14 657	-	14 657	-	**14 657**
Straight line rental income accrual	1 169	(8 353)	(1 838)	(9 022)	-	**(9 022)**
Property expenses	(171 439)	(130 030)	(230)	(301 698)	-	**(301 698)**
Net property income	184 548	431 768	6 167	622 483	-	**622 483**
Other operating expenses	-	-		-	(82 311)	**(82 311)**
Operating income	184 548	431 768	6 167	622 483	(82 311)	**540 172**
Finance income	-	-		-	2 938	**2 938**
Finance costs	-	-	-	-	(506 799)	**(506 799)**
Net operating income	184 548	431 768	6 167	622 483	(586 172)	**36 311**
Other income	-	-	-		2 191	**2 191**
Changes in fair values	(1 172 802)	(551 737)	(65 262)	(1 789 800)	(3 973)	**(1 793 773)**
Changes in impairments	-	-	-	-	(12 158)	**(12 158)**
Segment loss before taxation	(988 254)	(119 969)	(59 095)	(1 167 317)	(600 113)	**(1 767 430)**
Investment property	6 164 671	5 908 161	96 900	12 169 732	-	**12 169 732**
Investment property held for sale	-	1 169 588	-	1 169 588	-	**1 169 588**
Other assets	66 635	166 944	-	233 579	479 326	**712 905**
Total assets	6 231 306	7 244 692	96 900	13 572 899	479 326	**14 052 225**
Total liabilities	95 831	70 413	-	166 244	9 954 544	**10 120 789**

SEGMENT REPORT

	Property portfolio				Admin and corporate costs	
	Retail	Office	Industrial	Total		Total
28-Feb-19	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Property portfolio	418 532	528 092	6 693	953 317	-	**953 317**
Investment property income	406 152	555 573	9 038	970 763	-	**970 763**
Net income from facilities management	-	14 941	-	14 941	-	**14 941**
Straight line rental income accrual	12 381	(42 422)	(2 345)	(32 387)	-	**(32 387)**
Property expenses	(170 304)	(112 363)	(259)	(282 926)	-	**(282 926)**
Net property income	248 229	415 729	6 434	670 391	-	**670 391**
Other operating expenses	-	-		-	(70 062)	**(70 062)**
Operating income	248 229	415 729	6 434	670 391	(70 062)	**600 329**
Net interest	-	-	-	-	(459 947)	**(459 947)**
Net operating income	248 229	415 729	6 434	670 391	(530 009)	**140 382**
Other income	-	-	-	-	3 194	**3 194**
Changes in fair values	-	(327 027)	-	(327 027)	(766 544)	**(1 093 570)**
Changes in impairments	-	-	-	-	(1 073 629)	**(1 073 629)**
Segment loss before taxation	248 229	88 702	6 434	343 364	(2 366 987)	**(2 023 623)**
Investment property	8 105 031	6 678 545	182 655	14 966 231	-	**14 966 231**
Investment property held for sale	-	2 128 329	-	2 128 329	-	**2 128 329**
Other assets	126 895	154 229	16	281 140	1 040 840	**1 321 979**
Total assets	8 231 926	8 961 102	182 671	17 375 698	1 040 840	**18 416 539**
Total liabilities	64 807	51 705	-	116 511	10 346 352	**10 462 863**

DISTRIBUTABLE INCOME

Non-IFRS information Reconciliation of profit before tax to distributable earnings:	Group 2020 R'000	 2019 R'000
Total loss before taxation	(1 767 430)	(2 023 623)
Taxation	(35 834)	-
Loss for the year	(1 803 263)	(2 023 623)
Adjusted for:		
Changes in fair value	1 793 773	1 093 570
Changes in impairments	12 158	1 073 629
Straight line rental accrual	9 022	32 387
Amortisation of structuring fees	10 111	19 532
Distributable earnings attributable to shareholders/owners of the parent	21 801	195 495
Distributable income per REA share (cents)	34.46	132.75
Distributable (loss)/income per REB share (cents)	-	16.00
Year-on-year distribution growth REA (%)	-74.0%	5.0%
Year-on-year distribution growth REB (%)	-100.0%	-74.7%

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:

	Group 2020 R'000	 2019 R'000
Loans accounts- owing (to) by related parties		
New Frontier Properties Limited	-	180 473
Billion Group Proprietary Limited	(2 542)	(4 889)
Abacus Property Fund	(79 527)	(70 000)
Related party transactions:		
Interest paid		
Abacus Property Fund	(9 527)	-

DECLARATION AND PAYMENT OF CASH DIVIDEND

The Rebosis Board has resolved not to declare an interim dividend and no dividend was declared in the prior interim period

IMPACT OF COVID 19 ON THE FINANCIAL STATEMENTS

The Company had established a Covid-19 Committee to deal with the pandemic in early March. A five-tier response program was developed based on the severity of the level of infections. The plan focuses on our staff, our tenants and our customers. This enabled us to react swiftly to the actions taken by Government and ensure that we complied with all the regulations.

The lockdown at level 5 from 26 March to 30 April has not materially impacted on our Commercial property collections however has severely impacted our Retail tenants. As only essential services tenants could trade, retail collections in April were 39%. From 1 May when the country moved to level 4 and additional stores could trade, collections increased to 50%. The collection rate for June under level 3 increased to 78%. The company is currently in negotiations with tenants regarding rental concessions during the period of the pandemic. The impact of these concessions will be reflected in Investment Property Income in the Statement of Profit and Loss. The outcome of these negotiations will be recognized in the year end results. The company is pursuing an insurance claim for these losses however insurers are yet to respond to the claim. The long-term impact of the pandemic is still uncertain and will be closely monitored.

The potential impact that the pandemic might have on tenants and their ability to continue to operate was considered when the Expected Credit Loss was calculated at the end of February. The percentage of the Expected Loss was adjusted by increasing the percentage for the forward-looking assumptions by identifying tenants that are likely to be distressed. As a result, the provision was increased by R8 million.

In valuing the retail assets, the potential negative impact was factored in by increasing the risk factor in the capitalization rates used to value the assets. The values were reduced by an additional R207 million as a result. The longer-term impact on the values of the assets will be assessed at year end when more clarity is available in the market.

SUBSEQUENT EVENTS

Shareholders are referred to the Sens announcement dated 1 June 2020 dealing with the disposal of Medscheme building for a consideration of R91 million.Rebosis has accepted an offer to purchase dated 29 May 2020 (the "Offer") the property described as Portion 106 (a portion of portion 27) of the farm Weltevreden No. 202, Registration Division IQ Province Gauteng, measuring approxmately 16 846m^2 together with all fixed improvements thereto and the rental enterprise conducted thereon (the "Property") to Old Fort Crescendo Corevision (Pty) Ltd (Reg No 2019/33959/07) (the "Purchaser") (the "Disposal"). This transaction is subject to due diligence and regulatory processes.

BASIS OF PREPARATION

The results for the six months ended 29 February 2020 have been reviewed by the company's independent auditors, BDO South Africa Incorporated, whereby an unqualified interim review report has been issued, however the material uncertainty related to going concern remains 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 2019 have been considered. Based on management's assessment, the amendments do not have a material impact on the group's condensed consolidated interim financial statements. The accounting policies are consistent with those applied in the previous consolidated annual financial statements, except for the adoption of the new IFRS 16 standard.

The short-term portion of the interest bearing borrowings is in excess of the current assets of the group and company by R9.3 million and as a result the group does not pass the liquidity test. As per the statement of comprehensive income, the group has generated a loss of R1.8 million for the period ended 29 February 2020. The group is actively pursuing potential corporate actions to recapitalize the company and restore its liquidity. In addition to this, the group continues with its disposal program to deleverage the Fund. The group performs forecast cash flows to ensure the optimal use of available cash and highlighting the areas of risk. Despite these efforts, there is a material uncertainty related to events or conditions that may cast doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business without the continued support of its funders. However, the directors have satisfied themselves that, while the Group has the continued support of its funders to allow it time to execute on the above strategies, that the group has adequate resources to continue its operations in the foreseeable future.

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 29 February 2020 that require any additional disclosure or adjustment to the financial statements, other than as disclosed in this announcement.

CHANGE OF DIRECTORATE

Francois Froneman has resigned as an independent director of the board and chairman of audit committee with effect from 30 June 2020.

Francois has made a significant contribution to the company over the years that he has served as a director and the board wishes to thank him for his service.

Thabo Seopa has been appointed as chairman of the audit committee and the board looks forward to his continued contribution.

PROSPECTS

The interest rates decrease will have a material positive impact on the fund given the debt levels, with the unhedged and expiring hedged portion of debt at 72% in H2 (2020). This will continue to lead towards a much improved interest cover ratio and better returns for shareholders.

We remain confident on the office portfolio given its defensive nature and this will mitigate the risk from the retail portfolio.

The Covid 19 negative impact has affected collections from impacted retailers on our retail portfolio, with 73%, 78% and 88% overall collection rates in April, May and June respectively, and, while we anticipate higher collection rates going forward, the food, beverage, services and entertainment sectors may not recover. Our objective will be to continue to assist the small businesses to ensure continuity into the future through sensible rent concessions.

The lack of growth in the economy, now exacerbated by the Covid 19 impact, will continue to negatively affect the retail environment, more-so the weak currency that implies higher input cost to retailers and lesser margins on products, leading to a squeeze on landlord rentals.

Our focus will be on achieving good lease renewals, vacancy fill ups that are more informed by innovative repositioning of the offerings in our retail centres in line with global trends.

We will continue deleveraging our balance sheet in an endeavour to achieve an optimal capital structure through asset disposals at good value with some imminent transactions in progress. Furthermore, in an endeavour to realise shareholder value and continued success of the business, the Board is assessing various approaches from the market".

By order of the Board

26 June 2020

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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