RESILIENT

2015 INTEGRATED REPORT
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CHAIRMAN’S STATEMENT

Resilient Property Income Fund Limited (“Resilient”) continued its record strong growth in distributions in an increasingly difficult economic environment. Resilient’s retail centres achieved sales growth well ahead of national retail sales growth and this should continue in the future.

Resilient again benefitted from its strategy to invest in other markets through its holdings in New Europe Property Investments plc (“Nepi”) and Rockcastle Global Real Estate Company Limited (“Rockastle”). These companies performed well in their own currencies and the depreciation of the Rand against the Euro and US Dollar further bolstered Resilient’s distributions. Resilient Africa, the joint venture with Shoprite Checkers to develop malls in Nigeria, is still relatively small and the Nigerian economy faces numerous challenges. The successful opening of Delta Mall and strong trading conditions it experienced support our confidence that this initiative will become a substantial earnings driver in the future.

The Siyakha Education Trust, a charitable trust established by Resilient to promote black education, had another successful year. The Trust spent R41.5 million and assisted 69 schools during its past financial year. Its learning centres, primarily for the benefit of scholars and students, are well supported in the communities and now also offer adult education. Students have been able to continue with their studies through online curricular support when schools in Burgersfort were closed. The Trust is supporting career development through various initiatives often in collaboration with provincial departments of education.

The second tranche of the Eagle’s Eye Investments Proprietary Limited (“Eagle’s Eye”) Broad-Based Black Economic Empowerment (“BBBEE”) initiative matured in July 2015. This initiative includes three women groupings (from Gauteng, Polokwane and Mthatha) as its shareholders and the returns have exceeded the most optimistic forecasts. Dr Archie Nkonyeni, my predecessor as chairman, assisted in establishing this initiative and will be pleased to hear that a number of participants have re-invested the net proceeds in Resilient shares.

I wish to thank the staff at Resilient for their hard work and diligence during the past financial year and the board of directors for its continued guidance and support. I look forward to another strong performance for the 2016 financial year.

JJ Njeke
Independent non-executive chairman

5 August 2015
Mall of the North | 76,748m² | Limpopo
BOARD OF DIRECTORS

MFUNDISO JOHNSON NTABANKULU (JJ) NJEKE (56)
Independent non-executive chairman
BCompt (Hons), HDip Tax, CA(SA)
Date of appointment: November 2002

JJ was an audit partner at PwC and is the past chairman of the South African Institute of Chartered Accountants (“SAICA”). In addition to serving on the board of Resilient, he serves on the boards of MMI Holdings Limited, MTN Group Limited, Sasol Limited, Adcorp Holdings Limited and Moody’s Investors Service South Africa Proprietary Limited.

DESMOND (DES) DE BEER (54)
Managing director and chief executive officer
BProc MAP
Date of appointment: July 2002

Des spent the first part of his career in the banking industry, first with Barclays Bank in South Africa and later with Syfrets which was merged into Nedcor Investment Bank (“NIB”). He was appointed General Manager Corporate Equity and served on the bank’s executive committee. He has served on the boards of a number of listed property companies and he is currently a director of Nepi and chairs its investment committee.

INDEPENDENT NON-EXECUTIVE
JJ Njeke (chairman), Thembi Chagonda, Marthin Greyling, Bryan Hopkins, Spiro Noussis, Umsha Reddy, Barry van Wyk

EXECUTIVE
Des de Beer, Andries de Lange, Nick Hanekom, Johann Kriek
THEMBAKAZI (THEMBI) IRIS CHAGONDA (44)
Independent non-executive director
BSoc Sci (Rhodes University),
Diploma in Labour Law
Date of appointment: August 2008

Thembi’s career has been in human capital management for the past 19 years. She is currently managing director of Global Business Solutions, a labour law, BEE consultancy and training and development company. Thembi was selected as a finalist for the 2014 Oliver Empowerment Awards in the Top Black Female Leader of the Year category.

MARTHIN PETRUS GREYLING (48)
Independent non-executive director
BCom (Acc) (Hons), CA(SA)
Date of appointment: July 2002

Marthin started his career in financial services in 1993 when he joined the Industrial Development Corporation of South Africa Limited (“IDC”). During his tenure he was, inter alia, involved in debt and project finance and business turnarounds. He joined NIB in 2001 and is currently a Principal in the Nedbank Private Equity team.

ANDRIES DE LANGE (42)
Executive director and chief operating officer
CA(SA), CFA
Date of appointment: November 2006

After completing his articles, Andries joined the IDC and then Nedbank Limited where he gained experience in debt finance, debt and equity restructurings and private equity. He joined the Resilient group in 2004 and is a director of Rockcastle.
Financial director  
BAcc (Hons), CA(SA)  
DATE OF APPOINTMENT: MAY 2011

Nick completed his articles with PwC in Johannesburg where after he joined PwC London. On his return to South Africa in August 2005 he was employed by Resilient, initially as company secretary and, with effect from May 2011, as financial director of Resilient. Nick was previously the financial director of Fortress Income Fund Limited.

B Bryan Douglas Hopkins (68)  
Independent non-executive director  
BCom (Hons) Accounting and Tax, CA(SA)  
Date of appointment: May 2011

Bryan is a non-executive director of Holdsport Limited. He was a professor of Accounting at the University of Cape Town and served on the Accounting Standards Committee of the SAICA and co-authored with professor GK Everingham “Generally Accepted Accounting Practice – A South African Viewpoint”.

J Jacobus Johann Kriek (50)  
Executive director  
Stanford Executive Programme  
Date of appointment: June 2004

Johann has been involved in retail property management, retail acquisitions, development and letting for 30 years with a strong emphasis on development and redeveloping underperforming shopping centres.
SPIRO NOUSSIS (44)
Independent non-executive director
BCom, BAcc, CA(SA)
Date of appointment: August 2012

Spiro has experience in private equity and investment management. He was previously managing director of Lodestone Properties Limited. He has been involved in property since 2005 and in May 2014 was appointed chief executive officer of Rockcastle, a listed property fund invested in various direct and indirect property assets.

UMSHA REDDY (45)
Independent non-executive director
BSc Eng (Electrical)
Date of appointment: March 2012

Umsha’s 22 years of work experience spans both the engineering and IT environments across energy, telecommunications, manufacturing, retail, government and financial industries. Her longest tenures were with HP and Microsoft, five years and eight years respectively. She is currently employed at SABMiller plc. as executive head of programme management and solution delivery for the Business Information Systems division.

BARRY DANIEL VAN WYK (49)
Independent non-executive director
BCom, BAcc, CA(SA)
Date of appointment: November 2002

Barry heads up Renlia Developments Proprietary Limited, a property investment and development company primarily focused on office, industrial and residential opportunities. He was previously an executive director of Group Five Limited and managing director of Group Five Developments.
## ATTENDANCE AT BOARD AND SUB-COMMITTEE MEETINGS

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<th>Board</th>
<th>Investment committee</th>
<th>Audit committee</th>
<th>Risk committee</th>
<th>Nomination committee</th>
<th>Remuneration committee</th>
<th>Social and ethics committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>JJ Njieke (chairman of the board and nomination committee)</td>
<td>4/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1/1</td>
<td></td>
</tr>
<tr>
<td>Thembi Chagonda (chairperson of the remuneration committee)</td>
<td>5/5</td>
<td></td>
<td>1/1</td>
<td></td>
<td></td>
<td>2/2</td>
<td>1/1</td>
</tr>
<tr>
<td>Des de Beer</td>
<td>5/5</td>
<td>3/3</td>
<td>2/2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Andries de Lange</td>
<td>3/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marthin Greyling</td>
<td>4/5</td>
<td>4/4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nick Hanekom</td>
<td>5/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bryan Hopkins (chairman of the audit committee)</td>
<td>5/5</td>
<td>4/4</td>
<td></td>
<td>1/1</td>
<td></td>
<td>2/2</td>
<td></td>
</tr>
<tr>
<td>Johann Kriek</td>
<td>5/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spiro Noussis</td>
<td>5/5</td>
<td>3/3</td>
<td></td>
<td>2/2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Umsha Reddy (chairperson of the risk and social and ethics committees)</td>
<td>5/5</td>
<td></td>
<td>2/2</td>
<td></td>
<td></td>
<td>2/2</td>
<td>1/1</td>
</tr>
<tr>
<td>Barry van Wyk (chairman of the investment committee)</td>
<td>5/5</td>
<td>3/3</td>
<td>4/4</td>
<td>2/2</td>
<td></td>
<td></td>
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</tr>
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### BENEFICIAL SHAREHOLDING OF DIRECTORS AND OFFICERS

#### At 30 June 2015

<table>
<thead>
<tr>
<th>Name</th>
<th>Direct holding</th>
<th>Indirect holding</th>
<th>Total shares held</th>
<th>Percentage of issued shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Des de Beer</td>
<td>3 056 000</td>
<td>25 224 252</td>
<td>28 280 252</td>
<td>7,5%</td>
</tr>
<tr>
<td>Andries de Lange</td>
<td>451 628</td>
<td>4 463 806</td>
<td>4 915 434</td>
<td>1,3%</td>
</tr>
<tr>
<td>Nick Hanekom</td>
<td>346 344</td>
<td>1 966 913</td>
<td>2 313 257</td>
<td>0,6%</td>
</tr>
<tr>
<td>Johann Kriek</td>
<td>1 692 765</td>
<td>1 644 817</td>
<td>3 337 582</td>
<td>0,9%</td>
</tr>
<tr>
<td>JJ Njeke</td>
<td>16 425</td>
<td>-</td>
<td>16 425</td>
<td>-</td>
</tr>
<tr>
<td>Spiro Noussis</td>
<td>-</td>
<td>21 994</td>
<td>21 994</td>
<td>-</td>
</tr>
<tr>
<td>Monica Muller</td>
<td>88 278</td>
<td>-</td>
<td>88 278</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5 651 440</td>
<td>33 321 782</td>
<td>38 973 222</td>
<td>10,3%</td>
</tr>
</tbody>
</table>

#### At 30 June 2014

<table>
<thead>
<tr>
<th>Name</th>
<th>Direct holding</th>
<th>Indirect holding</th>
<th>Total shares held</th>
<th>Percentage of issued shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Des de Beer</td>
<td>3 256 000</td>
<td>22 137 795</td>
<td>25 393 795</td>
<td>8,1%</td>
</tr>
<tr>
<td>Andries de Lange</td>
<td>639 183</td>
<td>3 926 417</td>
<td>4 565 600</td>
<td>1,5%</td>
</tr>
<tr>
<td>Nick Hanekom</td>
<td>600 000</td>
<td>1 653 656</td>
<td>2 253 656</td>
<td>0,7%</td>
</tr>
<tr>
<td>Bryan Hopkins</td>
<td>-</td>
<td>48 013</td>
<td>48 013</td>
<td>-</td>
</tr>
<tr>
<td>Johann Kriek</td>
<td>1 890 000</td>
<td>1 353 618</td>
<td>3 243 618</td>
<td>1,0%</td>
</tr>
<tr>
<td>JJ Njeke</td>
<td>32 500</td>
<td>-</td>
<td>32 500</td>
<td>-</td>
</tr>
<tr>
<td>Spiro Noussis</td>
<td>-</td>
<td>11 006</td>
<td>11 006</td>
<td>-</td>
</tr>
<tr>
<td>Rajeshree Sookdeyu</td>
<td>86 400</td>
<td>-</td>
<td>86 400</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6 504 083</td>
<td>29 130 505</td>
<td>35 634 588</td>
<td>11,3%</td>
</tr>
</tbody>
</table>

The shareholding of directors and officers has not changed between the end of the financial year and one month prior to the date of the notice of the Annual General Meeting.
Resilient is pleased to present its integrated report for the year ended 30 June 2015 to stakeholders in accordance with the King Report on Governance for South Africa (“King III”).

Our integrated report has been prepared to give stakeholders insight into Resilient’s business model, performance, governance framework, strategy, risks and opportunities. While we have attempted to include information relevant to all stakeholders, the integrated report has been primarily prepared for the providers of financial capital in accordance with the International Integrated Reporting Framework (the “Framework”) issued in December 2013. The information in this integrated report has been prepared using methods consistent with the prior years and contains comparable information.

The information included in the integrated report has been provided in accordance with International Financial Reporting Standards (“IFRS”), the South African Companies Act, 2008, the JSE Listings Requirements and King III. Resilient is working towards complying fully with the Framework and has made additional disclosures as a step towards our compliance.

This integrated report covers the financial and non-financial performance of operating subsidiaries over whose operating policies and practices Resilient exercises control or significant influence, as indicated in note 9 on page 67. Other than its Nigerian initiative, all of Resilient’s operations are in South Africa.

In determining materiality when preparing the 2015 integrated report we applied the definition as per the Framework as: “Information about matters that substantively affect the group’s ability to create value over the short, medium and long term”. All items identified as being material have been disclosed in this report.

**STAKEHOLDER PROFILE**

**ORGANISATIONAL STAKEHOLDERS**
- Employees
- Co-owners

**SOCIETAL STAKEHOLDERS**
- Communities
- Government
- Local authorities
- Regulatory bodies
- Industry organisations

**ECONOMIC STAKEHOLDERS**
- Tenants
- Suppliers
- Property managers
- Financiers
- Investors
Irene Village Mall | 31 818m² | Gauteng
BUSINESS MODEL AND STRATEGY

OUR SHAREHOLDERS
Resilient strives to provide shareholders with positive returns, both in terms of income as well as capital growth. In doing so, Resilient undertakes to manage its assets in a responsible manner.

Resilient achieved growth in distributions of 19,13% against the guidance of 16% for the 2015 financial year. This is discussed further on page 16. Resilient’s share price is disclosed on page 24 of this report.

OUR TENANTS
Resilient’s management team fosters long-term relationships with all our tenants, recognising that there is an important symbiotic relationship between their success and ours.

We assess the tenant mix of our properties on an ongoing basis and relocate tenants where we feel that a tenant’s trading and the property’s performance can be improved.

We have long standing relationships with all the major national retailers which we leverage off when doing new developments or redevelopments. These relationships allow for constant interaction and feedback enabling us to adapt to our tenants’ needs and strategies timely.

OUR SHOPPING CENTRES
The day-to-day management of our shopping centres has been outsourced to our property managers, Broll Property Management Proprietary Limited and JHI Properties Proprietary Limited. We also have a team of experienced and dedicated in-house asset managers who are responsible for overseeing the properties, the performance of the properties and managing the tenant relationships. These asset managers report directly to the executive committee. We are constantly assessing opportunities for upgrades, refurbishments, extensions and redevelopments of our properties.

The tenant profile and the lease expiry profile can be found on page 42 of this report. Further information on our property portfolio is shown on pages 62 and 90 to 91 of this report.

OUR INVESTMENTS
Our management team is constantly investigating potential investments that will provide sustainable, long-term growth that exceeds industry norms whether in the form of a potential development, purchase of an existing property, expansion of existing shopping centres or through investment in listed property securities. Details of our property acquisitions and holdings of listed property securities are detailed on pages 16, 17, 62 and 65 of this report.

A stringent approval process is in place for properties to be acquired or developed with minimum letting and anchor tenant requirements. Our investment committee, who are all experienced in the property sector, approve Resilient’s acquisitions, redevelopments and disposals and receive updates on these at each meeting.

We regularly assess the existing portfolio and identify properties that no longer fit Resilient’s strategy. These properties are then earmarked for disposal.

INTERNATIONAL DIVERSIFICATION OF OUR PORTFOLIO
The intention is to diversify the geographical spread of the portfolio and to invest in markets with high growth expectations.

The board has committed R4 billion towards the development of malls in Nigeria through Resilient Africa. Resilient has currently invested R490 million in Nigeria.

Resilient has substantial investments in Nepi (R3,6 billion) and Rockcastle (R4,7 billion) (refer to page 17 and notes 4 and 5 of the financial statements) both of which provide exposure to different segments of offshore markets. The board’s intention is to have up to 35% of total direct and indirect property assets as offshore assets.

As at June 2015, 28,5% of the group’s total direct and indirect property assets were offshore assets compared to 23,4% at June 2014 (based on fair value).

FUNDING OUR BUSINESS
Resilient’s ability to access funding is intrinsic to its operations and thus its ability to create value. Resilient maintains a diversity of funding sources by using different banks as well as the debt capital markets through its DMTN programme. This diversity and the hedging of our exposure to interest rate risk are the tools used in managing our borrowing costs. As discussed in note 25 to the financial statements, Resilient hedges at least 80% of its exposure to interest rates. Details of the interest rate derivatives and the group’s facilities are shown in the directors’ report on pages 17 to 19 and in notes 12 and 25 to the financial statements.

Resilient raised R3,5 billion of equity by way of a bookbuild and a rights issue during the year.

OUR BUSINESS PARTNERS
We enter into developments with reputable partners with whom we share similar values and goals. These relationships allow us to leverage off the specific skills and experience of our partners all of whom have proven track records in the property industry.

OUR EMPLOYEES
Our employees are as intrinsic to our business as our properties. We therefore aim to attract and retain motivated, high-calibre executives and employees whose interests are aligned with the interests of shareholders. Further details on our remuneration strategy and policy can be found on pages 20 to 23 of this report.

Our employees are encouraged to attend job and industry related training. Details on the training spend and number of employees who attended training are set out on page 39.

Our strategy is to grow and develop our employees such that when there is a job vacancy we can first look to promoting existing staff rather than hiring externally.

SUSTAINABILITY
We aim to improve the sustainability of our properties by investigating new technologies and options to reduce energy and water consumption. Further details of our progress in this regard is discussed on page 35 of this report.
An overview of the capitals used by Resilient is shown below and further details are shown throughout this report:

<table>
<thead>
<tr>
<th>Capital Type</th>
<th>Details</th>
</tr>
</thead>
</table>
| Financial capital (our shareholders and funding our business) | - Distributions of 390.67 cents per share indicating growth of 19.13% over that of the prior year.  
- R3.5 billion raised by way of a bookbuild and a rights issue during the year. |
| Manufactured capital (our shopping centres and investments) | - Acquisitions totalling R2.5 billion concluded during 2015.  
- Capital expenditure totalling R374 million.  
- There were no disposals during 2015. |
| Human capital (our employees)                    | - R21.7 million distribution per employee.  
- Low staff turnover. |
| Social and relationship capital (our tenants and our business partners) | - R1 billion in shares issued to The Siyakha Education Trust funded through loans from Resilient during the current year. The focus of the Trust is on the improvement of black education in South Africa. Further details are set out on pages 35 to 39. |
| Natural capital (sustainability)                 | - Increased number of properties with sustainability initiatives including energy efficient lighting and photovoltaic installations. |
| Intellectual capital                              | - Highly regarded and experienced management team with property specific knowledge.  
- Well-established procedures and systems which enhance efficiency and value creation.  
- Rated number nine in South Africa’s top Companies 2015 by The Financial Mail. |
1 NATURE OF THE BUSINESS
Resilient is an internally asset managed Real Estate Investment Trust ("REIT") listed on the JSE Limited. Its strategy is to invest in dominant regional retail centres with a minimum of three anchor tenants and let predominantly to national retailers. A core competency is the successful development of new malls and extensions to existing malls.

Resilient also invests in listed and offshore property related assets.

2 DISTRIBUTABLE EARNINGS AND COMMENTARY ON RESULTS

The distributions for the 2015 financial year increased by 19,13% to 390,67 cents per share (interim: 185,62 cents; final: 205,05 cents). These results were achieved in a difficult economic environment with lower GDP growth and interruptions in electricity supply. The dividends from listed investments were ahead of forecast, particularly the dividends from Rockcastle and Nepi where Resilient benefitted from the depreciation of the Rand against the US Dollar and Euro.

As at June 2015, 28,5% of the group's total direct and indirect property assets were offshore assets.

The property portfolio performed well, however, comparable retail sales growth of 7,9% for the year was lower than the 8,8% achieved at the interim period. For comparative purposes, the extension to Rivonia Village (including the Checkers store) was excluded. Soshanguve Crossing, Circus Triangle, Irene Village Mall and Secunda Mall were not included as comparable figures are not available. Soshanguve Mall and Secunda Mall, both new developments, are trading ahead of retailers' budgets.

The comparable sales growth for the year per province is set out below:

<table>
<thead>
<tr>
<th>Province</th>
<th>Comparable sales growth</th>
<th>Percentage of SA properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>North West</td>
<td>0,7%</td>
<td>6,9%</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>5,3%</td>
<td>22,9%</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>6,0%</td>
<td>6,1%</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>6,1%</td>
<td>12,5%</td>
</tr>
<tr>
<td>Limpopo</td>
<td>10,1%</td>
<td>31,0%</td>
</tr>
<tr>
<td>Gauteng</td>
<td>15,4%</td>
<td>20,6%</td>
</tr>
</tbody>
</table>

The North West province again disappointed. The growth in Limpopo province is largely attributable to strong growth at Mall of the North, Tzaneng Mall and Tubatse Crossing. Tzaneen Crossing and Limpopo Mall disappointed.

The motorised grocery shopping at Tzaneen Crossing has shifted to Tzaneen Lifestyle Centre. Limpopo Mall, although still trading exceptionally well, appears to be losing some market share to Mall of the North.

The drop in commodity prices, one of the foundations of the South African economy, services interruptions, labour unrest and the weak Rand will negatively impact retail sales growth in the year ahead. Anticipating a period of weaker retail growth and consolidation, Resilient has adopted a more defensive approach including rightsizing anchor tenants and increasing the entertainment offerings at its malls. Although these initiatives increase dominance and improve overall trading densities, generally low yields are achieved.

3 PROPERTY ACQUISITIONS
Resilient took transfer of Jubilee Mall and Irene Village Mall in September 2014 and December 2014 respectively. These transactions were announced in the previous financial year. Resilient increased its interests in Flanga Mall by a further 15% to 85% (R140 million in March 2015) and Brits Mall by 2% to 95% (R11 million in January 2015).

Resilient has agreed to acquire a 50% interest in the proposed Mams Mall in Mamelodi at a price of R210 million. The existing shopping centre with a GLA of 17 333m² on the site will be extensively redeveloped. A mall with a total GLA of 65 000m² is planned which will include at least four anchor tenants and all major national retailers. Resilient will partially finance the co-developer. The preliminary feasibility study indicates that a yield of approximately 8,5% will be achieved.

4 EXTENSIONS
The extension to Circus Triangle was completed within budget and on schedule in October 2014. This extension accommodates the addition of Edgars and Game as anchors, the expansion of existing tenants and the introduction of new national retailers to the centre.

Extensions to Diamond Pavilion in Kimberley to accommodate the expansion of Woolworths and Edgars, as well as adding a net additional 149 parking bays, commenced in May 2015. The extension will increase GLA to 37 965m². As the additional parking is not income producing, a yield of 4,4% is forecast on the cost of R104,5 million. It is, however, anticipated that the extension and parking will enhance trading densities for all tenants in the mall.

A 4 551m² GLA extension to Village Mall Kathu to accommodate Food Lover’s Market and the expansion of the Spar Superstore, will commence in August 2015 and is scheduled for completion in June 2016. The extension is projected to yield 8,0% on the cost of R46,1 million.

Major extensions that are at various stages of planning include The Grove and Tzaneen Lifestyle Centre. The board has approved the following capital expenditure:

<table>
<thead>
<tr>
<th>Property</th>
<th>R'million</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Grove</td>
<td>27</td>
<td>6,6%</td>
</tr>
<tr>
<td>The Galleria</td>
<td>98</td>
<td>5,0%</td>
</tr>
<tr>
<td>Limpopo Mall</td>
<td>167</td>
<td>6,2%</td>
</tr>
<tr>
<td>Boardwalk Inkwazi</td>
<td>190</td>
<td>4,3%</td>
</tr>
<tr>
<td>Flanga Mall</td>
<td>349</td>
<td>5,0%</td>
</tr>
<tr>
<td>Irene Village Mall</td>
<td>1 300</td>
<td>7,0%</td>
</tr>
<tr>
<td></td>
<td>2 131</td>
<td>6,3%</td>
</tr>
</tbody>
</table>

The timing of these extensions is dependent on various approvals, particularly plan approvals by local authorities.
5 RESILIENT AFRICA

The board has agreed to increase its capital commitment to this joint venture for the development of malls in Nigeria to R4 billion. Resilient increased its interest in Resilient Africa to 60,94% after acquiring 9,96% from Standard Bank at a cost of R72,6 million. Shoprite Checkers, the joint venture partner, increased its interest from 32,68% to 39,06%.

The first phase of Delta Mall in Warri, including the Shoprite store, opened in April 2015. The second phase, including cinemas and a food court, is scheduled to open in September 2015. Tenants report good trading performances. The initial yield of 9,3% includes land for expansion. The first phase of Owerri Mall is scheduled to open in November 2015. The yield of 9,0% is projected to increase to 10,0% once the final phase is completed. Construction of the 9 239m² GLA Asaba Mall commenced in June 2015, with completion scheduled for October 2016. The forecast yield of 9,8% includes land for future expansion. Site establishment of the 12 000m² GLA first phase of Abeokuta Mall commenced in June 2015. The mall is scheduled for completion in February 2017 at a yield of 9,0% including land for future expansion. (All yields quoted are in US Dollar.)

Agreements have been entered into to acquire land in Port Harcourt and Benin City. Various planning and other conditions need to be met, however, construction of the malls is anticipated to commence before the end of 2015.

Stanbic has approved a facility of USD55 million secured against Delta Mall and Owerri Mall at an interest rate of 90-day USD Libor plus 6,25%. This interest rate includes Nigerian country risk and there is no recourse to South African balance sheets.

Although the elections in Nigeria were positive, economic conditions are difficult. Challenges include uncertainty until the new government (and its appointments) is settled and the sharp reduction in the oil price which is Nigeria’s major export.

The Nigerian Naira has performed better than the Rand against the US Dollar over the past five years, depreciating by 32,9% against 58,6% for the Rand. The Naira exchange rate now appears to be “managed” and further depreciation of between 10% and 15% seems inevitable. Despite its challenges, Nigeria remains an attractive investment destination. The respective IMF and World Bank GDP growth forecasts are 4,8% and 4,5% for 2015 increasing to 5,2% and 5,0% for 2016.

6 LISTED PORTFOLIO

<table>
<thead>
<tr>
<th>Counter</th>
<th>Jun 2015 Number of shares</th>
<th>Fair value R’000</th>
<th>Jun 2014 Number of shares</th>
<th>Fair value R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital (CPF)</td>
<td>195 900 000</td>
<td>2 801 369</td>
<td>208 340 000</td>
<td>2 229 238</td>
</tr>
<tr>
<td>Fortress B (FFB)</td>
<td>92 675 355</td>
<td>2 363 221</td>
<td>98 670 000</td>
<td>98 700</td>
</tr>
<tr>
<td>Nepi (NEP)</td>
<td>26 217 896</td>
<td>3 607 583</td>
<td>25 300 000</td>
<td>2 403 500</td>
</tr>
<tr>
<td></td>
<td>8 772 173</td>
<td></td>
<td>5 619 438</td>
<td></td>
</tr>
<tr>
<td>Rockcastle (ROC)</td>
<td>175 322 584</td>
<td>4 728 450</td>
<td>168 560 000</td>
<td>2 857 092</td>
</tr>
<tr>
<td></td>
<td>13 500 623</td>
<td></td>
<td>8 476 530</td>
<td></td>
</tr>
</tbody>
</table>

^ Rockcastle was treated as an associate (equity accounted) and was thus not fair valued in the financial statements. The carrying value of Rockcastle was R3 343 million and R2 473 million at June 2015 and June 2014 respectively. The net asset value of Resilient will increase to R72,52 (Jun 2014: R54,29) if the investment in Rockcastle is fair valued.

The board’s policy is to hedge a maximum of 35% of its foreign currency exposure to equity investments (Nepi and Rockcastle). At June 2015, EUR52 million and USD151 million were hedged at R13,90 and R12,25 respectively, being 30,9% of Resilient’s offshore listed equity exposure. The main purpose is to align the funding risk profile to both the currency and income streams of the group’s offshore holdings. The result is that 30,9% of these investments are funded at the interest rates applicable to the currencies of the investments.

7 VACANCIES

Vacancies reduced further from 2,2% at December 2014 to the current 2,0%. Vacancies at The Galleria of 5 483m² are relatively high at 6,2%, however, these should continue to decline with the relocation and expansion of existing tenants and the introduction of new tenants.

8 FACILITIES AND INTEREST RATE DERIVATIVES

Resilient accepted a 5-year loan of R500 million from Nedbank and a 3-year loan of R570 million from Absa. Following the successful R2,8 billion rights issue, Resilient has R4,3 billion available under its approved banking facilities.

<table>
<thead>
<tr>
<th>Facility expiry</th>
<th>Amount R’million</th>
<th>Average margin over Jibar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun 2016</td>
<td>625</td>
<td>1,03%</td>
</tr>
<tr>
<td>Jun 2017</td>
<td>1 865</td>
<td>1,46%</td>
</tr>
<tr>
<td>Jun 2018</td>
<td>2 749</td>
<td>1,50%</td>
</tr>
<tr>
<td>Jun 2019</td>
<td>2 422</td>
<td>1,50%</td>
</tr>
<tr>
<td>Jun 2020</td>
<td>1 553</td>
<td>1,55%</td>
</tr>
<tr>
<td>Jun 2021</td>
<td>900</td>
<td>1,72%</td>
</tr>
<tr>
<td></td>
<td>10 114</td>
<td>1,49%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest rate swap expiry</th>
<th>Amount R’million</th>
<th>Average swap rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun 2016</td>
<td>100</td>
<td>7,84%</td>
</tr>
<tr>
<td>Jun 2017</td>
<td>700</td>
<td>7,67%</td>
</tr>
<tr>
<td>Jun 2018</td>
<td>900</td>
<td>7,52%</td>
</tr>
<tr>
<td>Jun 2019</td>
<td>1 100</td>
<td>7,28%</td>
</tr>
<tr>
<td>Jun 2020</td>
<td>880</td>
<td>6,31%</td>
</tr>
<tr>
<td>Jun 2021</td>
<td>820</td>
<td>7,88%</td>
</tr>
<tr>
<td>Jun 2022</td>
<td>500</td>
<td>8,09%</td>
</tr>
<tr>
<td>Jun 2023</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Jun 2024</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Jun 2025</td>
<td>100</td>
<td>7,78%</td>
</tr>
<tr>
<td></td>
<td>5 100</td>
<td>7,41%</td>
</tr>
</tbody>
</table>
8 FACILITIES AND INTEREST RATE DERIVATIVES (CONTINUED)

<table>
<thead>
<tr>
<th>Interest rate cap expiry</th>
<th>Amount R’million</th>
<th>Average cap rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun 2018</td>
<td>400</td>
<td>5,90%</td>
</tr>
<tr>
<td>Jun 2019</td>
<td>200</td>
<td>7,38%</td>
</tr>
<tr>
<td>Jun 2020</td>
<td>300</td>
<td>7,54%</td>
</tr>
<tr>
<td>Jun 2021</td>
<td>300</td>
<td>7,92%</td>
</tr>
<tr>
<td>Jun 2022</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Jun 2023</td>
<td>400</td>
<td>7,71%</td>
</tr>
<tr>
<td>Jun 2024</td>
<td>800</td>
<td>7,78%</td>
</tr>
</tbody>
</table>

2 400 7,41%

Variable rate instruments

<table>
<thead>
<tr>
<th>Amount R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to BEE vehicles</td>
</tr>
<tr>
<td>Loans to co-owners</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Interest-bearing borrowings</td>
</tr>
<tr>
<td>Capital commitments contracted for</td>
</tr>
<tr>
<td>4 479 444</td>
</tr>
<tr>
<td>Total interest rate derivatives</td>
</tr>
<tr>
<td>Percentage hedged</td>
</tr>
</tbody>
</table>

Capital expenditure approved not yet contracted for | 2 130 500 |
Percentage hedged inclusive of approved capital expenditure | 113,5% |

The all-in weighted average cost of funding of Resilient was 8,88% at June 2015 and the average hedge term was 4,5 years.

The information contained in notes 2 and 8 and the “Property operations” section of note 10 has been compiled using proportionate consolidation. This results in Resilient accounting for its share of the assets and liabilities of Resilient Africa and property investments that are not held in undivided shares (Arbour Crossing, The Galleria, Irene Village Mall and Mafikeng Mall).

9 ISSUE OF SHARES

Following the maturing of the first tranche of the Eagle’s Eye womens’ BBBEE initiative, Resilient issued 7 812 500 (13 August 2014) and 6 097 560 (25 November 2014) shares to The Siyakha Education Trust at R64,00 and R82,00 respectively. The Trust is a charitable trust established for the promotion of black education and is a registered public benefit organisation. The second tranche of the Eagle’s Eye womens’ BBBEE initiative matured in July 2015.

As part consideration for the acquisition of Jubilee Mall, 6 578 947 shares were issued at R57,00 on 1 September 2014. On 13 November 2014, Resilient successfully placed 9 150 326 shares at R76,50 by way of a bookbuild managed by Java Capital in terms of the authority granted to Resilient to issue shares for cash. On 22 June 2015 Resilient issued 32 696 124 shares at R85,00 per share through a rights issue to existing shareholders.

10 SUMMARY OF FINANCIAL PERFORMANCE

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares/units in issue</td>
<td>376 747 796</td>
<td>342 209 172</td>
<td>312 569 839</td>
<td>293 339 070</td>
</tr>
</tbody>
</table>

###  Property operations

<table>
<thead>
<tr>
<th>Net asset value per share</th>
<th>Jun 2015</th>
<th>Dec 2014</th>
<th>Jun 2014</th>
<th>Dec 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>R68,85</td>
<td>R59,02</td>
<td>R53,06</td>
<td>R44,36*</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interest-bearing debt to asset ratio**</th>
<th>Jun 2015</th>
<th>Dec 2014</th>
<th>Jun 2014</th>
<th>Dec 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>17,8%</td>
<td>28,5%</td>
<td>28,7%</td>
<td>34,6%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>11,6%</td>
<td>12,3%</td>
<td>12,2%</td>
<td>14,9%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>34,2%</td>
<td>33,9%</td>
<td>33,9%</td>
<td>34,9%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>12,8%</td>
<td>12,7%</td>
<td>15,9%</td>
<td>17,8%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>29,9%</td>
<td>29,2%</td>
<td>32,6%</td>
<td>33,1%</td>
<td></td>
</tr>
</tbody>
</table>

* Net asset value includes total equity attributable to equity holders and linked debentures.

** The interest-bearing debt to asset ratio is calculated by dividing total interest-bearing borrowings adjusted for cash on hand by the total of investments in property, listed securities and loans advanced.

11 PROSPECTS

Electricity black-outs have a negative impact on Resilient’s performance through reduced trading hours and loss of parking revenue. Steps are being taken to facilitate continued trading through the use of solar power, generators and inverters.

The board has considered the offer by Fortress to acquire all the shares not already owned by it in Capital and has resolved to accept the offer.

Dividends are forecast to increase by approximately 18% for the 2016 financial year. To provide additional certainty to investors, the Resilient board resolved to hedge the projected dividend income from its holdings in Rockcastle and Nepi for the 2016 financial year.

###  Dec 2015 dividend Jun 2016 dividend

<table>
<thead>
<tr>
<th>USD</th>
<th>EUR</th>
<th>USD</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forward rate against ZAR</td>
<td>R12,86</td>
<td>R14,27</td>
<td>R13,34</td>
</tr>
</tbody>
</table>

The growth is further based on the assumptions that a stable macro-economic environment will prevail, no major corporate failures will occur and that tenants will be able to absorb the recovery of rising utility costs and municipal rates. Budgeted rental income was based on contractual escalations and market related renewals. This forecast has not been audited or reviewed by Resilient’s auditors.

At the AGM, the board will propose changing the company’s name to Resilient REIT Limited.
Resilient’s remuneration committee (“the committee”) oversees the development and annual review of the remuneration policy which is ultimately approved by the board. In doing so it ensures that the policy aligns the executive and management remuneration with the value delivered to the group’s stakeholders and further recognises exceptional individual contributions. The committee has been mandated by the board to authorise the remuneration and incentivisation of all employees, including executive directors. The members of the remuneration committee are Thembi Chagonda, Bryan Hopkins and Umsha Reddy, all of whom are independent non-executive directors.

**Remuneration Policy**

The remuneration policy is aligned with the strategic objectives of the company which is to create long-term, sustainable value for stakeholders. Remuneration is a combination of salary, short-term performance based incentivisation and long-term incentivisation in order to attract and retain motivated, high-calibre executives and employees whose interests are aligned with the interests of stakeholders. The remuneration policy aims to balance organisational and individual performance with the appropriate balance of guaranteed and variable pay. The policy is applicable to the company’s executive directors as well as all employees and has remained substantially the same over the past few years.

Resilient is committed to utilising a job evaluation system. The purpose of job evaluation is to determine the relative worth of one job against another. Each position in the organisation has been documented and evaluated in line with job evaluation principles. The job evaluation is communicated to the incumbent and is utilised in determining pay structures that are fair and objective. Job evaluation is also utilised in other human resource practices such as career pathing and recruitment.

**Overview**

The group aims to retain its competitive advantage in the industry by attracting talented individuals and retaining experienced staff who demonstrate the behavioural traits which fit the group’s entrepreneurial and dynamic culture.

The remuneration policy is based on the following guiding principles:

- Remuneration must support key business strategies;
- Remuneration must create a strong, performance orientated environment that is consistent with the group’s long-term objective of value creation for stakeholders;
- Remuneration must be structured to attract, motivate and retain talented employees;
- The remuneration policy should promote risk management and not encourage excessive risk-taking by key decision makers;
- Remuneration should be structured in a manner that allows for the recognition and encouragement of exceptional performance, both at an individual and group level;
- The remuneration policy should be transparent and easy to understand; and
- Remuneration should be equitable both from an internal perspective, taking into account employees, their roles and qualifications, and from an external perspective, ensuring that remuneration is in line with the market.

**Executive and Management Remuneration Principles**

The group draws from a wide variety of sources in determining the remuneration of staff, including independent surveys, peer group comparisons, publicly available data and market place intelligence from local as well as international sources.

In addition to an independent salary review by Key Point Consulting, the remuneration committee was guided by companies of comparable size (market capitalisation) as set out hereunder:

- Reinet Investments SCA
- Capitec Bank Holdings Limited
- Redefine Properties Limited
- Pioneer Foods Group Limited
- MMI Holdings Limited
- PSG Group Limited
- Truworths International Limited
- Distell Group Limited
- Life Healthcare Group Holdings Limited

The following Key Performance Indicators (“KPIs”) were included in the evaluations of executive management:

- Growing distributions in excess of 10% per annum
- Increasing net asset value per share in excess of 10% per annum
- Increasing retail trading densities by more than 1% over CPI
- Limiting vacancies to less than 2.5% of total GLA
- Maintaining tenant arrears written off below 1% of revenue
- Maintaining staff turnover below 5% per annum
- Maintaining the net property expenses to revenue ratio below 15%
- Ensuring that at least 80% of the group’s exposure to interest rate movement is hedged
- Ensuring an average interest rate hedge term exceeding four years
- Ensuring the publication of financial results within six weeks of the end of a financial period

Remuneration packages are structured depending on the required skills and experiences at each level as well as the employee’s level of influence on strategy and the complexity of each role.

Remuneration comprises both fixed and variable pay. Fixed pay comprises an annual salary. The group does not offer any medical aid or retirement benefits and these are for the account of the employee.

Variable pay comprises short-term performance incentives through cash bonuses and long-term incentives through the share incentive scheme. Short-term performance incentives are used to motivate and reward annual performance in line with the group’s strategic goals. This remuneration is payable in cash and based on the individual’s performance which is linked to the group’s performance. A further discretionary bonus may also be paid to individuals who are considered by the remuneration committee to have rendered exceptional service in any given year. Long-term incentives create value and align the interests of employees with shareholders as employees receive value only if there is capital appreciation in the shares. Details of the scheme, including individual’s limits and the regularity of issues are discussed in the table below.
The methods for determining the various remuneration components are as follows:

<table>
<thead>
<tr>
<th>Total guaranteed package (“TGP”)</th>
<th>Executive directors</th>
<th>Fixed</th>
<th>Compensation, at market related levels, for directors performing their specific roles</th>
<th>TGP is benchmarked at the median of the peer group. The committee considers the following when reviewing TGP:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- inflation over the period;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- market for specific employee’s skills;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- individual performance;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- group performance including growth in distributions per share.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>TGP is reviewed annually in November.</td>
</tr>
<tr>
<td>Management</td>
<td>Fixed</td>
<td></td>
<td>Compensation, at market related levels, for employees performing their specific roles</td>
<td>TGP is benchmarked at the median of the peer group. The committee considers the following when reviewing TGP:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- inflation over the period;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- market for specific employee’s skills;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- individual performance;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- changes in responsibilities; and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- gains in experience.</td>
</tr>
<tr>
<td>Short-term performance incentives</td>
<td>Executive directors</td>
<td>Variable</td>
<td>Achievement of short-term organisational goals</td>
<td>Based on set objectives the committee awards cash bonuses to management.</td>
</tr>
<tr>
<td>Long term incentives -share incentive scheme</td>
<td>Executive directors</td>
<td>Variable</td>
<td>Alignment of long-term organisational goals and sustainable long-term total stakeholder return</td>
<td>Based on set objectives the committee may award employees with shares. Employees take full market risk on the shares from date of issue. The group is of the opinion that this aligns the interests of employees and stakeholders more closely. Share incentive scheme allocations will be considered by the committee twice per year outside closed periods.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Participation in the long-term incentive scheme is limited to 20 times an employee’s annual salary.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Backdating of share-based incentives is not permitted.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Shares are offered to participants who then accept such number of shares that they want to invest in. The value of the shares accepted is advanced as a loan to the participant by the share incentive scheme.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Shares are issued at the market price of Resilient shares and therefore no discount is provided.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Shares vest immediately and participants assume the full risk associated with the investment made and loan advanced.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Salient terms of the share incentive scheme loans are:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Loans are repayable on the tenth anniversary of the loans being granted.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Loans bear interest at the weighted average cost of funding of the group with interest being serviced bi-annually. In the event of the interest paid being more than the interest received, the group will subsidise the shortfall. This subsidy is phased out over a maximum period of five years.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Loans are repayable on termination of employment.</td>
</tr>
</tbody>
</table>
Service contracts

All employees, including executive directors, are required to sign employment contracts with the group. These contracts set out the working hours, salary, leave entitlement, notice and probation periods and other relevant information. There is no restraint of trade clause in any of the employment contracts.

Pay date

Remuneration is paid on the 25th day of each month and if this day falls on a weekend, remuneration will be paid on the Friday preceding the 25th.

Tax allowances

Management and employees can request assistance in structuring their remuneration packages. The primary allowance that will be allowed is a travel allowance.

EMPLOYEES’ AND EXECUTIVE DIRECTORS’ REMUNERATION

Salaries are competitive relative to the market and increases are determined with reference to individual performance, inflation and market-related factors on a total cost-to-company basis. Annual increases are effective 1 January. Executive directors do not receive directors’ or sub-committee fees. Executive directors have service contracts with Resilient which include a notice period. There is no restraint of trade.

Bonuses based on individual and group performance are an effective means of short-term incentivisation. These are awarded based on the performance of the individual and the group taking into account market conditions. Bonuses are approved by the remuneration committee.

<p>| Remuneration (paid by subsidiaries in the group) | Bonus (paid by subsidiaries in the group) | Remuneration (paid by subsidiaries in the group) | Bonus (paid by subsidiaries in the group) |</p>
<table>
<thead>
<tr>
<th>Jun 2015 R’000</th>
<th>Jun 2015 R’000</th>
<th>Jun 2014 R’000</th>
<th>Jun 2014 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Des de Beer</td>
<td>3 115</td>
<td>3 006*</td>
<td>3 260</td>
</tr>
<tr>
<td>Andries de Lange</td>
<td>2 318</td>
<td>2 489*</td>
<td>2 364</td>
</tr>
<tr>
<td>Nick Hanekom</td>
<td>2 300</td>
<td>1 920*</td>
<td>1 770</td>
</tr>
<tr>
<td>Johann Kriek</td>
<td>2 996</td>
<td>2 524*</td>
<td>2 880</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10 729</strong></td>
<td><strong>9 939</strong></td>
<td><strong>10 297</strong></td>
</tr>
</tbody>
</table>

* A bonus equal to 10% of the value of the share purchase scheme allocation of 8 May 2015 was awarded to all participants in the scheme. The bonus was awarded on condition that the post-tax amounts were used to reduce the loans associated with the allocations.

The long-term incentivisation aligns employees to the company’s strategic objective of promoting sustainable growth in distribution. Long-term incentivisation is achieved through the allocation of shares to employees through The Resilient Share Purchase Trust. The remuneration committee authorises the number of shares to be allocated based on individual employee performance as recommended by management. The remuneration committee takes into consideration the individual’s salary, position and previous share allocations. Resilient Property Income Fund Limited issues shares to The Resilient Share Purchase Trust. On acceptance of the shares by the employee, The Resilient Share Purchase Trust provides loan financing to acquire the shares. Further details of loans made to the Resilient Share Purchase Trust can be found in note 19 to the financial statements.

Details of the allocations of shares to directors on which debt remained outstanding at 30 June 2015 are as follows:

<table>
<thead>
<tr>
<th>Employee</th>
<th>Number of shares</th>
<th>Date of issue</th>
<th>Issue price R</th>
<th>Employee asset as recorded in the Trust R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Des de Beer</td>
<td>80 000</td>
<td>9 Mar 11</td>
<td>28,80</td>
<td>2 304</td>
</tr>
<tr>
<td></td>
<td>300 000</td>
<td>10 Nov 11</td>
<td>33,36</td>
<td>10 008</td>
</tr>
<tr>
<td></td>
<td>500 000</td>
<td>7 Mar 13</td>
<td>51,86</td>
<td>25 930</td>
</tr>
<tr>
<td></td>
<td>500 000</td>
<td>13 Nov 13</td>
<td>53,10</td>
<td>26 550</td>
</tr>
<tr>
<td></td>
<td>175 000</td>
<td>8 May 15</td>
<td>94,78</td>
<td>15 608</td>
</tr>
<tr>
<td>Andries de Lange</td>
<td>50 000</td>
<td>9 Mar 11</td>
<td>28,80</td>
<td>1 440</td>
</tr>
<tr>
<td></td>
<td>200 000</td>
<td>10 Nov 11</td>
<td>33,36</td>
<td>6 672</td>
</tr>
<tr>
<td></td>
<td>374 832</td>
<td>7 Mar 13</td>
<td>51,86</td>
<td>19 439</td>
</tr>
<tr>
<td></td>
<td>500 000</td>
<td>13 Nov 13</td>
<td>53,10</td>
<td>26 550</td>
</tr>
<tr>
<td></td>
<td>150 000</td>
<td>8 May 15</td>
<td>94,78</td>
<td>13 378</td>
</tr>
</tbody>
</table>
NON-EXECUTIVE DIRECTORS’ REMUNERATION

Non-executive directors’ remuneration consists of a base fee and a fee per board sub-committee which fees are reviewed annually. The remuneration committee recommends directors’ fees payable to non-executive directors to the board which proposes the fees for shareholder approval at the AGM.

Attendance of directors at the various board and sub-committee meetings is disclosed on page 10.

Non-executive directors do not participate in The Resilient Share Purchase Trust nor is there any other remuneration paid to non-executive directors, including remuneration linked to the performance of the group.

<table>
<thead>
<tr>
<th>Name</th>
<th>For services as a director (paid by the company) Jun 2015 R'000</th>
<th>For services as a director (paid by the company) Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>JJ Njeke</td>
<td>Chairman Nomination committee chairman</td>
<td>390</td>
</tr>
<tr>
<td>Thembi Chagonda</td>
<td>Remuneration committee chairperson Nomination committee member Social &amp; ethics committee member</td>
<td>442</td>
</tr>
<tr>
<td>Marthin Greyling</td>
<td>Audit committee member Social &amp; ethics committee member</td>
<td>390</td>
</tr>
<tr>
<td>Bryan Hopkins</td>
<td>Audit committee chairman Nomination committee member Remuneration committee member</td>
<td>494</td>
</tr>
<tr>
<td>Spiro Noussis</td>
<td>Investment committee member Risk committee member</td>
<td>390</td>
</tr>
<tr>
<td>Ursha Reddy</td>
<td>Risk committee chairperson Social &amp; ethics committee chairperson Remuneration committee member</td>
<td>442</td>
</tr>
<tr>
<td>Barry van Wyk</td>
<td>Audit committee member Investment committee chairman Risk committee member</td>
<td>494</td>
</tr>
</tbody>
</table>

The group did not pay any fees or benefits to directors other than the remuneration as disclosed in the tables above.

PAYMENTS TO PAST DIRECTORS

There were no payments to past directors in 2015.

PAYMENTS FOR LOSS OF OFFICE

There were no payments for loss of office to any employees or past directors in 2015.
The board of directors is committed to creating sustainable stakeholder value by managing the portfolio and by maximising returns on the core assets.

The graphs below indicate the share price performance of Resilient as well as the performance of Resilient shares compared to the FTSE/JSE South African Listed Property Index ("SAPY") on both a price return and total return basis. The performance of the Resilient shares are indexed using a base of 100 on 1 January 2003.
**SHAREHOLDER ANALYSIS**

**SHAREHOLDER SPREAD AT 30 JUNE 2015 AS DEFINED IN TERMS OF THE JSE LISTINGS REQUIREMENTS**

<table>
<thead>
<tr>
<th>Shareholder Type</th>
<th>Number of Shareholders</th>
<th>Number of Shares Held</th>
<th>Percentage of Issued Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>5,676</td>
<td>311,684,356</td>
<td>82.7%</td>
</tr>
<tr>
<td>Directors and employees</td>
<td>171</td>
<td>65,063,440</td>
<td>17.3%</td>
</tr>
<tr>
<td></td>
<td><strong>5,847</strong></td>
<td><strong>376,747,796</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

**Size of holding**

<table>
<thead>
<tr>
<th>Size of Holding</th>
<th>Number of Shareholders</th>
<th>Number of Shares Held</th>
<th>Percentage of Issued Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 2,500 shares</td>
<td>3,692</td>
<td>3,179,954</td>
<td>0.8%</td>
</tr>
<tr>
<td>2,501 to 10,000 shares</td>
<td>1,201</td>
<td>5,913,115</td>
<td>1.6%</td>
</tr>
<tr>
<td>10,001 to 100,000 shares</td>
<td>643</td>
<td>20,678,817</td>
<td>5.5%</td>
</tr>
<tr>
<td>100,001 to 1,000,000 shares</td>
<td>238</td>
<td>81,999,075</td>
<td>21.8%</td>
</tr>
<tr>
<td>1,000,001 to 3,500,000 shares</td>
<td>52</td>
<td>90,581,470</td>
<td>24.0%</td>
</tr>
<tr>
<td>More than 3,500,000 shares</td>
<td>21</td>
<td>174,395,365</td>
<td>46.3%</td>
</tr>
<tr>
<td></td>
<td><strong>5,847</strong></td>
<td><strong>376,747,796</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

**Registered shareholders owning 5% or more of issued shares**

<table>
<thead>
<tr>
<th>Registered Shareholder</th>
<th>Number of Shares Held</th>
<th>Percentage of Issued Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Employees Pension Fund</td>
<td>34,076,285</td>
<td>9.0%</td>
</tr>
<tr>
<td>The Siyakha Education Trust</td>
<td>34,055,508</td>
<td>9.0%</td>
</tr>
<tr>
<td>Hollyrood Investments Proprietary Limited</td>
<td>22,181,664</td>
<td>5.9%</td>
</tr>
<tr>
<td>Capital Property Fund Limited</td>
<td>20,651,764</td>
<td>5.5%</td>
</tr>
<tr>
<td></td>
<td><strong>110,965,221</strong></td>
<td><strong>29.4%</strong></td>
</tr>
</tbody>
</table>

**Control of more than 5% of issued shares**

<table>
<thead>
<tr>
<th>Control of Shares</th>
<th>Number of Shares Controlled</th>
<th>Percentage of Issued Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Employees Pension Fund</td>
<td>34,076,285</td>
<td>9.0%</td>
</tr>
<tr>
<td>The Siyakha Education Trust</td>
<td>34,055,508</td>
<td>9.0%</td>
</tr>
<tr>
<td>Des de Beer*</td>
<td>31,322,840</td>
<td>8.3%</td>
</tr>
<tr>
<td>Capital Property Fund Limited</td>
<td>20,651,764</td>
<td>5.5%</td>
</tr>
<tr>
<td></td>
<td><strong>120,106,397</strong></td>
<td><strong>31.8%</strong></td>
</tr>
</tbody>
</table>

*Includes the 50% non-beneficial holding of Optimprops 3 Proprietary Limited.
RISK MANAGEMENT AND KEY RISK FACTORS

Risk is the volatility of unexpected outcomes. Within the Resilient framework, this would specifically relate to the adverse impact on the value of its assets, equity or earnings. Risk management is the discipline by which these risks are identified, assessed and prioritised. It is essential to understand the multiple dimensions of risk in order to manage these effectively, with the aim of increasing shareholder value and gaining a competitive advantage.

Risk management is essential for improved performance, growth and sustainable value creation. The process for identifying and managing risks has been set by the board. The board of directors has overall responsibility for risk management but has delegated the responsibility for monitoring risk management processes and activities to Resilient’s risk committee. The day-to-day responsibility for risk management, including maintaining an appropriate internal control framework, remains the responsibility of Resilient’s executive management.

Risk management is an integral part of the group’s strategic management and is the mechanism through which risks associated with the group’s activities are addressed. The key objectives of the risk management system include:

- the identification, assessment and mitigation of risks on a timely basis;
- the provision of timely information on risk situations and appropriate risk responses;
- the identification of potential opportunities which would result in increasing firm value; and
- the instillation of a culture of risk management throughout the Resilient group.

Risks are monitored via the risk management framework in terms of which management identifies risks, documents these in the risk matrix and assesses the probability of their occurrence as well as the potential impact of the risk on the organisation. Each identified risk is then managed and, where possible, mitigated. Due to the dynamic nature of the economic environment in which Resilient operates, risks, and the impact thereof, change constantly. Accordingly, risk management is a dynamic and ongoing discipline which is continuously adapted to its environment.

The risk management framework is presented to the risk committee at each of its meetings.

<table>
<thead>
<tr>
<th>KEY RISK</th>
<th>STRATEGIC GOAL IMPACTED</th>
<th>BUSINESS IMPACT</th>
<th>MITIGATION OF THE RISK</th>
<th>STAKEHOLDERS IMPACTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa is experiencing significant increases in administered prices including electricity, rates and municipal levies.</td>
<td>Tenant relationships and retention</td>
<td>Resilient is bearing the increased cost of utilities that cannot be recovered from tenants. This reduces distributable income.</td>
<td>Energy saving technologies are being implemented throughout the portfolio in order to reduce utility costs.</td>
<td>Tenants&lt;br&gt;Property managers&lt;br&gt;Shareholders&lt;br&gt;Employees&lt;br&gt;Co-owners</td>
</tr>
<tr>
<td>The ability of tenants to absorb the increasing cost of occupancy is limited.</td>
<td>Tenant relationships and retention&lt;br&gt;Growth in distribution</td>
<td>The increased cost of occupancy may result in more tenant business failures and legal action leading to higher vacancies and increased legal costs and bad debts.</td>
<td>Tenant arrears are closely monitored. Asset managers meet with tenants on a regular basis in order to mitigate legal action and bad debts.</td>
<td>Tenants&lt;br&gt;Property managers&lt;br&gt;Shareholders&lt;br&gt;Employees&lt;br&gt;Co-owners</td>
</tr>
<tr>
<td>Local authorities’ service delivery is deteriorating and many local authorities are not billing correctly. A number of local authorities no longer read electricity or water meters timeously.</td>
<td>Tenant relationships and retention&lt;br&gt;Growth in distribution</td>
<td>Resilient is not being billed the correct utility amounts on a monthly basis.</td>
<td>Resilient has installed its own meters and employed third party meter readers. Recoveries from tenants are based on this information rather than the billings received from local authorities.</td>
<td>Tenants&lt;br&gt;Property managers&lt;br&gt;Shareholders</td>
</tr>
<tr>
<td>The difficult economic climate makes the letting of vacant space challenging.</td>
<td>Growth in distribution</td>
<td>Vacant space reduces rental income and expenses are incurred regardless of whether the property is tenanted. Costs are incurred to re-let vacant space. This results in less distributable income.</td>
<td>Asset managers meet with tenants on a regular basis to ensure that their concerns are addressed. Rentals are offered at market related rates and incentives are offered to brokers in order to let the vacancies. Buildings are well maintained.</td>
<td>Tenants&lt;br&gt;Shareholders&lt;br&gt;Property managers</td>
</tr>
<tr>
<td>KEY RISK</td>
<td>STRATEGIC GOAL IMPACTED</td>
<td>BUSINESS IMPACT</td>
<td>MITIGATION OF THE RISK</td>
<td>STAKEHOLDERS IMPACTED</td>
</tr>
<tr>
<td>----------</td>
<td>--------------------------</td>
<td>-----------------</td>
<td>------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Deterioration in the company’s credit profile, a decline in debt market conditions or a general rise in interest rates could impact the cost and availability of funding.</td>
<td>Management of finance costs</td>
<td>The cost of financing increases substantially reducing distributable income.</td>
<td>The group monitors its key financial ratios and seeks to maintain a strong investment grade credit rating. Interest rate risk is mitigated through the use of interest rate swaps and caps.</td>
<td>Financiers Shareholders</td>
</tr>
<tr>
<td>Development projects fail to deliver expected returns due to increased costs or delays.</td>
<td>Growth in distribution</td>
<td>Resilient may suffer reputational damage as well as financial loss if developments are not completed timeously and within budget. The majority of developments are done via joint ventures and delays may lead to legal disputes.</td>
<td>Resilient has an in-house development team that closely monitors the progress and costs of each of its developments. Fixed price contracts are entered into with reputable construction companies.</td>
<td>Financiers Shareholders Employees</td>
</tr>
<tr>
<td>The underperformance of property managers may result in the inaccurate recovery of revenue and incorrect reporting.</td>
<td>Tenant relationships and retention</td>
<td>Inaccurate billing of tenants and reporting.</td>
<td>Compliance with service level agreements is monitored regularly. Management reviews monthly reports and meets with the property managers on a regular basis.</td>
<td>Tenants Property managers Shareholders Employees Co-owners</td>
</tr>
<tr>
<td>Inability to refinance debt at acceptable rates and over-exposure to a single financial institution.</td>
<td>Management of finance costs</td>
<td>Higher finance costs result in lower distributable income.</td>
<td>Concentration exposure to one financial institution is avoided. Resilient has implemented a DMTN programme which assists in reducing concentration.</td>
<td>Financiers Shareholders Employees</td>
</tr>
<tr>
<td>Significant volume of leases expiring in a specific period.</td>
<td>Tenant relationships and retention</td>
<td>Rental income may be eroded due to new leases or renewals at lower rentals than previously achieved. Vacancies may not be let timeously thus reducing distributable income.</td>
<td>Asset and property managers closely monitor lease expiries and begin negotiations with tenants in advance of the expiry. All rentals are done at market related rates. Resilient actively markets all vacant space.</td>
<td>Tenants Property managers Shareholders Employees Co-owners</td>
</tr>
<tr>
<td>Business continuity risk.</td>
<td>Growth in distribution</td>
<td>Business interruption may have a severe impact on the operations of Resilient and may reduce distributable income.</td>
<td>Resilient has a business continuity plan which includes the real time backup of data which is tested regularly. The majority of property management functions are outsourced to third parties.</td>
<td>Shareholders Employees</td>
</tr>
<tr>
<td>Retention of key staff.</td>
<td>Tenant relationships and retention</td>
<td>Skilled and experienced staff may not be retained.</td>
<td>Key staff are remunerated through the incentivisation scheme as well as bonuses.</td>
<td>Employees Shareholders</td>
</tr>
<tr>
<td>Destruction of assets.</td>
<td>Maintaining and growing a quality portfolio of assets</td>
<td>Buildings destroyed due to force majeure, fire, etc. and as a result income cannot be generated from tenants.</td>
<td>Insurance cover is carefully monitored to ensure that it is sufficient. The insurable amount is based on replacement valuations obtained from an independent valuer. Resilient uses reputable underwriters with sufficient financial backing to sustain the cover paid for.</td>
<td>Tenants Property managers Shareholders Employees Co-owners</td>
</tr>
</tbody>
</table>
## RISK MANAGEMENT AND KEY RISK FACTORS (CONTINUED)

<table>
<thead>
<tr>
<th>KEY RISK</th>
<th>STRATEGIC GOAL IMPACTED</th>
<th>BUSINESS IMPACT</th>
<th>MITIGATION OF THE RISK</th>
<th>STAKEHOLDERS IMPACTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical deterioration of properties rendering them untenantable.</td>
<td>Maintaining and growing a quality portfolio of assets  Growth in distribution</td>
<td>Properties that have physically deteriorated will be untenantable resulting in decreased distributable income.</td>
<td>Asset managers perform regular property inspections as do the property managers.</td>
<td>Tenants Property managers Shareholders Employees Co-owners</td>
</tr>
<tr>
<td>Non-compliance with REIT requirements.</td>
<td>Growth in distribution</td>
<td>If Resilient no longer qualifies as a REIT in terms of the JSE Listings Requirements, it will incur tax liabilities.</td>
<td>Management monitors compliance with the REIT requirements on an ongoing basis. External consultants are used as an independent check to ensure Resilient’s compliance with REIT requirements.</td>
<td>Shareholders Financiers</td>
</tr>
<tr>
<td>Exposure to uncertain operating environment through investment in Resilient Africa initiative.</td>
<td>Growth in distribution</td>
<td>Due to the dynamic legislative and regulatory environments in certain African countries, the risk of non-compliance is increased.</td>
<td>Management consults with professional advisors in order to identify and comply with legislation and regulations in the applicable jurisdictions.</td>
<td>Shareholders Financiers Co-owners</td>
</tr>
<tr>
<td>Non-compliance with laws and regulations.</td>
<td>Growth in distribution</td>
<td>Due to South Africa’s dynamic legislative environment and the volume of new legislation being passed, particularly in respect of environmental laws and social responsibility, Resilient is exposed to greater risks of non-compliance which may result in reputational damage and financial penalties.</td>
<td>Resilient engages both in-house and external legal advisors. Training is provided where relevant new legislation is introduced. Management and the auditors monitor compliance with the legal requirements. Resilient is a member of various industry organisations. The group’s employees regularly attend conferences and training specific to their area of responsibility within the group which would assist in the identification of new and relevant legislation.</td>
<td>Shareholders Employees Co-owners</td>
</tr>
<tr>
<td>Abuse of litigation by competitors.</td>
<td>Growth in distribution</td>
<td>Frivolous lawsuits can be brought against the group in an attempt to delay or derail developments.</td>
<td>Detailed due diligence processes are followed when acquiring properties in order to ensure that there are no land claims relating to the land and that the appropriate zoning has been obtained. Lawsuits are defended on a case by case basis and Resilient has expert in-house legal counsel as well as a number of external attorneys who assist in this regard.</td>
<td>Shareholders Employees</td>
</tr>
<tr>
<td>Infrastructure and utility supply infrastructure.</td>
<td>Tenant relationships and retention  Growth in distribution</td>
<td>South Africa is currently experiencing significant infrastructure issues that have resulted in the disruption in the supply of both water and electricity.</td>
<td>Management continually monitors the interruptions and is continuing to investigate potential solutions to lower the impact of utility supply interruptions on operations. Back-up power solutions have been installed at a number of shopping centres and, where possible, management is investigating the use of boreholes to assist with water supply.</td>
<td>Tenants Property managers Shareholders Co-owners</td>
</tr>
<tr>
<td>Crime.</td>
<td>Tenant relationships and retention  Growth in distribution</td>
<td>An increase in robberies can result in loss of tenants and customers.</td>
<td>Management continually assesses the risk of mall robberies and identify additional security measures to be implemented to combat this risk.</td>
<td>Tenants Property managers Shareholders Co-owners</td>
</tr>
</tbody>
</table>
The board of directors ("the board") endorses the code of corporate practices and conduct as set out in the King III report and confirms that the group is compliant with the provisions thereof other than as set out in the King III checklist available on the company's website at www.resilient.co.za. The board has been addressed by independent consultants to ensure that all directors are fully conversant with best practice and current thinking with regard to corporate governance.

**COMPOSITION OF THE BOARD OF DIRECTORS**
The board comprises four executive directors and seven independent non-executive directors. All directors serve for a maximum period of three years and are subject to retirement by rotation and re-election by shareholders in general meeting. Board appointments are made in terms of the policy on nominations and appointments, such appointments being transparent and a matter for the board as a whole.

There are no fixed term contracts for executive directors and the notice period for termination or resignation is one calendar month. There is no restraint of trade period for executive directors.

**ROLE OF THE DIRECTORS**
Ultimate control of the company rests with the board of directors while the executive management is responsible for the operational management of the company. To achieve this, the board is responsible for establishing the objectives of the company and setting a philosophy for investments, performance and ethical standards.

Although quarterly board meetings are arranged every year, additional meetings are called should the circumstances require it. Five board meetings were called during the 2015 financial year.

In 2015 the chairman, with the assistance of the company secretary, led a formal review of the effectiveness of the board and its committees. Each director completed a detailed evaluation questionnaire and an analysis of the findings was presented to the board. The results were positive and there was agreement that the board was operating effectively.

**FUNCTIONS OF THE BOARD**
The board acknowledges that it is responsible for ensuring the following functions as set out in the board charter:

- good corporate governance and implementation of the code of corporate practices and conduct as set out in the King III report;
- that the group performs at an acceptable level and that its affairs are conducted in a responsible and professional manner; and
- the board recognises its responsibilities to all stakeholders.

**RESPONSIBILITIES OF THE BOARD**
Although certain responsibilities are delegated to committees or management executives, the board acknowledges that it is not discharged from its obligations in regard to these matters.

The board acknowledges its responsibilities as set out in the board charter in the following areas:

- the adoption of strategic plans and ensuring that these plans are carried out by management;
- monitoring of the operational performance of the business against predetermined budgets;
- monitoring the performance of management at both operational and executive level;
- ensuring that the group complies with all laws, regulations and codes of business practice; and
- ensuring a clear division of responsibilities at board level to ensure a balance of power and authority in terms of group policies.

**INDEPENDENCE OF THE DIRECTORS**
The board of directors' independence from the executive management team is ensured by the following:

- separation of the roles of chairman and managing director, with the chairman being independent;
- the board being dominated by independent non-executive directors;
- the audit, investment, nomination, risk, remuneration and social and ethics committees having a majority of independent directors;
- non-executive directors not holding service contracts;
- all directors having access to the advice and services of the company secretary; and
- with prior agreement from the chairman, all directors are entitled to seek independent professional advice concerning the affairs of the company at the company's expense.

The following non-executive directors chair the various sub-committees of the board:

- **Audit** Bryan Hopkins (independent)
- **Investment** Barry van Wyk (independent)
- **Nomination** JJ Njeke (independent)
- **Risk** Umsha Reddy (independent)
- **Remuneration** Thembi Chagonda (independent)
- **Social and ethics** Umsha Reddy (independent)

The independence of the non-executive directors was assessed and all are considered to be independent in terms of the requirements of King III. Independence evaluations are done annually. Marthin Greyling, JJ Njeke and Barry van Wyk have served on the board as independent non-executive directors for 13 years. A rigorous assessment of the independence of these directors has been completed and the criteria used to assess their independence are as set out in King III as follows:

- whether the director is a representative of a shareholder who has the ability to control or significantly influence management or the board;
CORPORATE GOVERNANCE REVIEW (CONTINUED)

- whether the director has a direct or indirect interest in the company (including any parent or subsidiary in a consolidated group with the company) which exceeds 5% of the group’s total number of shares in issue;
- whether the director has a direct or indirect interest in the company which is less than 5% of the group’s total number of shares in issue, but is material to the director’s personal wealth;
- whether the director has been employed by the company or the group of which it currently forms part of in any executive capacity, or appointed as the designated auditor or partner in the group’s external audit firm, or senior legal adviser to the group for the preceding three financial years;
- whether the director is a member of the immediate family of an individual who is or has during the preceding three financial years been employed by the company or the group in an executive capacity;
- whether the director is a professional adviser to the company or group other than in the capacity as a director;
- whether the director is free from any business or other relationship (contractual or statutory) which could be seen by an objective outsider to interfere materially with the director’s capacity to act in an independent manner, such as being a director of a material customer or supplier to the company; and
- whether the director receives remuneration contingent upon the performance of the company.

The board assessed the independence of the non-executive directors and all three of these directors have complied with the above independence criteria. The assessments indicated that the independence of character and judgement of Marthin Greyling, JJ Njeke and Barry van Wyk is not impaired or in any way affected by length of service. Independent directors who have served on the board for nine years or longer will stand for re-election on an annual basis.

DIRECTORS’ INTERESTS
A full list of directors’ interests is maintained and directors certify that the list is correct at each board meeting.

Directors recuse themselves from any discussion and decision on matters in which they have a material financial interest.

AUDIT COMMITTEE
The primary role of the audit committee is to ensure the integrity of financial reporting and the audit process. In pursuing these objectives, the audit committee oversees relations with the external auditors. The committee also assists the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and internal control processes, overseeing the preparation of accurate financial reports and statements in compliance with all applicable legal requirements and accounting standards, ensuring compliance with good governance practices and nomination of external auditors. The role of the audit committee has been codified in the audit committee charter which has been approved by the board. This charter has been aligned with the requirements of King III and the Companies Act of South Africa.

The audit committee presently comprises: Marthin Greyling (appointed 13 November 2002), Bryan Hopkins (chairman) (appointed 17 May 2011) and Barry van Wyk (appointed 1 December 2010), all of whom are independent non-executive directors. The managing director, financial director and company secretary attend the committee meetings as invitees. The committee members have unlimited access to all information, documents and explanations required in the discharge of their duties, as do the external auditors. The board, in consultation with the audit committee chairman, makes appointments to the committee to fill vacancies. Members of the audit committee are subject to re-election by shareholders in general meeting on an annual basis. The board has determined that the committee members have the skills and experience necessary to contribute meaningfully to the committee’s deliberations. In addition, the chairman has the requisite experience in accounting and financial management.

In fulfilling its responsibility of monitoring the integrity of financial reports to shareholders, the audit committee has reviewed accounting principles, policies and practices adopted in the preparation of financial information and has examined documentation relating to the annual integrated report. The clarity of disclosures included in the financial statements was reviewed by the audit committee, as was the basis for significant estimates and judgements.

It is the function of the committee to review and make recommendations to the board regarding interim financial results and the integrated report prior to approval by the board.

EXTERNAL AUDIT
A key factor that may impair auditors’ independence is a lack of control over non-audit services provided by the external auditors. In essence, the external auditors’ independence is deemed to be impaired if the auditors provide a service which:
- results in auditing of own work by the auditors;
- results in the auditors acting as a manager or employee of the group;
- puts the auditors in the role of advocate for the group; or
- creates a mutuality of interest between the auditors and the group.

The company addresses this issue through three primary measures, namely:
- disclosure of the extent and nature of non-audit services;
- the prohibition of selected services; and
- prior approval by the audit committee of non-audit services.

Other safeguards encapsulated in the policy include:
- the external auditors are required to assess periodically, in their professional judgement, whether they are independent of the group;
- the audit committee ensures that the scope of the auditors’ work is sufficient and that the auditors are fairly remunerated; and
The audit committee has primary responsibility for making recommendations to the board on the appointment, reappointment and removal of the external auditors.

The committee reviews audit plans for external audits and the outcome of the work performed in executing these plans. They further ensure that items identified for action are followed up. The external auditors report annually to the audit committee to confirm that they are and have remained independent from the group during the financial year.

The audit committee considered information pertaining to the balance between fees for audit and non-audit work for the group in 2015 and concluded that the nature and extent of non-audit fees do not present a threat to the external auditors’ independence. Furthermore, after reviewing a report from the external auditors on all their relationships with the company that might reasonably have a bearing on the external auditors’ independence and the audit engagement partner and staff’s objectivity and considering the related safeguards and procedures, the committee has concluded that the external auditors’ independence was not impaired.

The committee approved the external auditors’ terms of engagement, scope of work, the annual audit and the applicable levels of materiality.

Based on written reports submitted, the committee reviewed, with the external auditors, the findings of their work and confirmed that all significant matters had been satisfactorily resolved. The committee determined that the 2015 audit was completed without any restriction on its scope.

The audit committee has satisfied itself as to the suitability of the external auditors for reappointment for the ensuing year.

INTERNAL AUDIT
The company does not have a formalised internal audit department. This is primarily due to the fact that the majority of the property management functions are outsourced to external property managers who are subjected to annual external audits. The audit committee continually examines the appropriateness of utilising independent internal auditors to periodically review activities of the company and service providers.

During 2015, Resilient engaged Grant Thornton to perform reviews on controls over specific key areas. The areas for testing were discussed with the audit committee who engaged directly with Grant Thornton in this regard. The report to the audit committee indicated that the controls tested by internal audit in the current year were generally adequate and effective.

ETHICAL PERFORMANCE
The board of directors forms the core of the values and ethics subscribed to by the company through its various bodies and committees. These values and ethics are sustained by the directors’ standing and reputation in the business community and their belief in free and fair dealings in utmost good faith and respect for laws and regulations. Resilient has a code of ethics communicated to all staff. The code of ethics stipulates, among other things, that all stakeholders are expected to act in good faith, that bribery in any form is not tolerated, all conflicts of interest need to be declared and that compliance with all legislation is of utmost importance. The code of ethics is reviewed by the social and ethics committee on an annual basis.

The board is not aware of any transgressions of the code of ethics during the financial year.

No issues of non-compliance, fines or prosecutions have been levied against Resilient.

INTERNAL FINANCIAL AND OPERATING CONTROLS
A framework of financial reporting, internal and operating controls has been established by the board to ensure reasonable assurance as to accurate and timeous reporting of business information, safeguarding of group assets, compliance with laws and regulations, financial information and general operation.

The board reviewed and was satisfied with the effectiveness of the internal financial and operating controls, the process of risk management and the monitoring of legal governance compliance within the company.

INVESTMENT COMMITTEE
All acquisitions, disposals and capital expenditure are considered by the investment committee. The investment committee approves acquisitions, disposals and capital expenditure up to pre-set limits. The investment committee consists of two independent non-executive directors and one executive director. All members of this committee have extensive experience and technical expertise in the property industry.

The investment committee’s responsibilities and duties are governed by a charter that was reviewed by the board in 2015.

NOMINATION COMMITTEE
The nomination committee is mandated by the board to identify suitable candidates to be appointed to the board, identify suitable board candidates in order to fill vacancies, ensure there is a succession plan in place for key management, assess the independence of non-executive directors and assess the composition of the board sub-committees. The nomination committee recommends the individuals to the board for appointment.

The nomination committee’s responsibilities and duties are governed by a charter that was reviewed by the board in 2015.

REMUNERATION COMMITTEE
The remuneration committee is mandated by the board to determine the remuneration and incentivisation of all employees, including executive directors. In addition, the remuneration committee recommends directors’ fees payable to non-executive directors and members of board sub-committees. Further details are provided in the remuneration report on pages 20 to 23 of this report.

The remuneration committee’s responsibilities and duties are governed by a charter that was reviewed by the board in 2015.

RISK COMMITTEE
The risk committee is mandated by the board to ensure that a sound risk management system is maintained, to assist the board in discharging its...
duties relating to the safeguarding of assets and to ensure that the company has implemented an effective plan for risk management that will enhance the company’s ability to achieve its strategic objectives.

The risk committee consists of three independent non-executive directors (being Umsha Reddy (chairperson), Spiro Noussis and Barry van Wyk) and one executive director (Des de Beer).

The risk committee’s responsibilities and duties are governed by a charter that was reviewed by the board in 2015. The risk committee has monitored compliance with Resilient’s risk policy and can report that Resilient has, in all material respects, complied with the policy during the year.

SOCIAL AND ETHICS COMMITTEE
The social and ethics committee is a statutory committee whose focus is to monitor compliance with labour legislation as well as corporate social responsibilities and corporate citizenship.

The social and ethics committee consists of three independent non-executive directors and one executive director.

The social and ethics committee’s responsibilities and duties are governed by a charter that was reviewed by the board in 2015.

COMPANY SECRETARY
Monica Muller CA(SA) was appointed as company secretary of Resilient with effect from 5 August 2014. The board considered her competence, qualifications and experience and, following a review undertaken by the board on the duties required of a company secretary during the year under review, the board concluded that the nature of the advice provided by the company secretary and the manner in which the company secretary executed her duties during the year indicated that she is deemed fit to continue in the role as company secretary. She is not a director of Resilient and the board, having reviewed her relationship with the board, is of the view that Monica has an arm’s length relationship with the board.

INFORMATION TECHNOLOGY (“IT”) GOVERNANCE
The board is ultimately responsible for IT governance. The Resilient IT function is outsourced to a third-party service provider and is governed by a service level agreement. Compliance with the service level agreement is monitored by management and the terms are reviewed on a regular basis. There is a dedicated member of the Resilient management team who oversees the IT function, attends the executive committee meetings and reports thereat. The risks and controls over IT assets and data are considered by the risk committee.

DEALING IN SECURITIES BY THE DIRECTORS
Dealing in the company’s securities by directors and company officials is regulated and monitored as required by the JSE Listings Requirements. In addition, Resilient maintains a closed period from the end of a financial period to the date of publication of the financial results.

PROMOTION OF ACCESS TO INFORMATION ACT
There were no requests for information lodged with the company in terms of the Promotion of Access to Information Act, No 2 of 2000.

SPECIAL RESOLUTIONS PASSED
Four special resolutions were passed during 2015:

1. Approval of financial assistance to related or inter-related companies
   It was resolved that, to the extent required by the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company’s Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance in terms of section 45 of the Companies Act by way of loans, guarantees, the provisions of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, such authority to endure until the next annual general meeting of the company.

   Similar resolutions were passed at a subsidiary level.

2. Approval of the repurchase of shares
   It was resolved that, subject to the Companies Act, the Memorandum of Incorporation of the company, the JSE Listings Requirements and the restrictions set out below, the repurchase of shares of the company, either by the company or by any subsidiary of the company, is hereby authorised, on the basis that:

   (1) this authority will only be valid until the company’s next annual general meeting or for 15 months from the date of this resolution, whichever period is shorter;

   (2) the number of shares which may be acquired pursuant to this authority in any financial year may not in the aggregate exceed 20%, or 10% where such acquisitions are effected by a subsidiary, of the company’s share capital as at the date of this notice of annual general meeting;

   (3) the repurchase of shares must be effected through the order book operated by the JSE trading system and done without any prior arrangement between the company and the counter-party;

   (4) the repurchase of shares may not be made at a price greater than 10% above the weighted average of the market value for the shares for the five business days immediately preceding the date on which the transaction is effected;

   (5) at any point in time, the company will only appoint one agent to effect repurchases on its behalf;

   (6) the company or its subsidiary may not repurchase shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless there is a repurchase programme in place and the dates and quantities of shares to be repurchased during the prohibited period are fixed and full details thereof have been disclosed in an announcement over SENS prior to commencement of the prohibited period; and

   (7) a resolution by the board of directors is passed that the board of directors of the company authorises the repurchase, that the company...
and the relevant subsidiaries have passed the solvency and liquidity test as set out in section 4 of the Companies Act and that, since the test was performed, there have been no material changes to the financial position of the group.

3. Approval of the provision of financial assistance for the purchase of shares

It was resolved that, subject to compliance with the requirements of the Companies Act, the Memorandum of Incorporation and the JSE Listings Requirements, the company, either as lender or as surety or guarantor for a lender, or otherwise is hereby authorised, from time to time, to provide financial assistance for the purchase of or subscription for its shares to The Siyakha Education Trust on the following terms:

1. the maximum additional capital amount (excluding interest, costs, charges, fees and expenses) of any such amounts lent or for which suretyships or guarantees are given may not exceed R500 million;
2. the maximum period for the repayment of any loan provided or for which suretyships or guarantees are given in terms hereof may not exceed 10 years;
3. the minimum interest rate to be applied to any loan provided may not be less than the prime overdraft rate of interest from time to time publically quoted as such by The Standard Bank of South Africa Limited.

4. Approval of directors’ remuneration for their services as directors

It was resolved that, in accordance with section 66 of the Companies Act, fees to be paid by the company to the non-executive directors for their services as directors be and are hereby approved, as follows:

<table>
<thead>
<tr>
<th>Role</th>
<th>For the year ended 31 December 2015 Rand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>351 000</td>
</tr>
<tr>
<td>Non-executive director</td>
<td>243 000</td>
</tr>
<tr>
<td>Audit committee member (including chairman)</td>
<td>108 000</td>
</tr>
<tr>
<td>Investment committee member (including chairman)</td>
<td>108 000</td>
</tr>
<tr>
<td>Remuneration committee member (including chairman)</td>
<td>108 000</td>
</tr>
<tr>
<td>Nomination committee member (including chairman)</td>
<td>54 000</td>
</tr>
<tr>
<td>Risk committee member (including chairman)</td>
<td>54 000</td>
</tr>
<tr>
<td>Social and ethics committee member (including chairman)</td>
<td>54 000</td>
</tr>
</tbody>
</table>

SHARE ISSUES
Refer to paragraph 9 of the directors’ report for the detail of the share issues made in the current financial year.

COMMUNICATIONS WITH STAKEHOLDERS
Resilient is committed to ensuring timeous, effective and transparent communication with shareholders and other stakeholders as set out below.

STAKEHOLDER COMMUNICATION
Shareholders
Resilient is committed to providing shareholders with timely access to applicable information. Communication with its shareholders is open, honest and transparent. Shareholders are provided with information via circulars and integrated and interim reports. Additional information is provided on Resilient’s website, via SENS announcements and press releases.

Analysts
Resilient holds semi-annual results presentations in Johannesburg and Cape Town. Our executives took a number of analysts on a tour of a number of Resilient’s properties.

Financiers
Resilient meets with its financiers on a regular basis to discuss its requirements and theirs. Information is provided through analyst presentations, road shows, integrated reports and interim reporting.

Tenants
Resilient strives to form mutually beneficial business relationships with its tenants. Resilient’s asset managers and property managers meet with the tenants on a regular basis and conduct regular site visits to Resilient’s properties.

Government
Resilient endeavours to have mutually beneficial relationships with government, its departments and parastatals. Resilient engages with local authorities both directly and via its property managers and external consultants regarding utility issues, rates clearances, zoning, etc.

Industry associations
Resilient’s asset managers belong to various industry bodies including SAPOA and the SA Council of Shopping Centres and regularly attend industry conferences. Resilient is a member of the SA REIT association.

Business partners
Resilient maintains professional working relationships with its business partners at the same time as fostering a culture of teamwork. Resilient ensures that all of its business partners fully understand its performance standards and requirements. Resilient’s business partners include the property managers and both Resilient’s asset managers and senior management meet with the property managers on a regular basis.

Communities and environment
Resilient is committed to being a good corporate citizen and frequently evaluates the impact of its projects and developments on society and the environment.

Suppliers
Resilient maintains professional working relationships with all of its suppliers and ensures that its suppliers understand Resilient’s performance standards and requirements. Where possible, Resilient will have service level agreements or terms of reference for its relationships with suppliers, which include performance expectations.
At Resilient our approach to the concept of sustainability relates to the maintenance and enhancement of environmental, social and economic resources, in order to meet the needs of current and future generations. This is founded in a commitment to being a good corporate citizen, and operating in a commercially sensible and socially responsible manner.

**ENVIRONMENTAL**

Energy efficiency is foremost in our sustainability endeavours and to this end the need to practically and efficiently measure the use of utilities within our buildings. We constantly engage with various service providers on the metering of the buildings to provide us with the metrics to make meaningful and informed decisions. The results of these metrics have and will continue to inform our approach to new developments, refurbishments and extensions in order to maximise the return on implemented solutions.

In respect of all works there is a focus on the fundamental architectural principles, one of which is building aspect, which helps to passively address the heat loads and natural lighting options available in the buildings. Since HVAC constitutes approximately 60% of energy consumption in the majority of buildings, new and retrofit systems will incorporate improved standards of insulation, shading, glazing, ventilation and efficient air conditioning plant.

The approach to enhance efficiency will also incorporate dealing with the education and adjustment of the personal habits of people occupying the buildings, which includes sensor switching, night flushing and changing set points according to seasonal changes. On new and replacement plant we utilise variable speed drive compressors and staged units to best balance the demand and supply of air conditioned space. Building management systems (BMS) are steadily improving and are currently used in specific applications where their cost benefit may justify their implementation.

Where possible we utilise innovative and efficient lighting systems and incorporate rational design principles to maximise the lighting levels whilst reducing energy consumption on new works. We will retrofit older buildings on a replacement basis with more efficient technologies which include CFL, LED and T5 replacement lamps. Here too, the education of users is paramount in adapting to sensor switching systems and reduced ambient lighting when areas are not occupied.

Water is a precious resource and, in order to manage the utilisation, Resilient focuses on the comprehensive measurement thereof. Furthermore all new gardens and landscaping will be done on an indigenous basis to limit the need for irrigation. As standard practice, new and refurbishment works are fitted with low flushing mechanisms and metered discharge taps to reduce consumption and limit waste. Timers on existing geysers, solar geysers and heat pumps are all methods used in reducing consumption.

Resilient is in the process of installing a solar photovoltaic system on the roof of the parking deck of The Grove. The goal of the photovoltaic solar system will be to reduce the energy imported from the grid. This is done by generating photovoltaic power that is used in conjunction with grid power and fed directly into the building loads. The power required by The Grove during daylight hours amounts to between 3 and 3.5MW. The proposed photovoltaic plant will produce a peak value of 1.3MW and contribute to up to 37% of The Grove’s energy needs.

Resilient engages with Eskom on an ongoing basis in terms of their demand side management programmes and attends the green building conferences and other forums to remain abreast of international best practice, legal requirements and technical improvements. SANS 204 Energy efficiency in building regulations have been released which has a significant impact on new buildings’ efficiency and hence sustainability into the future. Resilient systematically conducts audits at its malls to ascertain the lighting efficiency and electric consumption in order to formulate plans to improve energy efficiency; The installation of energy efficient lighting has been completed at Tzaneen Mall, Jubilee Mall and Tzaneen Crossing. We continue to investigate the potential for the economic utilisation of photovoltaic installations to further reduce our demand on the Eskom grid and make use of renewable sources.

Inverter technology has been utilised in varying degrees on the air conditioning systems at Tubatse Crossing, Soshanguve Crossing, Rivonia Village, Circus Triangle, Diamond Pavilion and The Grove. This translates to annual energy cost savings of approximately 25% when compared to a conventional system. This not only reduces the tenants operating costs but reduces the overall maximum demand and carbon footprint. These developments are currently consuming substantially less energy than the allowable SANS 6A codes applicable to these types of buildings.

**ECONOMIC**

Resilient’s BBBEE initiatives include the broad based schemes undertaken through Eagle’s Eye and The Siyakha Education Trust (“the Trust”). Eagle’s Eye, which owned 7 207 208 Resilient shares at year end, has shareholders comprising the Trust and three women groupings based in Mthatha, Polokwane and Johannesburg respectively, each with a 25% interest. This initiative has been very successful to date. The second tranche of the Eagle’s Eye transaction matured in July 2015 and the shareholders opted to realise the value of their investments by selling 3,603,604 Resilient shares. The profits were distributed to the shareholders of Eagle’s Eye. The third tranche of this BBBEE scheme matures in July 2016. Eagle’s Eye is financed with a Nedbank loan which is supported by a suretyship provided by Resilient, refer to note 21 on page 79.

The Trust is a charitable trust and is registered as a public benefit organisation. It owned 33,580,339 Resilient shares at year end. The projects completed by the Trust are discussed under the Social section of this report.

**PROCUREMENT**

Resilient’s focus with regards to procurement is to support local contractors in the development of new retail centres as well as extensions to existing centres. This has proven to be very challenging as in numerous cases the BBBEE contractors subcontracted the work to other contractors that were not necessarily BBBEE compliant. Resilient attempted, where possible, to use contractors from communities where the asset is located.

**EMPLOYMENT**

In addition to Resilient’s employment equity strategies, the board has resolved to offer an internship to three newly qualified black graduates from the University of the Witwatersrand. Our internship programme focuses on developing skills pertaining to retail property management. Our interns...
SUSTAINABILITY REPORT (CONTINUED)

spend the first four months at one of our property managers and the remaining eight months at our various shopping centres gaining firsthand experience in the management of the shopping centres. The aim of the programme is to develop black property professionals with the intention of employing them on a full-time basis.

Resilient obtained a level five BBBEE rating in October 2014. The verification was performed by Premier Verification Proprietary Limited. Our aim is to maintain this level in 2015.

SOCIAL
We believe that the best way to empower people is through education. Our social initiatives thus centre on the improvement of facilities at various schools and the provision of education. Resilient continues to sponsor the Saturday school programme at Beaulieu College in Kyalami which is attended by scholars from Diepsloot. The Saturday school provides the children with the opportunity to learn from some of Johannesburg’s top teachers and gives them access to the school’s facilities.

The Trust was established with the exclusive purpose of promoting black education in South Africa. The Trust grants bursaries to students from previously disadvantaged backgrounds and communities. It also provides computer equipment and infrastructure to schools in underprivileged communities. The major initiatives undertaken by the Trust during this period include:

GAUTENG

GIRLS AND BOYS TOWN: The first Boys Town opened at Magaliesburg in 1958 by the founder, the late Bishop Reginald Orsmond. The facility opened in a vacant mission school run by Dominican Sisters for nine youngsters from a local children’s home. With a passion to help children rise above their abusive circumstances, Girls and Boys Town offers a haven of safety and hope to all demographics. The Trust assisted by refurbishing and upgrading their learning centre with the provision of new computing equipment, an interactive white board, a laptop and a printer. Their media centre was also equipped with computers and security features.

PRO PRACTICUM SPECIAL SCHOOL: Established almost 60 years ago in Krugersdorp, this special needs school currently caters for 738 mildly to severely handicapped learners. The school offers both a practical and an academic curriculum, offering an equivalent to Grade 9 as well as a variety of vocational workshop studies such as hospitality, woodwork and mechanical drawing. The Trust assisted the school with a complete structural refurbishment and equipment upgrade for their junior and senior hospitality classes.

DASHA SCHOOL AND CENTRE FOR DISABLED CHILDREN: The school was established in 1995 in Nelspruit and is divided into three different sections: a centre for physically handicapped children, an academic centre which includes classes for autistic learners and vocational workshops which include computer and creative classes. The school currently has 47 learners ranging in age from five to 28 years old. The Trust upgraded their computer class with new trimmings and computing equipment and refurbished their vocational workshop and academic classes.

FORTÉ HIGH SCHOOL: Since 1982, this high school situated in Dobsonville has produced satisfactory academic results. With a current capacity of almost 2 000 learners and the average class size being just over 40, the school managed an impressive 92 percent pass rate in 2014 which included 52 university entrances. With the assistance of the Trust, the school now has an upgraded and fully equipped physical and life science class and interactive white boards with laptops for their senior grades, as well as a brand new, fully equipped 40-strong computer class.

ST. GEMMA’S PRIMARY SCHOOL: Located in the suburb of Esangweni in Tembisa, the former Catholic school was established in 1944 and hails from the Italian priest who started the school. With almost 800 learners, only a few classrooms and an average class size of 50 learners, the school achieved excellent annual academic results with a pass rate of 80 percent. The Trust completely upgraded the primary school’s run-down foundation phase classrooms with new electrical work, paint, furniture and the installation of an interactive white board and laptop in each classroom. The school’s three toilet blocks were also upgraded.

THE GATEWAY VILLAGE: There are approximately 285 learners at the Gateway School, Nursery and Special Unit, which are all situated just outside Roodepoort. The Gateway Village currently has 105 residents, including a high-care facility and 60 day workers. All the learners and day workers are severely mentally and physically handicapped. As a non-profit organisation, the establishment is reliant on public support. To support The Gateway Village’s emphasis on skills and development, the Trust divided their current product workshop to cater for a newly equipped hospitality area. Their contract workshop also received an impressive structural face-lift.

MPUMALANGA

OSIZWENI SECONDARY SCHOOL: Situated in the Osizweni Education and Development Centre, this secondary school has over 1 200 learners enrolled at the school, with some of the classes housing 60 learners per subject. In order to help create more work space for the school, the Trust installed a three classroom mobile unit complete with electricity and furniture.

PRO GRATIA SPECIAL SCHOOL: Situated in Hermansburg in Nelspruit, this special needs school describes themselves as a learning centre and caters for mildly to severely mentally handicapped children. The school caters for learners from five to 23 years old. To support their teaching methods, the Trust installed interactive white boards with laptops in each of their four classrooms and converted two additional classrooms into furnished woodwork and hospitality classes. Security features were also installed.

DASHA SCHOOL AND CENTRE FOR DISABLED CHILDREN: The school was established in 1995 in Nelspruit and is divided into three different sections: a centre for physically handicapped children, an academic centre which includes classes for autistic learners and vocational workshops which include computer and creative classes. The school currently has 47 learners ranging in age from five to 28 years old. The Trust upgraded their computer class with new trimmings and computing equipment and refurbished their vocational workshop and academic classes.
WESTERN CAPE

IRISTA PRIMARY SCHOOL: Established in Sarepta in 1982, this no-fee school has over a thousand learners and a passionate staff compliment of 26 educators. With donations received from the community, the school is able to offer two meals a day to 400 learners. They have an annual academic pass rate of 90 percent for all of their grades. The Trust upgraded the school's existing pit toilets and installed Enviro-Loo's.

ALTA DU TOIT SPECIAL SCHOOL: Kuils River is famous as the birthplace of South African writer Herman Charles Bosman and is home to the Alta Du Toit School for mentally handicapped children. The impressive establishment has 151 staff members and caters for learners from the ages of seven to 18 years old. They offer main stream school sport facilities, have three hostels, 15 school minibuses to transport their learners to and from school and on-site therapists to support the learners' needs. As the school has an academic and practical approach to learning, the Trust completely refurbished and re-equipped their two hospitality classes with interactive white boards and laptops.

KHAYELITSA SPECIAL SCHOOL: The name Khayelitsha is Xhosa for “New Home” and the area is reputed to be the largest and fastest growing township in South Africa. Khayelitsha is one of the poorest areas of Cape Town and more than half of the 118 000 households live in informal dwellings. This special needs school originally opened as a mainstream school in 1988 but now caters for severely intellectually and physically disabled learners from the ages of seven to 18 years old. As the school’s curriculum focuses on soft skills training, the Trust upgraded the school’s hospitality class and installed an interactive white board with a laptop.

PAARL VAARDIGHEID SCHOOL: Originally zoned as a farm, this special needs school was established in 2001 and boasts 18 technical workshops which include metal work, motor mechanics, plastering and bricklaying. Catering for learners of ages 14 to 18 and with mild intellectual disabilities, the school only has an enrolment of 293 learners to ensure individual learner attention is guaranteed. To support their vocational study focus, the Trust upgraded and re-equipped their hospitality and metal work classes.

KWAZULU-NATAL

KWAMAME FULL SERVICE PRIMARY SCHOOL: Ulundi is a town in the Zululand District Municipality and at one time was the capital of Zululand. This primary school started in 1972 and caters for mainstream schooling as well as 127 mildly disabled learners. With some classes catering for over 70 learners, the school was at full capacity and in desperate need of additional classrooms. The Trust assisted the school by building two new furnished classrooms, wheelchair ramps and railings in the school’s common areas, building a furnished kitchen for their nutrition programme, sealing off the existing pit toilets and installed Enviro-Loo’s.

MIDLANDS COMMUNITY COLLEGE: This College is a provisionally accredited FET (Further Education and Training College) and is situated in the Natal Midlands. Founded in 1981, it has a reputation for maths and science programmes as well as programmes in Early Childhood Education. Short course programmes in computers, vegetable gardening, cooking, catering and welding are also highly sought after. The establishment has a hostel and a mobile science unit which caters for the academic needs of 22 rural schools. The Trust upgraded the computer classes and media centre with new computing equipment. The physical and life science class was also refurbished and replenished. The school was given four interactive white boards and laptops.

CLAIRWOOD BOYS PRIMARY SCHOOL: With a history dating back over 120 years, this primary school is a proud member of the Clairwood community. A former all Afrikaans school, it is now an English and isiZulu medium school with a 98 percent annual pass rate. The school currently has 600 learners and take pride in maintaining the school from their own fundraising projects. The Trust offered the school four interactive white boards and laptops, as well as 10 mobile natural science and maths kits for their learners and educators.

CLAIRWOOD SECONDARY SCHOOL: Situated in the Umlazi District for the past 60 years, this secondary school is an impressive academic establishment of 1 294 learners, 64 classrooms and 48 educators. With a strong focus on maths and science, the school’s facilities were in desperate need of replenishment and an upgrade. The Trust upgraded their three physical and life science classes and replenished their stock. Their hospitality class also received new equipment.

GANGES SECONDARY SCHOOL: The school opened its doors in 1982 and is the pride of the Clairwood community with its excellent academic track record. The school has a full enrolment of 1 280 learners, well maintained science facilities and is in walking distance of the former Clairwood Race Course. The Trust completely refurbished, re-equipped and upgraded their computer class and rebuilt their learner toilet facilities.

BAJABULILE PRIMARY SCHOOL: Established in 1976, eSikhawini is a city in Uthungulu District Municipality and is situated in close proximity to the towns of Richards Bay and Empangeni. This primary school was built in 1997 and has an average class compliment of 50 per grade. The school is situated in a poor community and has an impressive 100 percent pass rate. The school offers weekend classes to support their curriculum. The Trust refurbished and upgraded six of the school’s classrooms and installed interactive white boards and laptops in the classes. The school’s learner toilet facilities were also upgraded.

GOBANDLOVU PRIMARY SCHOOL: Located in eSikhawini, the school opened its doors in 1920 to a handful of young learners and today has a compliment of over 1 000 learners. In 2014, the Department of Education declared the school a non-fee paying school due to the poor surrounding community. In 2012 and 2013 the school was awarded the best performing primary school in the district for their Annual National Assessment Exams results for Maths and English. With support from the Trust, the school received a re-equipped and refurbished 40-unit computer class complete with an interactive white board and laptop. The school’s kitchen, which is used for their nutritional programme, was also upgraded.
SUSTAINABILITY REPORT (CONTINUED)

Shea O’Connor Combined School: The rural economy in Mooi River is based on agriculture and tourism, with the main farming categories being dairy and equine. This combined school was established in 1937 and with the support of extra in-house weekend and holiday classes, the school has a comfortable annual pass rate of 70 percent. To support the school’s success, the Trust refurbished and replenished their senior phase physical and life science class and installed an interactive white board and laptop, refurbished their current computer class with 34 new units and computing accessories, completely upgraded their kitchen for the school’s nutritional programme and sealed off their current pit toilets for new Enviro-Loo’s.

Bruntville Primary School: Nestled in the Mooi River area, which forms an important part of the Midlands Meander tourism route, this primary school started in 1964 where it has grown into an academic powerhouse for the Bruntville community. The Trust supported the school by refurbishing and re-equipping the current computer class with 34 new units and adding an interactive white board and laptop to the class.

Northern Cape

Emang Mmogo Comprehensive School: The secondary school has been a part of the Galeshwere community in Kimberley for almost 30 years. With a name meaning “we stand together”, the school’s 942 learners achieve good results annually. The school also offers a technical stream focusing on mechanical and engineering subjects and has a maths intervention programme for learners who have been identified for additional support. The Trust completely upgraded the learner toilet facilities, upgraded five of their classrooms and installed five interactive white boards and laptops.

NJ Heyns Special School: Founded by Dr NJ Heyns in Kimberley during 1973, the school caters for mildly mentally handicapped learners from the ages of 13 to 19 years. There are 524 learners at the school and the hostel looks after 128 of the learners. The school’s adjusted curriculum offers a technical qualification equivalent to Grade 10 and an academic qualification equivalent to Grade 9. The vocational workshops include Edu-Care, metal work, woodwork and a computer class. The Trust converted a non-functional technical class into a working computer class complete with interactive white board and laptop. In addition to this, the current computer class was upgraded with 26 new units including an interactive white board and laptop and a small furnished hospitality area was created in the unused space between the two computer classes.

Vuyolwethu High School: The word Vuyolwethu means “our joy” in Tswana and with an average pass rate of 70 percent, this school, based in Kimberley, has a collective approach to academics. The no-fee paying school has one working tap on the school grounds and has converted their former Home Economics classroom into the cooking area for their nutritional programme. The Trust upgraded and replenished their two existing Life Science and Physical Science classrooms, upgraded their computer class with new computing units and re-furbished all of the school’s learner toilet facilities. All of the upgraded classrooms received interactive whiteboards and laptops.

Warrenton Public Primary School: Warrenton is an agricultural town of approximately 18 000 people and is situated 70 kilometres north of Kimberley on the Vaal River. Located in the ikhutsgen suburb, this mainstream school was established in 1978 and has a full capacity of 1 147 learners. The two main languages taught at the school are Xhosa and Tswana and the school’s borehole and vegetable garden offers relief for the surrounding, poor community. The Trust upgraded and refurbished the school’s kitchen for the nutritional programme, reconnected the school’s electrical supply, upgraded all of the school’s learner toilet facilities, and upgraded the current computer class with 33 new units and an interactive white board with laptop.

Special Projects

Nedbank My Future, My Career 2015: This is the third year that the Trust has partnered with Nedbank and Primedia for this national education initiative. Nedbank My Future, My Career focuses on the importance of career choice, career opportunities and personal career development. The project showcased 16 career-based educational programmes through carefully selected Ster-Kinekor theatres across the country. Over 30 000 learners are reached over a three month period. The Grove, Boardwalk Inkwazi, Secunda Mall and Mall of the North were included in the roll-out.

Department of Education Gauteng Academic Awards for 2014: The Trust partnered with the Department of Education Gauteng for the annual Johannesburg Central District’s Academic Awards for top achievers from 2014. The eleven categories ranged from: top educator per subject, top ten schools in the district, top achieving school per circuit and schools with significant improvement in pass rate. The Trust designed, framed and sponsored all 38 certificates handed out to the winners and sponsored the 15 laptops and laptop bags awarded to the 15 top learners in the district as well as the trophies awarded to the schools.

Action School for the Deaf and Blind: Situated in the heart of Roodepoort is a non-profit organization, sponsored by the community, dedicated to training blind and disabled young people on the use of computers and computer software, such as Microsoft Operating Systems, Office Suite and other related software programs. The school’s goal is to train the learners to the required level needed to write the Microsoft Accredited examination which will give learners the potential to obtain gainful employment. The school had a dream of one day opening a call-centre training facility on their premises where their blind learners could learn and practice an employable skill. Due to financial constraints, the project was unable to progress. With the assistance of The Siyakha Education Trust the 30-seater modern computer based facility was completed and learners from all walks of life can now receive complimentary training and support. The facility also boasts a kitchen, conference room, waiting lounge and wheelchair-friendly toilet facilities.

The Career Guide 2015: The 40-page newspaper insert targeted Grade 9 learners to assist them in selecting the right subjects for their senior phase schooling. Published in over 30 Caxton-based newspapers and covering all nine provinces, a million copies of the publication were released. The insert covered information for academic and non-academic learners, disabled learners and budding entrepreneurs covering topics such as the importance of choosing maths and science, tertiary institution admission qualifications and profiling some of the country’s successful businessmen. Each of the fund’s shopping centres received an additional 400 copies to hand out to their schools and communities.
THE BITOU 10 EDUCATION AND DEVELOPMENT FOUNDATION: The Bitou 10 Education and Development Foundation has evolved from the Cadbury School Development Initiative (CSDI) which was established in 2001 in response to then president Nelson Mandela's challenge to change the education landscape of how children set about learning and teachers set about teaching. The focus of the CSDI initiative was the cluster of ten state schools in the Bitou municipal area. These schools represent a small scale model of South Africa's education whole. Eight of the 10 schools are non-fee paying schools as they cater for children from historically disadvantaged communities. The cluster model is based on the philosophy that “Together we can do so much more”. The Trust supported the maths and science development project in the rural Western Cape area.

THE SIYAKHA LEARNING LAB: THE GALLERIA
The Trust piloted the concept of a Learning Lab in December 2014 at Tubatse Crossing in Burgersfort. In April 2015 the Trust launched the Learning Lab at The Galleria. This is a free service for the community and anyone is able to register to utilise the facilities.

There are various stations within the Lab, all equipped with the latest devices. Free training takes place in the Think Tank, supported by computers and an interactive whiteboard. Assignments or research can be conducted at the Computer Hives. The latest smart technology can be utilised at the iPad Trees. A library with past examination papers, curriculum support and study guides can be used at the Study Bar, an area where students can bring and charge their own personal devices. Free wireless internet access and eight permanent staff members and trainers complete this top-class facility.

The eight permanent staff all reside within the Amanzimtoti area and are passionate about education and their community. The team consists of a centre manager, trainer, floor manager and front desk assistants. To date over 4 000 individuals have registered at the Learning Lab at The Galleria with the oldest registered user being 77 years of age.

OUR EMPLOYEES
We strive to create a productive working environment and our success in doing so is evidenced by our low staff turnover. The remuneration of our employees is elaborated on in the remuneration report on pages 20 to 23.

As discussed in note 19 to the financial statements, Resilient has a share purchase trust in terms of which loans are granted to employees to enable them to purchase shares in Resilient. We believe that empowering our employees in this way aligns their interests even closer to those of shareholders.

We maintain open channels of communication with our employees that include weekly meetings with our asset managers and monthly and ad hoc staff meetings for all employees. Our employees have access to Resilient's policies and procedures, including those on disciplinary and grievance procedures, via the intranet. None of Resilient's employees engage in collective bargaining processes.

Resilient has implemented an employment equity plan and we support the promotion of equal opportunities. Our focus is on developing our employees such that there are suitable internal candidates to lead Resilient in the future.

We encourage our employees to attend job related training such as industry specific conferences and courses. Our training and employment equity committee meets on a regular basis and approves the employment equity plan, our workplace skills plan and annual training report. The committee is chaired by a member of senior management. Of our 65 employees, 29 attended training in the 2015 financial year at a cost of R0,3 million.
### FIVE-YEAR REVIEW

#### Information shown on a proportionate consolidated basis

<table>
<thead>
<tr>
<th></th>
<th>Jun 2015 R'000</th>
<th>Jun 2014 R'000</th>
<th>Jun 2013 R'000</th>
<th>Dec 2012 R'000</th>
<th>Dec 2011 R'000</th>
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<tr>
<td><strong>SUMMARISED STATEMENT OF FINANCIAL POSITION</strong></td>
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<tr>
<td><strong>ASSETS</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Investment property</td>
<td>16 853 389</td>
<td>14 082 694</td>
<td>10 969 170</td>
<td>10 069 746</td>
<td>8 881 736</td>
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<tr>
<td>Investment property under development</td>
<td>1 059 389</td>
<td>507 449</td>
<td>1 209 139</td>
<td>824 660</td>
<td>346 376</td>
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<tr>
<td>Investments</td>
<td>12 115 214</td>
<td>8 091 955</td>
<td>4 411 414</td>
<td>3 719 975</td>
<td>2 769 300</td>
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<tr>
<td>Intangible asset</td>
<td>-</td>
<td>26 422</td>
<td>26 422</td>
<td>26 422</td>
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<tr>
<td>Resilient Share Purchase Trust loans</td>
<td>659 392</td>
<td>628 047</td>
<td>494 146</td>
<td>374 587</td>
<td>420 320</td>
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<tr>
<td>Loans to employees to acquire Capital shares</td>
<td>1 714 551</td>
<td>614 259</td>
<td>448 765</td>
<td>415 947</td>
<td>221 632</td>
</tr>
<tr>
<td>Loans to co-owners</td>
<td>301 277</td>
<td>287 405</td>
<td>214 927</td>
<td>137 758</td>
<td>125 250</td>
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<td>Current assets</td>
<td>357 506</td>
<td>235 358</td>
<td>167 281</td>
<td>80 661</td>
<td>35 004</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>33 060 718</td>
<td>24 447 167</td>
<td>18 085 925</td>
<td>15 895 653</td>
<td>13 105 289</td>
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<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total equity attributable to equity holders</td>
<td>25 937 405</td>
<td>16 584 164</td>
<td>10 968 505</td>
<td>8 490 880</td>
<td>6 679 929</td>
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<tr>
<td>Minority interest</td>
<td>20 470</td>
<td>11 960</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Linked debentures</td>
<td>-</td>
<td>1 389 812</td>
<td>1 371 572</td>
<td>1 346 573</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing borrowings net of cash on hand</td>
<td>5 834 443</td>
<td>6 920 314</td>
<td>4 790 109</td>
<td>4 221 956</td>
<td>3 771 657</td>
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<tr>
<td>Deferred tax</td>
<td>863 318</td>
<td>552 295</td>
<td>550 565</td>
<td>1 065 688</td>
<td>545 166</td>
</tr>
<tr>
<td>Amounts owing to minorities</td>
<td>112 622</td>
<td>99 974</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Linked debenture interest payable</td>
<td>-</td>
<td>-</td>
<td>394 446</td>
<td>385 554</td>
<td>340 431</td>
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<tr>
<td>Current liabilities</td>
<td>292 460</td>
<td>278 460</td>
<td>262 488</td>
<td>360 003</td>
<td>221 533</td>
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<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>33 060 718</td>
<td>24 447 167</td>
<td>18 085 925</td>
<td>15 895 653</td>
<td>13 105 289</td>
</tr>
<tr>
<td>Net asset value per share/unit (Rand)</td>
<td>68,85</td>
<td>53,06</td>
<td>41,75</td>
<td>34,51</td>
<td>29,32</td>
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<tr>
<td>Interest-bearing debt to asset ratio *</td>
<td>17,8%</td>
<td>26,7%</td>
<td>26,8%</td>
<td>26,7%</td>
<td>28,9%</td>
</tr>
<tr>
<td>Average cost of funding at year end</td>
<td>8,88%</td>
<td>8,58%</td>
<td>8,24%</td>
<td>8,62%</td>
<td>8,78%</td>
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#### SUMMARY STATEMENT OF COMPREHENSIVE INCOME (12 months)

<table>
<thead>
<tr>
<th></th>
<th>(12 months)</th>
<th>(6 months)</th>
<th>(12 months)</th>
<th>(12 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recoveries and contractual rental revenue</td>
<td>1 822 401</td>
<td>1 433 371</td>
<td>614 250</td>
<td>1 140 230</td>
</tr>
<tr>
<td>Property operating expenses</td>
<td>(622 705)</td>
<td>(486 294)</td>
<td>(219 017)</td>
<td>(397 568)</td>
</tr>
<tr>
<td>Distributable income from investments</td>
<td>328 292</td>
<td>172 416</td>
<td>113 775</td>
<td>210 718</td>
</tr>
<tr>
<td>Fair value gain on investment property, investments and currency derivatives</td>
<td>3 732 814</td>
<td>2 009 515</td>
<td>1 301 674</td>
<td>2 006 665</td>
</tr>
<tr>
<td>Underwriting fee received</td>
<td>-</td>
<td>2 500</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(87 213)</td>
<td>(96 929)</td>
<td>(48 755)</td>
<td>(78 616)</td>
</tr>
<tr>
<td>BEE termination fee received</td>
<td>-</td>
<td>54 366</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation of intangible asset</td>
<td>-</td>
<td>(26 422)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange gains</td>
<td>1 592</td>
<td>4 432</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Income from associates</td>
<td>701 309</td>
<td>153 182</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Management fees received from PFM</td>
<td>-</td>
<td>81 774</td>
<td>42 821</td>
<td>79 063</td>
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<tr>
<td>Profit on sale of subsidiaries, associates, joint ventures and economic interest in Proptrax</td>
<td>207 283</td>
<td>752 990</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Profit before net finance costs</strong></td>
<td>6 083 773</td>
<td>4 054 901</td>
<td>1 806 748</td>
<td>2 960 494</td>
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<tr>
<td>Net finance costs</td>
<td>(302 606)</td>
<td>(727 430)</td>
<td>(289 070)</td>
<td>(1 045 933)</td>
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<tr>
<td><strong>Profit before income tax</strong></td>
<td>5 781 165</td>
<td>3 327 471</td>
<td>1 517 678</td>
<td>1 914 561</td>
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<tr>
<td>Income tax</td>
<td>(310 216)</td>
<td>(222)</td>
<td>513 090</td>
<td>(524 899)</td>
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<tr>
<td><strong>Profit for the period</strong></td>
<td>5 470 949</td>
<td>3 325 243</td>
<td>2 030 768</td>
<td>1 396 662</td>
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<tr>
<td>Minority interest</td>
<td>(3 400)</td>
<td>135</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Profit for the period attributable to equity holders</strong></td>
<td>5 467 549</td>
<td>3 325 378</td>
<td>2 030 768</td>
<td>1 396 662</td>
</tr>
<tr>
<td>Information shown on a proportionate consolidated basis</td>
<td>Jun 2015 R'000</td>
<td>Jun 2014 R'000</td>
<td>Jun 2013 R'000</td>
<td>Dec 2012 R'000</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>----------------</td>
<td>----------------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Property expenses as a % of revenue (gross)</td>
<td>34,2%</td>
<td>33,9%</td>
<td>35,7%</td>
<td>34,9%</td>
</tr>
<tr>
<td>Property expenses as a % of revenue (net)</td>
<td>11,6%</td>
<td>12,2%</td>
<td>14,2%</td>
<td>13,7%</td>
</tr>
</tbody>
</table>

**SHARE STATISTICS**

<table>
<thead>
<tr>
<th>Shares/units in issue</th>
<th>376 747 796</th>
<th>312 569 839</th>
<th>289 544 070</th>
<th>265 744 070</th>
<th>280 536 070</th>
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<tbody>
<tr>
<td>Dividend/distribution per share/unit (cents)</td>
<td>390,67</td>
<td>327,94</td>
<td>196,23</td>
<td>255,67</td>
<td>290,71</td>
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<tr>
<td>Distribution growth</td>
<td>19,13%</td>
<td>20,94%</td>
<td>12,94%</td>
<td>10,82%</td>
<td>8,91%</td>
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<tr>
<td>Closing price per Resilient share/unit (cents)</td>
<td>9 645</td>
<td>6 005</td>
<td>5 374</td>
<td>5 175</td>
<td>3 475</td>
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<tr>
<td>Total return on shares/units</td>
<td>67,1%</td>
<td>17,8%</td>
<td>6,5%</td>
<td>56,3%</td>
<td>14,2%</td>
</tr>
</tbody>
</table>

**PROPERTY STATISTICS**

| Total number of properties | 35^          | 32^          | 39           | 40           | 37           |
| Total GLA                 | 1 095 953    | 1 009 563    | 930 457      | 878 875      | 853 690      |
| Vacancy                   | 2,0%         | 2,2%         | 1,8%         | 1,7%         | 1,9%         |

# The interest-bearing debt to asset ratio is calculated by dividing total interest-bearing borrowings adjusted for cash on hand by the total of investments in property, listed securities and loans advanced.

^ Excluding the properties being developed in Nigeria.

Due to the positive equity in the Eagle’s Eye Investments (Pty) Ltd BBBEE scheme and the minimal residual risk resulting from Resilient’s surety, the board has taken the view that the shares are in issue and has therefore reversed the effect of the option/right in the information above.
The total portfolio consists of retail assets.

**LEASE EXPIRY PROFILE**

<table>
<thead>
<tr>
<th>Rentable area</th>
<th>Gross rentals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacant</td>
<td>2.0%</td>
</tr>
<tr>
<td>Jun 16</td>
<td>18.1%</td>
</tr>
<tr>
<td>Jun 17</td>
<td>9.1%</td>
</tr>
<tr>
<td>Jun 18</td>
<td>16.7%</td>
</tr>
<tr>
<td>Jun 19</td>
<td>13.6%</td>
</tr>
<tr>
<td>Jun 20</td>
<td>15.2%</td>
</tr>
<tr>
<td>&gt; Jun 20</td>
<td>25.3%</td>
</tr>
</tbody>
</table>

**GEOGRAPHICAL PROFILE**

<table>
<thead>
<tr>
<th>Rentable area</th>
<th>Gross rentals</th>
<th>Property value*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Cape</td>
<td>3.8%</td>
<td>Eastern Cape</td>
</tr>
<tr>
<td>Gauteng</td>
<td>23.1%</td>
<td>Gauteng</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>19.9%</td>
<td>KwaZulu-Natal</td>
</tr>
<tr>
<td>Limpopo</td>
<td>26.9%</td>
<td>Limpopo</td>
</tr>
<tr>
<td>Mpumalanga</td>
<td>11.7%</td>
<td>Mpumalanga</td>
</tr>
<tr>
<td>North West</td>
<td>7.7%</td>
<td>North West</td>
</tr>
<tr>
<td>Northern Cape</td>
<td>6.9%</td>
<td>Northern Cape</td>
</tr>
</tbody>
</table>

**TENANT PROFILE**

<table>
<thead>
<tr>
<th>Rentable area</th>
<th>Gross rentals</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>79.5%</td>
</tr>
<tr>
<td>B</td>
<td>13.2%</td>
</tr>
<tr>
<td>C</td>
<td>7.3%</td>
</tr>
</tbody>
</table>

A Large national tenants, large listed tenants and government. These include, inter alia, Edcon, JD Group, Massmart, Mr Price Group, Pepkor, Pick n Pay, Shoprite Checkers, The Foschini Group, Truworths and Woolworths.

B National tenants, listed tenants, franchisees and medium to large professional firms. These include, inter alia, Famous Brands, KFC, Nando’s, Spur Corporation and Tekkie Town.

C Other (this comprises 580 tenants).

**OTHER INFORMATION**

The weighted average rental escalation by rentable area is 7.1% for 2016.

The average annualised property yield is 7.6% at 30 June 2015.
NATIONAL TENANT GROUPS AS A PERCENTAGE OF GROSS RENTALS AS AT 30 JUNE 2015
I’langa Mall | 49 892m² | Mpumalanga
# Annual Financial Statement

<table>
<thead>
<tr>
<th>Page</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>46</td>
<td>Directors’ responsibility for the annual financial statements</td>
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<tr>
<td>47</td>
<td>Report of the audit committee</td>
</tr>
<tr>
<td>49</td>
<td>Independent auditors’ report</td>
</tr>
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<td>50</td>
<td>Statements of financial position</td>
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<tr>
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<td>Statements of comprehensive income</td>
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<tr>
<td>52</td>
<td>Reconciliation of profit for the year to headline earnings</td>
</tr>
<tr>
<td>53</td>
<td>Statements of changes in equity</td>
</tr>
<tr>
<td>54</td>
<td>Statements of cash flows</td>
</tr>
<tr>
<td>55</td>
<td>Notes to the annual financial statements</td>
</tr>
</tbody>
</table>
The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements and annual financial statements of Resilient Property Income Fund Limited ("the company"), comprising the statements of financial position at 30 June 2015, the statements of comprehensive income, the statements of changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as well as the directors' and audit committee's reports, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management, as well as the preparation of the supplementary schedules included in these financial statements.

The directors have made an assessment of the group's and company's ability to continue as a going concern and there is no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated annual financial statements and annual financial statements of the company are fairly presented in accordance with the applicable financial reporting framework.

Approval of consolidated annual financial statements and annual financial statements of the company

The consolidated annual financial statements and annual financial statements of the company were approved by the board of directors on 5 August 2015 and signed on its behalf by:

Des de Beer
Managing director
5 August 2015

Nick Hanekom
Financial director
5 August 2015

DECLARATION BY COMPANY SECRETARY

In terms of section 88(e) of the Companies Act, 2008, as amended, I certify that the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

Monica Muller
Company secretary
5 August 2015
The audit committee is pleased to submit its report in compliance with section 94(7)(f) of the Companies Act of South Africa. Details on the composition of the audit committee, frequency of meetings and attendance at meetings are set out in the board of directors section of the integrated report on page 10 and further details on the role of the audit committee are set out in the corporate governance review section on page 30.

EXECUTION OF THE FUNCTIONS OF THE AUDIT COMMITTEE
The audit committee has carried out its functions in terms of the applicable requirements of the Companies Act of South Africa, the audit committee charter as approved by the board and any other legal or regulatory responsibilities.

EXTERNAL AUDITORS
The audit committee is satisfied that the external auditors are independent of the group. The audit committee considered information pertaining to the balance between fees received by the external auditors for audit and non-audit work performed in 2015 and concluded that the nature and extent of non-audit fees does not present a threat to the external auditors’ independence. Furthermore, after obtaining confirmation and reviewing a report from the external auditors on all their relationships with the company that might reasonably have a bearing on the external auditors’ independence and the audit engagement partner’s objectivity, and the related safeguards and procedures, the audit committee has concluded that the external auditors’ independence was not impaired.

The audit committee approved the external auditors’ terms of engagement, scope of work and the annual fee and noted the applicable levels of materiality. Based on written reports submitted, the audit committee reviewed, with the external auditors, the findings of their work and confirmed that all significant matters had been satisfactorily resolved. The audit committee is satisfied that the 2015 audit was completed without any restrictions on its scope. The audit committee has satisfied itself as to the suitability of the external auditors for re-appointment for the ensuing year.

FINANCIAL STATEMENTS AND ACCOUNTING POLICIES
The audit committee has reviewed the principles, policies and practices adopted in the preparation of the annual financial statements for the year ended 30 June 2015 and, where necessary, has obtained appropriate explanations relating to such financial information included in the integrated report. The audit committee is satisfied that they are adequate and appropriate and that the annual financial statements comply with International Financial Reporting Standards and the Companies Act of South Africa.

The audit committee has applied its mind to the preparation and presentation of the integrated report and acknowledges its responsibility to ensure the integrity of the integrated report. The audit committee recommended the integrated report to the board for approval.

INTERNAL FINANCIAL CONTROLS AND THE FINANCE FUNCTION
The audit committee has satisfied itself that no breakdown in accounting controls, procedures and systems has occurred during the year under review that could have a material impact on financial reporting.

The audit committee is also satisfied that the financial director, Nick Hanekom, is sufficiently competent and that the finance function has adequate resources and expertise.

Chairman of the audit committee

Bryan Hopkins
5 August 2015
I’langa Mall | 49 892m² | Mpumalanga
TO THE SHAREHOLDERS OF RESILIENT PROPERTY INCOME FUND LIMITED

We have audited the consolidated and separate financial statements of Resilient Property Income Fund Limited set out on pages 50 to 89, which comprise the statements of financial position as at 30 June 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS’ RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The company’s directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Resilient Property Income Fund Limited as at 30 June 2015, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the financial statements for the year ended 30 June 2015, we have read the directors’ report, the audit committee’s report and the company secretary’s certificate for the purpose of identifying whether there are material inconsistencies between these reports and the consolidated and separate financial statements.

These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Deloitte & Touche
Registered Auditor
Patrick Kleb
Partner
5 August 2015

Deloitte & Touche
Registered Auditors
Audit – Johannesburg
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Gallo Manor 2052
South Africa

National Executive: *LL Bam Chief Executive *AE Swiegers Chief Operating Officer *GM Pinnock Audit DL Kennedy Risk Advisory


* TJ Brown Chairman of the Board *MJ Comber Deputy Chairman of the Board

A full list of partners and directors is available on request * Partner and Registered Report

Member of Deloitte Touche Tohmatsu Limited
## Statements of Financial Position

at 30 June 2015

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Note</th>
<th>Group Jun 2015 R'000</th>
<th>Company Jun 2015 R'000</th>
<th>Group Jun 2014 R'000</th>
<th>Company Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td></td>
<td>3 409 633</td>
<td>995 209</td>
<td>24 118 626</td>
<td>1 119 626</td>
</tr>
<tr>
<td>Investment property</td>
<td>3</td>
<td>17 037 004</td>
<td>841 945</td>
<td>11 996 729</td>
<td>610 992</td>
</tr>
<tr>
<td>Straight-lining of rental revenue adjustment</td>
<td>3</td>
<td>1 484 715</td>
<td>630 272</td>
<td>196 586</td>
<td>610 992</td>
</tr>
<tr>
<td>Investment property under development</td>
<td>3</td>
<td>3 343 041</td>
<td>4 320 508</td>
<td>630 272</td>
<td>610 992</td>
</tr>
<tr>
<td>Investment in and loans to associate and joint ventures</td>
<td>4</td>
<td>8 772 173</td>
<td>5 619 438</td>
<td>995 209</td>
<td>610 992</td>
</tr>
<tr>
<td>Investments</td>
<td>5</td>
<td>642 581</td>
<td>641 945</td>
<td>614 259</td>
<td>610 992</td>
</tr>
<tr>
<td>Resilient Share Purchase Trust loans</td>
<td>6</td>
<td>1 658 623</td>
<td>16 811</td>
<td>1 819</td>
<td>610 992</td>
</tr>
<tr>
<td>Loans to BEE vehicles</td>
<td>7</td>
<td>157 888</td>
<td>1 819</td>
<td>610 992</td>
<td></td>
</tr>
<tr>
<td>Loans to co-owners</td>
<td>8</td>
<td>561 928</td>
<td>1 819</td>
<td>610 992</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>9</td>
<td>45 166</td>
<td>15 110 868</td>
<td>63 514</td>
<td>9 188 470</td>
</tr>
</tbody>
</table>

| Current assets                                                       |      | 780 101              | 9 188 470              | 15 110 868           | 353 264                |
| Investment property held for sale                                    | 3    | 158 012              | -                      | 9 188 470           | 353 264                |
| Straight-lining of rental revenue adjustment                          | 3    | 6 421                | -                      | 9 188 470           | 353 264                |
| Resilient Share Purchase Trust loans                                  | 6    | 16 811               | 17 319                 | 9 188 470           | 353 264                |
| Loans to BEE vehicles                                                 | 7    | 55 928               | -                      | 9 188 470           | 353 264                |
| Loans to co-owners                                                   | 8    | 110 734              | 81 219                 | 9 188 470           | 353 264                |
| Trade and other receivables                                           | 10   | 387 029              | 234 268                | 9 188 470           | 353 264                |
| Amounts owing to subsidiaries                                        | 9    | 15 094 040           | 9 188 470              | 353 264              | 353 264                |
| Total assets                                                          |      | 34 189 734           | 16 106 077             | 10 151 826          | 9 188 470              |

| EQUITY AND LIABILITIES                                               |      |                      |                        |                     |                        |
| Total equity attributable to equity holders                           | 11   | 25 937 405           | 13 311 631             | 7 526 708           | 9 188 470              |
| Stated capital                                                       | 11   | 10 616 875           | 10 616 875             | 5 594 555           | 5 594 555              |
| Currency translation reserve                                         |      | 40 113               | (122)                  | 196 846             | 196 846                |
| Reserves                                                             |      | 15 280 417           | 2 694 756              | 1 932 153           | 1 932 153              |
| Minority interest                                                    |      | 279 340              | 23 400                 | 9 188 470           | 353 264                |
| Total equity                                                         |      | 26 216 745           | 13 311 631             | 7 526 708           | 9 188 470              |
| Total liabilities                                                    |      | 7 972 989            | 2 794 446              | 2 625 118           | 353 264                |
| Non-current liabilities                                              |      | 7 091 406            | 2 269 920              | 1 964 846           | 1 964 846              |
| Interest-bearing borrowings                                          | 12   | 5 333 721            | 2 269 920              | 1 964 846           | 1 964 846              |
| Deferred tax                                                         | 13   | 857 657              | 552 454                | 1 964 846           | 1 964 846              |
| Amounts owing to minorities                                          | 14   | 900 028              | 196 103                | 1 964 846           | 1 964 846              |
| Current liabilities                                                  |      | 881 583              | 660 272                | 1 964 846           | 1 964 846              |
| Trade and other payables                                             | 15   | 307 098              | 662                    | 1 964 846           | 1 964 846              |
| Income tax payable                                                   |      | 839                  | 662                    | 1 964 846           | 1 964 846              |
| Interest-bearing borrowings                                          | 12   | 573 646              | 659 610                | 1 964 846           | 1 964 846              |
| Total equity and liabilities                                        |      | 34 189 734           | 24 118 626             | 16 106 077          | 10 151 826             |
## Income statement

<table>
<thead>
<tr>
<th>Income statement</th>
<th>Note</th>
<th>for the year ended Jun 2015 R'000</th>
<th>for the year ended Jun 2014 R'000</th>
<th>for the year ended Jun 2015 R'000</th>
<th>for the year ended Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net rental and related revenue</strong></td>
<td></td>
<td>1 276 535</td>
<td>869 745</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recoveries and contractual rental revenue</td>
<td></td>
<td>1 755 229</td>
<td>1 281 705</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Straight-lining of rental revenue adjustment</td>
<td></td>
<td>121 443</td>
<td>18 886</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental revenue</td>
<td></td>
<td>1 876 672</td>
<td>1 300 591</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property operating expenses</td>
<td>(600 137)</td>
<td>1 276 535</td>
<td>869 745</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from investments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value gain on investment property, investments and currency derivatives</td>
<td></td>
<td>3 597 590</td>
<td>1 923 848</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value gain on investment property</td>
<td></td>
<td>557 030</td>
<td>878 691</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment resulting from straight-lining of rental revenue</td>
<td>(121 443)</td>
<td>1 876 672</td>
<td>1 300 591</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value gain on investments</td>
<td>(188 817)</td>
<td>3 597 590</td>
<td>1 923 848</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management fees received from PFM</td>
<td>-</td>
<td>81 774</td>
<td></td>
<td>2 500</td>
<td></td>
</tr>
<tr>
<td>Underwriting fee received</td>
<td>-</td>
<td>2 500</td>
<td>-</td>
<td>2 500</td>
<td></td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(89 172)</td>
<td>(100 781)</td>
<td>(4 884)</td>
<td>(4 866)</td>
<td></td>
</tr>
<tr>
<td>Dividends received from group companies</td>
<td></td>
<td>2 128 241</td>
<td>2 931</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Termination fee received from Amber Peek</td>
<td>-</td>
<td>54 366</td>
<td>-</td>
<td>54 366</td>
<td></td>
</tr>
<tr>
<td>Profit on disposal of economic interest in PropTrax</td>
<td>2 500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation of intangible asset</td>
<td>-</td>
<td>(26 422)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign exchange gains</td>
<td>2 612</td>
<td>8 693</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit on sale of interest in subsidiaries</td>
<td>-</td>
<td>752 990</td>
<td>-</td>
<td>733 435</td>
<td></td>
</tr>
<tr>
<td>Profit on sale of interest in associate</td>
<td>204 783</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill on acquisition of interest in joint venture</td>
<td>-</td>
<td>29 598</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from associate and joint ventures</td>
<td>768 822</td>
<td>284 406</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- distributable</td>
<td>249 860</td>
<td>138 014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- non-distributable</td>
<td>518 962</td>
<td>146 392</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit before net finance costs</strong></td>
<td></td>
<td>6 091 962</td>
<td>4 053 133</td>
<td>2 123 357</td>
<td>788 366</td>
</tr>
<tr>
<td><strong>Net finance costs</strong></td>
<td>(303 223)</td>
<td>(725 398)</td>
<td>(186 181)</td>
<td>(99 246)</td>
<td></td>
</tr>
<tr>
<td>Finance income</td>
<td>357 464</td>
<td>214 638</td>
<td>50 998</td>
<td>545 151</td>
<td></td>
</tr>
<tr>
<td>Interest received</td>
<td>308 395</td>
<td>86 065</td>
<td>50 998</td>
<td>46 145</td>
<td></td>
</tr>
<tr>
<td>Fair value adjustment on interest rate derivatives</td>
<td>49 069</td>
<td>97 287</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest on linked units issued cum distribution</td>
<td>-</td>
<td>29 286</td>
<td>-</td>
<td>29 286</td>
<td></td>
</tr>
<tr>
<td>Interest received from group companies</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>(660 887)</td>
<td>(940 036)</td>
<td>(237 179)</td>
<td>(644 397)</td>
<td></td>
</tr>
<tr>
<td>Interest on borrowings</td>
<td>(737 247)</td>
<td>(531 337)</td>
<td>(237 179)</td>
<td>(176 257)</td>
<td></td>
</tr>
<tr>
<td>Capitalised interest</td>
<td>76 560</td>
<td>59 441</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest to linked debenture holders</td>
<td>-</td>
<td>(468 140)</td>
<td>-</td>
<td>(468 140)</td>
<td></td>
</tr>
<tr>
<td><strong>Profit before income tax expense</strong></td>
<td>16</td>
<td>5 788 739</td>
<td>3 327 735</td>
<td>1 937 176</td>
<td>689 120</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>17</td>
<td>(304 654)</td>
<td>(2 660)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td>5 484 085</td>
<td>3 325 075</td>
<td>1 937 176</td>
<td>689 120</td>
</tr>
</tbody>
</table>

### Other comprehensive income net of tax

<table>
<thead>
<tr>
<th>Items that may subsequently be reclassified to profit or loss</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>68 253</td>
<td>(122)</td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>5 552 338</td>
<td>3 324 953</td>
<td>1 937 176</td>
</tr>
<tr>
<td><strong>Profit of the year attributable to:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity holders of the company</td>
<td>5 467 549</td>
<td>3 325 378</td>
<td>1 937 176</td>
</tr>
<tr>
<td>Minority interest</td>
<td>16 536</td>
<td>(303)</td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year attributable to:</strong></td>
<td>5 484 085</td>
<td>3 325 075</td>
<td>1 937 176</td>
</tr>
<tr>
<td><strong>Basic earnings per share (cents)</strong></td>
<td>1 630,11</td>
<td>1 097,65</td>
<td></td>
</tr>
</tbody>
</table>

RESILIENT PROPERTY INCOME FUND 2015 INTEGRATED REPORT

51
## RECONCILIATION OF PROFIT FOR THE YEAR TO HEADLINE EARNINGS

for the year ended 30 June 2015

<table>
<thead>
<tr>
<th></th>
<th>Group for the year ended Jun 2015</th>
<th>Group for the year ended Jun 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R'000</td>
<td>R'000</td>
</tr>
<tr>
<td>Basic earnings - profit for the year attributable to equity holders</td>
<td>5,467,549</td>
<td>3,325,378</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- fair value gain on investment property</td>
<td>(458,855)</td>
<td>(1,679,351)</td>
</tr>
<tr>
<td>- goodwill on acquisition of joint venture</td>
<td>-</td>
<td>(29,598)</td>
</tr>
<tr>
<td>- profit on sale of interest in subsidiaries</td>
<td>-</td>
<td>(752,900)</td>
</tr>
<tr>
<td>- fair value loss/(gain) on investment property of joint ventures</td>
<td>1,480</td>
<td>(37,183)</td>
</tr>
<tr>
<td>- income tax effect</td>
<td>(24,733)</td>
<td>225</td>
</tr>
<tr>
<td>- income tax effect - joint ventures</td>
<td>(15)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Headline earnings</strong></td>
<td><strong>5,008,694</strong></td>
<td><strong>1,646,027</strong></td>
</tr>
</tbody>
</table>

Headline earnings per share (cents) 1,493,31 543,32

Basic earnings per share and headline earnings per share are based on the weighted average of 326,409,974 (2014: 302,954,455) shares in issue during the year. Given Resilient’s capital conversion, detailed in the circular issued to shareholders on 29 May 2014, linked debentures no longer exist within Resilient’s capital structure.

Resilient has no dilutionary instruments in issue.
## STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 June 2015

<table>
<thead>
<tr>
<th>Group</th>
<th>Stated capital/ share capital R’000</th>
<th>Share premium R’000</th>
<th>Currency translation reserve R’000</th>
<th>Reserves R’000</th>
<th>Equity attributable to equity holders R’000</th>
<th>Minority interest R’000</th>
<th>Total equity R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at Jun 2013</td>
<td>2 895</td>
<td>3 031 257</td>
<td>-</td>
<td>7 664 353</td>
<td>10 698 505</td>
<td>-</td>
<td>10 698 505</td>
</tr>
<tr>
<td>Issue of units</td>
<td>230</td>
<td>1 059 838</td>
<td>-</td>
<td>1 060 068</td>
<td>1 060 068</td>
<td>-</td>
<td>1 060 068</td>
</tr>
<tr>
<td>Equity contributed by minorities</td>
<td>23 763</td>
<td>23 763</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>(122)</td>
<td>(122)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit/(loss) for the year</td>
<td>3 325 378</td>
<td>3 325 378</td>
<td>(303)</td>
<td>3 325 075</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capitalisation of linked debentures</td>
<td>1 500 335</td>
<td>1 500 335</td>
<td>-</td>
<td>1 500 335</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to stated capital</td>
<td>4 091 095</td>
<td>(4 091 095)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at Jun 2014</td>
<td>5 594 555</td>
<td>-</td>
<td>(122)</td>
<td>10 989 731</td>
<td>16 584 164</td>
<td>23 460</td>
<td>16 607 624</td>
</tr>
<tr>
<td>Issue of shares</td>
<td>5 022 320</td>
<td>-</td>
<td>-</td>
<td>5 022 320</td>
<td>5 022 320</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Issue of 7 812 500 shares on 13 Aug 2014</td>
<td>499 224</td>
<td>-</td>
<td>499 224</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Issue of 6 578 947 shares on 1 Sep 2014</td>
<td>375 000</td>
<td>-</td>
<td>375 000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Issue of 9 150 326 shares on 13 Nov 2014</td>
<td>695 788</td>
<td>-</td>
<td>695 788</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Issue of 6 097 560 shares on 25 Nov 2014</td>
<td>499 820</td>
<td>-</td>
<td>499 820</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Issue of 1 842 500 shares on 8 May 2015</td>
<td>174 506</td>
<td>-</td>
<td>174 506</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Issue of 32 696 124 shares on 22 Jun 2015</td>
<td>2 777 982</td>
<td>-</td>
<td>2 777 982</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity contributed by minorities</td>
<td>343</td>
<td>-</td>
<td>-</td>
<td>343</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Acquisition of minority interest</td>
<td>(640)</td>
<td>-</td>
<td>(640)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Obtaining control of joint ventures</td>
<td>253 089</td>
<td>-</td>
<td>253 089</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>37 945</td>
<td>37 945</td>
<td>30 308</td>
<td>68 253</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>5 467 549</td>
<td>5 467 549</td>
<td>16 536</td>
<td>5 484 085</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(1 174 573)</td>
<td>(1 174 573)</td>
<td>(43 756)</td>
<td>(1 218 329)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer to currency translation reserve</td>
<td>2 290</td>
<td>(2 290)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance at Jun 2015</td>
<td>10 616 875</td>
<td>-</td>
<td>40 113</td>
<td>15 280 417</td>
<td>25 937 405</td>
<td>279 340</td>
<td>26 216 745</td>
</tr>
</tbody>
</table>

### Company

<table>
<thead>
<tr>
<th>Group</th>
<th>Stated capital/ share capital R’000</th>
<th>Share premium R’000</th>
<th>Reserves R’000</th>
<th>Equity attributable to equity holders R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at Jun 2013</td>
<td>2 895</td>
<td>3 031 257</td>
<td>1 243 033</td>
<td>4 277 185</td>
</tr>
<tr>
<td>Issue of units</td>
<td>230</td>
<td>1 059 838</td>
<td>1 060 068</td>
<td></td>
</tr>
<tr>
<td>Profit for the year</td>
<td>689 120</td>
<td>689 120</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitalisation of linked debentures</td>
<td>1 500 335</td>
<td>-</td>
<td>1 500 335</td>
<td></td>
</tr>
<tr>
<td>Transfer to stated capital</td>
<td>4 091 095</td>
<td>(4 091 095)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Balance at Jun 2014</td>
<td>5 594 555</td>
<td>-</td>
<td>1 932 153</td>
<td>7 528 708</td>
</tr>
<tr>
<td>Issue of shares</td>
<td>5 022 320</td>
<td>-</td>
<td>5 022 320</td>
<td></td>
</tr>
<tr>
<td>- Issue of 7 812 500 shares on 13 Aug 2014</td>
<td>499 224</td>
<td>-</td>
<td>499 224</td>
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<td>375 000</td>
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<td>2 777 982</td>
<td>-</td>
<td>2 777 982</td>
<td></td>
</tr>
<tr>
<td>Profit for the year</td>
<td>1 937 176</td>
<td>1 937 176</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(1 174 573)</td>
<td>(1 174 573)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 30 Jun 2015</td>
<td>10 616 875</td>
<td>-</td>
<td>2 694 756</td>
<td>13 311 631</td>
</tr>
</tbody>
</table>
## STATEMENTS OF CASH FLOWS

for the year ended 30 June 2015

<table>
<thead>
<tr>
<th>Note</th>
<th>Group for the year ended Jun 2015 R’000</th>
<th>Group for the year ended Jun 2014 R’000</th>
<th>Company for the year ended Jun 2015 R’000</th>
<th>Company for the year ended Jun 2014 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>18.1</td>
<td>Cash generated from operations</td>
<td>1 629 270</td>
<td>1 245 524</td>
<td>(3 523)</td>
</tr>
<tr>
<td>18.2</td>
<td>Interest received on loans</td>
<td>308 395</td>
<td>88 065</td>
<td>50 998</td>
</tr>
<tr>
<td>18.3</td>
<td>Interest paid to linked debenture holders</td>
<td>(737 247)</td>
<td>(531 337)</td>
<td>(237 179)</td>
</tr>
<tr>
<td>18.4</td>
<td>Dividends paid</td>
<td>1 218 329</td>
<td>(2 128 241)</td>
<td>2 931</td>
</tr>
<tr>
<td>18.5</td>
<td>Income tax paid</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>18.6</td>
<td>Cash (outflow)/inflow from operating activities</td>
<td>(17 911)</td>
<td>(84 962)</td>
<td>763 964</td>
</tr>
</tbody>
</table>

### Operating activities

#### Development and Improvement of Investment Property

- Group: 374 182
- Company: 930 906

#### Acquisition of Investment Property

- Group: 1 125 727
- Company: 47 835

#### Disposal of Investment Property

- Group: - 520 996

#### Acquisition of Interest in Joint Venture

- Group: - 1 388 819

#### Proceeds on Disposal of Investment in Associate

- Group: 432 500

#### Share Purchase Trust Loans Advanced

- Group: (174 632)
- Company: (201 515)

#### Share Purchase Trust Loans Repaid

- Group: 143 287

#### Loans to Employees to Acquire Units in Capital Property Fund Repaid

- Group: - 144 661

#### Loans Advanced to BEE Vehicles

- Group: (1 100 292)

#### Co-owner Loans Repaid

- Group: 71 905

#### Co-owner Loans Advanced

- Group: (131 202)

#### Increase in Amounts Owing to Minorities

- Group: 561 864

#### Acquisition of Investments

- Group: (569 069)

#### Cash Flow on Currency Derivatives

- Group: 625 493

#### Proceeds on Disposal of Investments

- Group: 767 154

#### Proceeds on Disposal of Economic Interest in PropTrax

- Group: 2 500

#### Disposal of Subsidiary

- Group: 18.5 3 990

#### Obtaining Control of Joint Ventures

- Group: 5 459

#### Acquisition of Interest in Subsidiary

- Group: (853 139)

#### Increase in Loans to Subsidiaries

- Group: (5 547 889)

#### Cash Outflow from Investing Activities

- Group: (3 196 973)

### Investing activities

#### Financing activities

- (Decrease)/Increase in Interest-bearing Borrowings

- Group: 1 450 387
- Company: 2 165 741

- Raising of Stated Capital

- Group: 4 647 320
- Company: 1 199 877

- Cash Inflow from Financing Activities

- Group: 3 196 933
- Company: 3 365 618

- (Decrease)/Increase in Cash and Cash Equivalents

- Group: (17 951)
- Company: 61 523

- Cash and Cash Equivalents at Beginning of Year

- Group: 63 117
- Company: 1 594

- Cash and Cash Equivalents at End of Year

- Group: 45 166
- Company: 63 117

The group has a total of R7 656 million (2014: R6 586 million) in secured property finance facilities available, R2 000 million (2014: nil) of which relates to notes that were issued under the approved domestic medium term note (“DMTN”) programme of R6 000 million (2014: R4 000 million). This disclosure excludes the minorities’ R38 million (2014: nil) of secured property finance facilities.

In total R2 449 million (2014: R4 269 million) of the secured property finance facilities and R2 458 million (2014: R2 599 million) of the DMTN programme have been utilised. For 2015 this disclosure includes the minorities’ share of interest-bearing borrowings totalling R38 million. The 2014 disclosure excludes the group’s share of the interest-bearing borrowings of joint ventures totalling R69 million.
REPORTING ENTITY
Resilient Property Income Fund Limited (the “company”) is a company domiciled in South Africa. The consolidated financial statements of the company for the year ended 30 June 2015 comprise the company, its subsidiaries, associate, joint ventures and The Resilient Share Purchase Trust (together referred to as the “group”). The financial statements were authorised for issue by the directors on 5 August 2015.

BASIS OF PREPARATION

Basis of measurement
The consolidated and separate financial statements (“financial statements”) are prepared on the historical-cost basis, except for investment property, derivative financial instruments and financial instruments, designated as financial instruments at fair value through profit or loss, which are measured at fair value.

Statement of compliance
The annual financial statements have been consistently prepared in accordance with International Financial Reporting Standards (“IFRS”) and its interpretations adopted by the Independent Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act 2008 (“the Act”) of South Africa.

The accounting policies are consistent with those applied in the prior periods with the exception of standards and interpretations that became effective in the current year.

This report was compiled under the supervision of Nick Hanekom CA(SA), the financial director. These financial statements have been audited in compliance with all applicable requirements of the Act.

FUNCTIONAL AND PRESENTATION CURRENCY
The financial statements are presented in Rand, which is also the functional currency of the group, rounded to its nearest thousand (R’000) unless otherwise indicated.

USE OF ESTIMATES AND JUDGEMENTS
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are set out in note 26.

1 ACCOUNTING POLICIES
The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented in these financial statements for the year ended 30 June 2014.

1.1 Basis of consolidation
Subsidiaries
The consolidated annual financial statements incorporate the annual financial statements of the company and entities controlled by the company and its subsidiaries. Control is achieved when the company:

- has power over the investee;
- is exposed or has rights to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company’s voting rights in an investee are sufficient to give it power, including:

- the size of the company’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company may have the current ability to direct the relevant activities at the time that decisions need to be made.

The group financial statements incorporate the assets, liabilities, operating results and cash flows of the company and its subsidiaries. The results of subsidiaries acquired or disposed of during the period are included from the effective dates of acquisition and up to the effective dates of disposal.

The accounting policies of the subsidiaries are consistent with those of the holding company.

In the company’s separate financial statements investments in subsidiaries are stated at cost less accumulated impairment losses.
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2015

Special purpose entities

The group has established special purpose entities (“SPEs”) for BEE and staff incentivisation purposes. The group does not have any direct or indirect shareholdings in these entities. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the group and the SPE’s risks and rewards, the group concludes that it controls the SPE. SPE’s controlled by the group were established under terms that impose strict limitations on the decision-making powers of the SPE’s management and that result in the group being exposed to risks incident to the SPE’s activities, and retaining the majority of the residual or ownership risks related to the SPE or its assets.

Investment in associates and joint ventures

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated into these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group’s share of the profit or loss and other comprehensive income of the associate or joint venture. When the group’s share of losses of an associate or a joint venture exceeds the group’s interest in that associate or joint venture, the group discontinues recognising its share of further losses.

An investment in an associate or joint venture is accounted for using the equity method from the date when the investment is acquired.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

Transactions in foreign currency

The results of foreign entities are translated as follows:

- statement of financial position - at the spot exchange rate at period end
- statement of comprehensive income - at the average exchange rate for the period

1.2 INVESTMENT PROPERTY

Investment property

Investment properties are those held either to earn rental income or for capital appreciation or both but not for sale in the ordinary course of business or for administration purposes.

The cost of investment property comprises the purchase price and directly attributable expenditure. Subsequent expenditure relating to investment property is capitalised when it is probable that there will be future economic benefits from the use of the asset. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

After initial recognition, investment properties are measured at fair value. Fair values are determined annually by external independent professional valuers with appropriate and recognised professional qualifications and recent experience in the location and category of property being valued. Valuations are done on the open market value basis and the valuers use either the discounted cash flow method or the capitalisation of net income method or a combination of the methods. Gains or losses arising from changes in the fair values are included in profit or loss for the period in which they arise.

Immediately prior to disposal of investment property the investment property is revalued to the net sales proceeds and such revaluation is recognised in profit or loss during the period in which it occurs.

When the group redevelops an existing investment property for continued future use as investment property, the property remains classified as investment property. The investment property is not reclassified as investment property under development during the redevelopment.

Investment property under development

Property that is being constructed or developed for future use as investment property is classified as investment property under development until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property. To the extent that developments can be accurately fair valued, developments are carried at fair value.

All costs directly associated with the purchase and construction of a property, and all subsequent capital expenditures for the development qualifying as acquisition costs, are capitalised.

Borrowing costs are capitalised to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are
being incurred. Capitalisation of borrowing costs may continue until the assets are substantially ready for their intended use. If the resulting carrying amount of the asset exceeds its recoverable amount an impairment loss is recognised. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes or, with regard to that part of development cost financed out of general funds, the weighted average cost of borrowings.

*Investment property held for sale*

Immediately before classification as held for sale, the measurement of the investment property is brought up to date in accordance with applicable IFRS. Then, on initial classification as held for sale, the investment property continues to be recognised at fair value.

*Leased property*

Leases in terms of which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. The property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease.

The property held under finance leases and leased out under operating leases is classified as investment property and stated at fair value.

Leases in terms of which the group does not assume substantially all the risks and rewards of ownership are classified as operating leases.

1.3 **FINANCIAL INSTRUMENTS**

Financial instruments include cash and cash equivalents, investments in listed property securities, loans, trade and other receivables, trade and other payables and interest-bearing borrowings.

*Recognition*

Financial instruments are initially measured at fair value which, except for financial instruments measured at fair value through profit or loss, include directly attributable transaction costs.

Subsequent to initial recognition, financial instruments are measured as follows:

- **Cash and cash equivalents** - Carried at amortised cost.
- **Investments** - Carried at fair value, being the quoted closing price at the statement of financial position date through profit or loss.
- **Loans** - Carried at amortised cost using the effective interest method net of impairment losses.
- **Trade and other receivables** - Carried at amortised cost using the effective interest method net of impairment losses.
- **Trade and other payables** - Carried at amortised cost using the effective interest method.
- **Interest-bearing borrowings** - Carried at amortised cost using the effective interest method.

*Derogation*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the contractual rights to receive cash flows from the asset have expired;
- the group or company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

*Offset*

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

1.4 **DERIVATIVE FINANCIAL INSTRUMENTS**

The group uses derivative financial instruments to partially hedge its exposure to interest rate risks arising from financing activities and its currency risks arising from investing activities. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes. Derivatives used as hedges which do not qualify as such in terms of hedge accounting rules, are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are measured at fair value and changes therein are accounted for through profit or loss. Directly attributable transaction costs are recognised in profit or loss when incurred.

The fair value of derivatives is the estimated amount that the group would receive or pay to terminate the derivative at the statement of financial position date, taking into account the current relevant market conditions.

1.5 **INTANGIBLE ASSETS**

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives from the date they are available for use.

Intangible assets with an indefinite useful life are stated at cost less accumulated impairment losses and are tested for impairment annually.
1.6 GOODWILL

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries or businesses and comprises the difference between the cost of the acquisition and the fair value of the net identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Negative goodwill arising on acquisition is recognised directly in profit or loss.

Expenditure on internally generated goodwill and brands is recognised in profit or loss as incurred.

1.7 IMPAIRMENT

Non-financial assets

The carrying amounts of the group’s non-financial assets, other than investment property and deferred tax assets, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated.

The recoverable amount is estimated at each statement of financial position date for goodwill and intangible assets that have an indefinite useful life and intangible assets that are not yet available for use.

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.

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

The recoverable amount of an asset or a cash generating unit is the greater of their fair value less cost to sell and their value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the original effective pre-tax discount rate. For any asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed 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 or amortisation, if no impairment loss had been recognised.

1.8 CASH AND CASH EQUIVALENTS

Financial assets

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 flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

1.9 STATED CAPITAL

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares are shown as a deduction in equity from the proceeds.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

1.10 CURRENCY TRANSLATION RESERVE

Exchange differences, if any, arising from the translation of foreign operations for the purposes of presenting these consolidated financial statements, are recognised in other comprehensive income and accumulated in equity in the currency translation reserve.

Transactions in currencies other than the group’s functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At each reporting period end, monetary items denominated in foreign currencies are retranslated to the spot rate on that date. Exchange differences, if any, that arise on the retranslation of monetary items are recognised in profit or loss. At each reporting period, the exchange differences, net of tax, are transferred to the currency translation reserve.
1.11 PROVISIONS
Provisions are recognised when the group has legal or constructive obligations arising from past events, from which outflows of economic benefits are probable and where reliable estimates can be made of the amounts of the obligations. Where the effect of discounting is material, provisions are discounted. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.12 REVENUE
Revenue comprises rental revenue and recovery of expenses, excluding VAT. Rental revenue from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental revenue over the lease period.

1.13 EXPENSES
Service costs and property operating expenses
Service costs for service contracts entered into and property operating expenses are expensed as incurred.

Lease payments
Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense on a straight-line basis.

Payments under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

1.14 FINANCE INCOME AND FINANCE COSTS
Finance income comprises interest received on funds invested and loans advanced and is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

Finance costs comprise interest payable on borrowings calculated using the effective interest method.

1.15 DIVIDEND INCOME
Dividend income is recognised in the statement of comprehensive income on the date the group's or company's right to receive payment is established, which in the case of quoted securities is usually the ex-dividend date.

1.16 INCOME TAX
Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position method based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.17 SEGMENTAL REPORTING
A segment is a distinguishable component of the group that is engaged either in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. The group’s primary segment is based on business segments. There are no secondary segments. The business segments are determined based on the group’s management and internal reporting structure.

On a primary basis, the group operates in the retail segment.

The group will from time to time invest/divest from certain primary segments, in which case segmental reporting will be adjusted to reflect only the relevant operating segments.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of group revenue and expenses that can be allocated on a reasonable basis to a segment. Segmental assets comprise those assets that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

1.18 EMPLOYEE BENEFITS
The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service on an undiscounted basis. The accrual for employee entitlements to salaries and annual leave represent the amount which the group has a present obligation to pay as a result of employees’ services provided to the statement of financial position date. The group does not provide any retirement or post-retirement benefits.

1.19 RELATED PARTIES
Related parties in the case of the group include any shareholder who is able to exert a significant influence on the operating policies of the group. Directors, their close family members and any employee who is able to exert significant influence on the operating policies of the group are also considered to be related parties. In the case of the company, related parties would also include subsidiaries, associates, joint ventures, the BEE SPV and The Resilient Share Purchase Trust.
1.20 EARNINGS PER SHARE
The group presents basic and diluted earnings per share. It also presents headline and diluted headline earnings per share.

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders by the weighted average number of shares in issue during the year.

Headline earnings per share is calculated by dividing headline earnings by the weighted average number of shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders by the weighted average number of shares in issue, adjusted for the potential dilutive impact of outstanding shareholder options.

Diluted headline earnings per share is calculated by dividing headline earnings by the weighted average number of shares in issue, adjusted for the potential dilutive impact of outstanding shareholder options.

1.21 ACCOUNTING FOR BLACK ECONOMIC EMPOWERMENT (BEE) TRANSACTIONS
Where equity instruments are issued in terms of BEE transactions and the fair value of the equity instruments granted is greater than the fair value of cash and other assets acquired, the difference between the fair value of the equity instruments and the fair value of cash and other assets received is recognised in profit or loss.

2 FINANCIAL RISK MANAGEMENT
The group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board has delegated the responsibility for developing and monitoring the group's risk management policies to the risk committee. The committee reports to the board of directors on its activities. The group risk committee oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

Credit risk
Credit risk is the risk of financial loss to the group if a tenant or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the group's receivables from tenants, loans, loans to co-owners, investment securities and cash and cash equivalents.

Trade and other receivables
The group's exposure to credit risk is influenced mainly by the individual characteristics of each tenant. The group's wide-spread customer base reduces credit risk.

The majority of rental revenue is derived from retail properties situated in Gauteng, KwaZulu-Natal, Limpopo and Mpumalanga but there is no concentration of credit risk.

Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the group's standard payment terms and conditions are offered. When available, the group's review includes external ratings.

Trade and other receivables relate mainly to the group's tenants and deposits with municipalities. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, industry, size of business and existence of previous financial difficulties.

The group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures.

Resilient Share Purchase Trust loans
The group's exposure to credit risk is influenced by the security provided for the loan and also the characteristics of each borrower who are employees of the group.

The group establishes an allowance for impairment that represents its estimate of specific losses to be incurred in the event of the borrowers' inability to meet their commitments.

Loans to co-owners
In reducing credit risk attributable to loans to co-owners, the group will register bonds over the properties as security for the co-owners' outstanding loans.

Investments
The group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that are listed on a recognised stock exchange.

Cash and cash equivalents
The group's exposure to credit risk is limited through the use of financial institutions of good standing for investment and cash handling purposes.

Sureties
The group's policy is to provide sureties with regards to subsidiaries to the extent required in the normal course of business. Such sureties are provided to enable the subsidiaries to obtain the funding necessary to enable them to acquire investment property or investments. The company provided a surety to the financiers of BEE SPV (refer note 21).
Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations comprising interest-bearing borrowings, amounts owing to minorities and trade and other payables, as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group receives rental on a monthly basis and uses it to reduce its borrowings. Typically, the group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The group enters into derivatives and also incurs financial liabilities in order to manage market risks. All such transactions are carried out within the guidelines set by the risk committee.

Currency risk

The group is indirectly exposed to currency risk through its investments in Nepi, Rockcastle and Resilient Africa. The exposure is partially hedged as the currency position is considered to be long-term in nature.

Interest rate risk

The group is exposed to interest rate risk on its loans advanced, interest-bearing borrowings and cash and cash equivalents.

Loans advanced, interest-bearing borrowings and cash and cash equivalents bear interest at rates linked to prime/jibar. However, the group adopts a policy of ensuring that at least 80% of its exposure to interest rates on borrowings is hedged. This is achieved by entering into interest rate swaps and caps.

Equity price risk

The group is exposed to equity price risk on its investments. It limits its exposure to equity price risk by only investing in liquid securities that are listed on a recognised stock exchange and where the directors are in agreement with the business strategy implemented by such companies.

Fair values

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the group's investment property portfolio every year. The fair values are based on market values being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, when appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the group and the lessee; and the remaining economic life of the property.

Investment in associate

The fair value of the investment in associate company, Rockcastle, in note 25.4 is determined by reference to its quoted closing price at the reporting date.

Investments

The fair value of financial assets at fair value through profit or loss is determined by reference to their quoted closing price at the reporting date.

Loans and trade and other receivables

The fair value of loans and trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Derivatives

The fair value of derivatives is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Capital management

The group considers the equity attributable to equity holders as permanent capital of the group.

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors also monitors the level of distributions to shareholders. The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the group's approach to capital management during the year. Neither the company nor any of its subsidiaries are subject to externally imposed capital requirements.
### 3 INVESTMENT PROPERTY, STRAIGHT-LINING OF RENTAL REVENUE ADJUSTMENT, INVESTMENT PROPERTY UNDER DEVELOPMENT AND INVESTMENT PROPERTY HELD FOR SALE

<table>
<thead>
<tr>
<th>Investment in property comprises:</th>
<th>Jun 2015 R’000</th>
<th>Jun 2014 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment property</td>
<td>17 037 004</td>
<td>11 996 729</td>
</tr>
<tr>
<td>Straight-lining of rental revenue adjustment</td>
<td>313 608</td>
<td>198 586</td>
</tr>
<tr>
<td>Investment property held for sale</td>
<td>158 012</td>
<td>-</td>
</tr>
<tr>
<td>Straight-lining of rental revenue adjustment</td>
<td>6 421</td>
<td>-</td>
</tr>
<tr>
<td>Investment property under development</td>
<td>1 484 715</td>
<td>630 272</td>
</tr>
<tr>
<td>Total investment property</td>
<td>18 999 760</td>
<td>12 825 587</td>
</tr>
</tbody>
</table>

Details of the investment property are as follows:

| At cost                                                 | 11 705 225     | 7 121 864     |
| Cumulative revaluation                                  | 5 489 791      | 4 874 865     |
| Straight-lining of rental revenue adjustment            | 320 029        | 198 586       |
| Investment property at fair value                       | 17 515 045     | 12 195 315    |

Movement in investment property is as follows:

| Carrying amount at beginning of year                    | 12 195 315     | 9 728 334     |
| Additions                                              | 1 125 727      | 47 835        |
| Acquisition of interest in subsidiary (refer note 18.7)| 712 090        | -             |
| Transfer to investment in joint venture (refer note 18.4)| -             | 219 700       |
| Obtaining control of joint ventures (refer note 18.6)  | 2 610 430      | -             |
| Transfer from investment property under development    | 299 433        | 1 320 755     |
| Revaluation adjustment                                 | 450 607        | 855 805       |
| Straight-lining of rental revenue adjustment            | 121 443        | 18 886        |
| Transfer to investment properties held for sale (at fair value) | (164 433) | -             |
|                                                          | 17 350 612     | 12 195 315    |

Details of investment property under development are as follows:

| Carrying amount at beginning of year                    | 630 272        | 1 196 124     |
| Cost capitalised                                       | 1 005 960      | 684 391       |
| Acquisition of interest in subsidiary (refer note 18.7)| 60 000         | -             |
| Transfer to investment in joint venture (refer note 18.4)| -             | 11 071       |
| Obtaining control of joint ventures (refer note 18.6)  | 26 376         | -             |
| Interest capitalised                                   | 76 560         | 59 441        |
| Revaluation adjustment                                 | (15 020)       | -             |
| Transfer to investment property                        | (299 433)      | (1 320 755)   |
|                                                          | 1 484 715      | 630 272       |

A register of investment property is available for inspection at the registered office of the company (refer pages 90 to 91).

There are no restrictions on the ability of the group to realise its investment property.

Investment property with a market value of R17 487 million (2014: R12 115 million) is mortgaged to secure borrowing and derivative facilities (refer note 12). This R17 487 million of investment property includes R693 million that relates to the minorities’ share.

Commitments in respect of property developments and extensions are set out in note 20.

The group’s South African investment properties were externally valued by Peter Parfitt of Quadrant Properties (Pty) Ltd, a professional associated valuer (Dip Val MIV (SA)). The valuations were done on an open-market basis and with consideration to the future earnings potential and an appropriate capitalisation rate for each property. The fair value of all investment property determined is supported by market evidence. Other than subtracting capital expenditure to be incurred on extensions, the valuations provided by the external valuer have been recorded without adjustment.

The Nigerian investment properties were valued internally by Resilient Africa’s directors.

Investment properties held for sale were valued at the net sale price, which is considered to be the fair value.

The valuation of investment property is classified as a level 3 fair value measurement and there has been no transfer between levels in the current year (refer to note 26 for the estimates used and judgements made).
4 INVESTMENT IN AND LOANS TO ASSOCIATE AND JOINT VENTURES

### Associate: Rockcastle Global Real Estate Company Ltd

<table>
<thead>
<tr>
<th></th>
<th>Jun 2015 R’000</th>
<th>Jun 2014 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>2 723 644</td>
<td>2 363 308</td>
</tr>
<tr>
<td>Share of post-acquisition profits</td>
<td>619 397</td>
<td>109 209</td>
</tr>
<tr>
<td>Carrying value</td>
<td>3 343 041</td>
<td>2 472 517</td>
</tr>
</tbody>
</table>

The group has a 20.68% (2014: 23.89%) interest in Rockcastle and exercises significant influence over it by virtue of the 20.68% (2014: 23.89%) voting rights held.

The market value of the investment was R4 728 million (2014: R2 857 million) at year end.

### Financial information of Rockcastle

#### Summarised statement of financial position *

<table>
<thead>
<tr>
<th></th>
<th>Mar 2015 USD’000</th>
<th>Mar 2014 USD’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>2 250 178</td>
<td>1 108 145</td>
</tr>
<tr>
<td>Current assets</td>
<td>18 288</td>
<td>666</td>
</tr>
<tr>
<td>Equity</td>
<td>1 254 512</td>
<td>641 689</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>5 000</td>
<td>290 972</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1 008 954</td>
<td>176 150</td>
</tr>
</tbody>
</table>

#### Summarised statement of comprehensive income *

<table>
<thead>
<tr>
<th></th>
<th>for the nine months ended Mar 2015 USD’000</th>
<th>for the nine months ended Mar 2014 USD’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>50 536</td>
<td>27 131</td>
</tr>
<tr>
<td>Profit before net finance costs</td>
<td>222 170</td>
<td>49 199</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(34 145)</td>
<td>(7 947)</td>
</tr>
<tr>
<td>Profit before income tax expense</td>
<td>188 025</td>
<td>41 252</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(413)</td>
<td>(560)</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>187 612</td>
<td>40 692</td>
</tr>
</tbody>
</table>

Rockcastle was incorporated on 30 March 2012 in Mauritius as a Category One Global Business License Company with the primary objective of investing globally in listed real estate assets and direct property in developed and developing markets. Rockcastle has been listed on the Stock Exchange of Mauritius Limited since 5 June 2012 and also listed on the Alternative Exchange of the JSE Limited on 26 July 2012. On 25 November 2014, Rockcastle’s listing transferred to the main board of the JSE Limited.

Rockcastle has been accounted for using the equity method.

* The information was extracted from Rockcastle’s summarised unaudited financial statements for the nine months ended 30 March 2015, being the latest available published results.

### Joint venture: Arbour Town (Pty) Ltd

<table>
<thead>
<tr>
<th></th>
<th>Jun 2015 R’000</th>
<th>Jun 2014 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>-</td>
<td>539 626</td>
</tr>
<tr>
<td>Share of post-acquisition profits</td>
<td>-</td>
<td>78 129</td>
</tr>
<tr>
<td>Loan advanced</td>
<td>-</td>
<td>1 047 380</td>
</tr>
<tr>
<td>Carrying value</td>
<td>-</td>
<td>1 665 035</td>
</tr>
</tbody>
</table>

Resilient acquired an additional 65% of Arbour Town effective from 17 October 2013, refer note 18.4. The acquisition resulted in an ownership interest of 75% and since Resilient exercised joint control, this interest was accounted for using the equity method. On 1 January 2015, Resilient obtained control and Arbour Town was consolidated. Refer to note 18.6 for the effect the consolidation had on the financial statements.

In the prior year the loan was unsecured, did not bear interest and had no fixed terms for repayment.
4 INVESTMENT IN AND LOANS TO ASSOCIATE AND JOINT VENTURES (CONTINUED)

Financial information of Arbour Town

<table>
<thead>
<tr>
<th>Summarised statement of financial position *</th>
<th>Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>2 224 000</td>
</tr>
<tr>
<td>Current assets</td>
<td>6 462</td>
</tr>
<tr>
<td>Equity</td>
<td>823 541</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1 396 507</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>10 414</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summarised statement of comprehensive income *</th>
<th>for the year ended Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recoveries and contractual rental revenue</td>
<td>166 963</td>
</tr>
<tr>
<td>Property operating expenses</td>
<td>(61 124)</td>
</tr>
<tr>
<td>Net rental and related revenue</td>
<td>105 839</td>
</tr>
<tr>
<td>Fair value gain on investment property</td>
<td>23 011</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(164)</td>
</tr>
<tr>
<td>Profit before net finance costs</td>
<td>128 686</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(24 514)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>104 172</td>
</tr>
</tbody>
</table>

Arbour Town is incorporated in South Africa and owns The Galleria and Arbour Crossing. It declares bi-annual dividends based on its performance.

* The information was extracted from Arbour Town’s management accounts for 30 June 2014.

<table>
<thead>
<tr>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint venture: Southern Palace Investments 19 (Pty) Ltd</td>
</tr>
<tr>
<td><strong>Jun 2014 R'000</strong></td>
</tr>
<tr>
<td><strong>Jun 2015 R'000</strong></td>
</tr>
<tr>
<td>Cost</td>
</tr>
<tr>
<td>Share of post-acquisition profits</td>
</tr>
<tr>
<td>Loan advanced</td>
</tr>
<tr>
<td>Carrying value</td>
</tr>
</tbody>
</table>

Resilient owns 66% of this joint venture and exercised joint control. Whilst the group had significant influence over Southern Palace Investments 19 it was accounted for using the equity method. During the current financial year, Resilient obtained control and Southern Palace Investments 19 was consolidated. Refer to note 18.6 for the effect the consolidation had on the financial statements.

In the prior year the loan was unsecured, attracted interest at prime less 1% and there were no fixed terms for repayment.

Financial information of Southern Palace Investments 19

<table>
<thead>
<tr>
<th>Summarised statement of financial position *</th>
<th>Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>354 311</td>
</tr>
<tr>
<td>Current assets</td>
<td>1 346</td>
</tr>
<tr>
<td>Equity</td>
<td>137 827</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>215 462</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>2 368</td>
</tr>
</tbody>
</table>
Summarised statement of comprehensive income *

for the year ended Jun 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recoveries and contractual rental revenue</td>
<td>40 067</td>
</tr>
<tr>
<td>Property operating expenses</td>
<td>(14 603)</td>
</tr>
<tr>
<td>Net rental and related revenue</td>
<td>25 464</td>
</tr>
<tr>
<td>Fair value gain on investment property</td>
<td>30 187</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(34)</td>
</tr>
<tr>
<td>Profit before net finance costs</td>
<td>55 617</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(20 947)</td>
</tr>
<tr>
<td>Profit before income tax expense</td>
<td>34 670</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>34 670</td>
</tr>
</tbody>
</table>

Southern Palace Investments 19 is incorporated in South Africa and owns Mafikeng Mall. It declares bi-annual dividends based on its performance.

* The information was extracted from Southern Palace Investments 19’s management accounts for 30 June 2014.

Dormant joint ventures

Resilient Properties (Pty) Ltd, a wholly-owned subsidiary, has a 70% (2014: 70%) interest in Great Force Investments 112 (Pty) Ltd and a 60% (2014: 60%) interest in Pure Diamond Investments (Pty) Ltd, both of which are dormant.

Total investment in and loans to associate and joint ventures

<table>
<thead>
<tr>
<th>Description</th>
<th>R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Palace Investments 19</td>
<td>3 343 041</td>
</tr>
<tr>
<td>Other investments</td>
<td>4 320 508</td>
</tr>
</tbody>
</table>

5 INVESTMENTS

<table>
<thead>
<tr>
<th>Group Jun 2015</th>
<th>Capital Property Fund</th>
<th>Fortress Income Fund (B shares)</th>
<th>New Europe Property Investments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding</td>
<td>11,05%</td>
<td>19,88%*</td>
<td>9,28%</td>
<td></td>
</tr>
<tr>
<td>Price at 30 June (cents per share)</td>
<td>1 430</td>
<td>2 550</td>
<td>13 760</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group Jun 2014</th>
<th>Capital Property Fund</th>
<th>Fortress Income Fund (B shares)</th>
<th>New Europe Property Investments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding</td>
<td>12,42%</td>
<td>23,26%*</td>
<td>11,24%</td>
<td></td>
</tr>
<tr>
<td>Price at 30 June (cents per share)</td>
<td>1 070</td>
<td>1 000</td>
<td>9 500</td>
<td></td>
</tr>
</tbody>
</table>

* The effective voting rights in Fortress are 9,94% (2014: 11,63%) in Fortress B shares.

None of the investments are pledged to secure borrowing facilities.
6 RESILIENT SHARE PURCHASE TRUST LOANS

<table>
<thead>
<tr>
<th>Group</th>
<th>Jun 2015 R'000</th>
<th>Jun 2014 R'000</th>
<th>Jun 2015 R'000</th>
<th>Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share purchase trust loans (refer note 19)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- capital advanced</td>
<td>642 581</td>
<td>610 728</td>
<td>641 945</td>
<td>610 092</td>
</tr>
<tr>
<td>- interest accrued</td>
<td>16 811</td>
<td>17 319</td>
<td>16 811</td>
<td>17 319</td>
</tr>
<tr>
<td></td>
<td>659 392</td>
<td>628 047</td>
<td>658 756</td>
<td>627 411</td>
</tr>
</tbody>
</table>

The share purchase trust loans bear interest at the weighted average cost of funding of the group, being 8,88% (2014: 8,58%) at year end. The loans are secured by 12 488 432 (2014: 15 277 690) shares in Resilient with a fair value of R1 204,5 million (2014: R917,4 million).

The value of security held for each individual loan exceeds the amount of the related loan. The loans are repayable on the tenth anniversary of the loans being granted.

7 LOANS TO BEE VEHICLES

<table>
<thead>
<tr>
<th>Group</th>
<th>Jun 2015 R'000</th>
<th>Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan to Eagle’s Eye Investments (Pty) Ltd (BEE vehicle)</td>
<td>111 856</td>
<td>117 565</td>
</tr>
<tr>
<td>Loans to The Siyakha Education Trust (BEE charitable trust)</td>
<td>1 602 695</td>
<td>496 694</td>
</tr>
<tr>
<td>Current portion included in current assets</td>
<td>1 714 551</td>
<td>614 259</td>
</tr>
<tr>
<td></td>
<td>(55 928)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>1 658 623</td>
<td>614 259</td>
</tr>
</tbody>
</table>

The loan to Eagle’s Eye Investments (Pty) Ltd (BEE vehicle) bears interest at prime minus 1,8%, is unsecured and is repayable as follows:

- on 14 July 2015 | 55 928 | 58 783 |
- on 14 July 2016 | 55 928 | 58 782 |
| | 111 856 | 117 565 |

The loans to The Siyakha Education Trust (BEE charitable trust) are unsecured and R284,1 million (2014: R253,1 million) bear interest at prime, R245,7 million (2014: R243,6 million) bear interest at prime plus 1% with the balance of R1 072,9 million (2014: nil) bearing interest at prime plus 2%. The loans are repayable as follows:

- on 1 October 2022 | 284 147 | 253 084 |
- on 12 December 2023 | 245 662 | 243 610 |
- on 13 August 2024 | 538 299 | - |
- on 25 November 2024 | 534 587 | - |
| | 1 602 695 | 496 694 |

The net asset value of The Siyakha Education Trust was R1 999,5 million at June 2015.

8 LOANS TO CO-OWNERS

<table>
<thead>
<tr>
<th>Group</th>
<th>Jun 2015 R'000</th>
<th>Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to co-owners</td>
<td>268 622</td>
<td>209 325</td>
</tr>
<tr>
<td>Current portion included in current assets</td>
<td>(110 734)</td>
<td>(81 219)</td>
</tr>
<tr>
<td></td>
<td>157 888</td>
<td>128 106</td>
</tr>
</tbody>
</table>

The amounts owing by co-owners are secured by mortgage bonds over investment property and shares in Resilient. The loans bear interest at rates of between prime less 1,5% (2014: prime less 1,5%) and prime plus 1% (2014: prime plus 1%).
9 INTEREST IN SUBSIDIARIES

<table>
<thead>
<tr>
<th>Subsidiary Name</th>
<th>Effective Interest</th>
<th>Investment</th>
<th>Amount owing by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arbour Town (Pty) Ltd #</td>
<td>75%</td>
<td>353 264 R’000</td>
<td>353 264 R’000</td>
</tr>
<tr>
<td>Diversified Properties 2 (Pty) Ltd</td>
<td>100%</td>
<td>2311 996 R’000</td>
<td>2 019 496 R’000</td>
</tr>
<tr>
<td>Irene Mall (Pty) Ltd #</td>
<td>100%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Resilient Africa (Pty) Ltd *</td>
<td>60.94%</td>
<td>353 264 R’000</td>
<td>353 264 R’000</td>
</tr>
<tr>
<td>Resilient Africa Managers (Pty) Ltd *</td>
<td>60.94%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Resilient Africa Real Estate Ltd # ^</td>
<td>100%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Resilient Mauritius Ltd # ^</td>
<td>100%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Resilient Properties (Pty) Ltd</td>
<td>100%</td>
<td>12 782 044 R’000</td>
<td>7 151 665 R’000</td>
</tr>
<tr>
<td>Southern Palace Investments 19 (Pty) Ltd *</td>
<td>66%</td>
<td>353 264 R’000</td>
<td>353 264 R’000</td>
</tr>
</tbody>
</table>

# Share capital held through Resilient Properties (Pty) Ltd, a wholly-owned subsidiary.
* Less than R1 000.
^ This entity is incorporated in Mauritius.
& The group obtained control during the year, refer to note 18.6. The investments were previously accounted for as joint ventures using the equity method.

The amounts owing by subsidiaries are unsecured, bear interest at rates agreed from time to time and the terms of repayment have not been determined.
The company’s share of profits and losses of subsidiaries after tax amounts to R3 645.1 million (2014: R2 636.3 million) and R114.7 million (2014: nil) respectively.

All subsidiaries are incorporated in South Africa unless otherwise indicated. The principal business activity of all subsidiaries is the investment in real estate.

Financial information of Arbour Town

**Summarised statement of financial position** *

<table>
<thead>
<tr>
<th></th>
<th>Jun 2015 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>2 266 206</td>
</tr>
<tr>
<td>Current assets</td>
<td>9 309</td>
</tr>
<tr>
<td>Equity</td>
<td>686 784</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>1 579 381</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>9 350</td>
</tr>
</tbody>
</table>

**Summarised statement of comprehensive income** *

<table>
<thead>
<tr>
<th></th>
<th>for the year ended Jun 2015 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recoveries and contractual rental revenue</td>
<td>245 777</td>
</tr>
<tr>
<td>Property operating expenses</td>
<td>(89 021)</td>
</tr>
<tr>
<td>Net rental and related revenue</td>
<td>156 756</td>
</tr>
<tr>
<td>Fair value loss on investment property</td>
<td>(83 230)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(360)</td>
</tr>
<tr>
<td>Profit before net finance costs</td>
<td>73 166</td>
</tr>
<tr>
<td>Net finance income</td>
<td>371</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>73 537</td>
</tr>
</tbody>
</table>

Arbour Town owns The Galleria and Arbour Crossing. It declares bi-annual dividends based on its performance. During 2015 Arbour Town paid dividends of R39.2 million to the minority shareholder. The minority’s share of equity amounted to R171.7 million at year end.
* The information was extracted from Arbour Town’s management accounts for June 2015.
9  INTEREST IN SUBSIDIARIES (CONTINUED)

Financial information of Resilient Africa

<table>
<thead>
<tr>
<th>Summarised statement of financial position</th>
<th>Jun 2015 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>1 007 617</td>
</tr>
<tr>
<td>Current assets</td>
<td>93 803</td>
</tr>
<tr>
<td>Equity</td>
<td>44 269</td>
</tr>
<tr>
<td>Minority interest</td>
<td>33 588</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>992 938</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>30 625</td>
</tr>
</tbody>
</table>

Summarised statement of comprehensive income

<table>
<thead>
<tr>
<th>Summarised statement of comprehensive income</th>
<th>for the year ended Jun 2015 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recoveries and contractual rental revenue</td>
<td>2 321</td>
</tr>
<tr>
<td>Property operating expenses</td>
<td>(2 370)</td>
</tr>
<tr>
<td>Net rental and related revenue</td>
<td>(49)</td>
</tr>
<tr>
<td>Fair value loss on investment property</td>
<td>(7 914)</td>
</tr>
<tr>
<td>Foreign exchange gains</td>
<td>17 719</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(3 498)</td>
</tr>
<tr>
<td>Profit before net finance costs</td>
<td>6 258</td>
</tr>
<tr>
<td>Net finance income</td>
<td>1 917</td>
</tr>
<tr>
<td>Profit before income tax expense</td>
<td>6 175</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(3 199)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>4 976</td>
</tr>
</tbody>
</table>

Profit of the year attributable to:

- Equity holders of the company: (603)
- Minority interest: 5 579

Resilient Africa owns and develops retail centres in Nigeria.
The minorities' share of equity amounted to R50.6 million at year end.
* The information was extracted from Resilient Africa's consolidated management accounts for June 2015.

Financial information of Resilient Africa Managers

<table>
<thead>
<tr>
<th>Summarised statement of financial position</th>
<th>Jun 2015 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>2 132</td>
</tr>
<tr>
<td>Current assets</td>
<td>11 101</td>
</tr>
<tr>
<td>Equity</td>
<td>4 213</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>9 020</td>
</tr>
</tbody>
</table>
Resilient Africa Managers delivers asset and project management services to Resilient Africa. The minority shareholder’s share of equity amounted to R1.6 million at year end.

^ The information was extracted from Resilient Africa Managers’ consolidated management accounts for June 2015.

Financial information of Southern Palace Investments 19

Summarised statement of financial position ^

<table>
<thead>
<tr>
<th>Non-current assets</th>
<th>Jun 2015, R'000</th>
<th>Current assets</th>
<th>Equity</th>
<th>Non-current liabilities</th>
<th>Current liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>391 088</td>
<td></td>
<td>401</td>
<td>162 831</td>
<td>226 522</td>
<td>2 136</td>
</tr>
</tbody>
</table>

Summarised statement of comprehensive income ^

<table>
<thead>
<tr>
<th>Recoveries and contractual rental revenue</th>
<th>Jun 2015, R'000</th>
<th>Property operating expenses</th>
<th>Net rental and related revenue</th>
<th>Fair value gain on investment property</th>
<th>Administrative expenses</th>
<th>Profit before net finance costs</th>
<th>Net finance costs</th>
<th>Profit before income tax expense</th>
<th>Income tax expense</th>
<th>Profit for the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>43 753</td>
<td></td>
<td>(15 197)</td>
<td>28 556</td>
<td>29 759</td>
<td>(39)</td>
<td>58 276</td>
<td>(15 088)</td>
<td>43 188</td>
<td>(223)</td>
<td>42 965</td>
</tr>
</tbody>
</table>

Southern Palace Investments 19 owns Mafikeng Mall. It declares bi-annual dividends based on its performance. During 2015 Southern Palace Investments 19 paid dividends of R4.6 million to the minorities. The minorities’ share of equity amounted to R55.4 million at year end.

^ The information was extracted from Southern Palace Investments 19’s management accounts for June 2015.

10 TRADE AND OTHER RECEIVABLES

<table>
<thead>
<tr>
<th>Trade and other receivables include the following:</th>
<th>Group Jun 2015, R'000</th>
<th>Jun 2014, R'000</th>
<th>Company Jun 2015, R'000</th>
<th>Jun 2014, R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant arrears</td>
<td>15 990</td>
<td>11 475</td>
<td>17</td>
<td>-</td>
</tr>
<tr>
<td>Prepayments</td>
<td>80 158</td>
<td>-</td>
<td>17</td>
<td>-</td>
</tr>
<tr>
<td>Fair value of interest rate derivatives</td>
<td>188 798</td>
<td>157 006</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value of currency derivatives</td>
<td>37 243</td>
<td>3 673</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>64 840</td>
<td>62 025</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VAT receivable</td>
<td></td>
<td>-</td>
<td>87</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>387 029</td>
<td>234 181</td>
<td>17</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>387 029</td>
<td>234 268</td>
<td>17</td>
<td>-</td>
</tr>
</tbody>
</table>
### 11 STATED CAPITAL

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun 2015 R'000</td>
<td>Jun 2014 R'000</td>
</tr>
<tr>
<td>Stated capital</td>
<td>10 616 875</td>
<td>5 594 555</td>
</tr>
<tr>
<td>Share capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- authorised: ordinary shares of no par value</td>
<td>1 000 000 000</td>
<td>1 000 000 000</td>
</tr>
<tr>
<td>- issued: ordinary shares of no par value</td>
<td>376 747 796</td>
<td>312 569 839</td>
</tr>
</tbody>
</table>

On 30 June 2014 shareholders approved the conversion of Resilient’s par value shares to shares of no par value on the understanding that the share capital account and the share premium account be transferred to the stated capital account.

Reconciliation of movement in issued shares:

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>312 569 839</td>
<td>289 544 070</td>
</tr>
<tr>
<td>Issued to BEE vehicle</td>
<td>13 910 060</td>
<td>-</td>
</tr>
<tr>
<td>Issued as consideration for investment property</td>
<td>6 578 947</td>
<td>-</td>
</tr>
<tr>
<td>Issued for cash</td>
<td>9 150 326</td>
<td>-</td>
</tr>
<tr>
<td>Issued to The Resilient Share Purchase Trust</td>
<td>1 842 500</td>
<td>3 795 000</td>
</tr>
<tr>
<td>Issued pursuant to a rights issue</td>
<td>32 696 124</td>
<td>19 230 769</td>
</tr>
<tr>
<td></td>
<td>376 747 796</td>
<td>312 569 839</td>
</tr>
</tbody>
</table>
12 INTEREST-BEARING BORROWINGS

The group has entered into the following loan agreements which, together with stated capital, are used to fund its investment activities.

The Memorandum of Incorporation of the company allows the group to have borrowings of up to 60% of total consolidated assets.

Interest-bearing loans and borrowings are measured at amortised cost. The group’s exposure to interest rate and liquidity risk is disclosed in note 25.

<table>
<thead>
<tr>
<th>Group</th>
<th>Nominal interest rate</th>
<th>Date of maturity</th>
<th>Fair value R’000</th>
<th>Carrying amount R’000</th>
<th>Fair value R’000</th>
<th>Carrying amount R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMTN programme: 1 year (6)</td>
<td>3-month Jibar plus 0.69%</td>
<td>October 2014</td>
<td>304 693</td>
<td>304 693</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DMTN programme: 3 years</td>
<td>3-month Jibar plus 1.55%</td>
<td>October 2014</td>
<td>354 917</td>
<td>354 917</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DMTN programme: 3 years</td>
<td>3-month Jibar plus 1.45%</td>
<td>August 2015</td>
<td>166 438</td>
<td>166 438</td>
<td>166 377</td>
<td>166 377</td>
</tr>
<tr>
<td>DMTN programme: 1 year (6)</td>
<td>3-month Jibar plus 0.90%</td>
<td>October 2015</td>
<td>356 048</td>
<td>356 048</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nedbank (4)</td>
<td>Prime less 2.30%</td>
<td>February 2016</td>
<td>51 160</td>
<td>51 160</td>
<td>110 000</td>
<td>110 000</td>
</tr>
<tr>
<td>Rand Merchant Bank (2)</td>
<td>3-month Jibar plus 1.80%</td>
<td>July 2016</td>
<td>-</td>
<td>-</td>
<td>424 682</td>
<td>424 682</td>
</tr>
<tr>
<td>Rand Merchant Bank (2)</td>
<td>3-month Jibar plus 1.60%</td>
<td>September 2016</td>
<td>-</td>
<td>-</td>
<td>135 077</td>
<td>135 077</td>
</tr>
<tr>
<td>DMTN programme: 3 years (6)</td>
<td>3-month Jibar plus 1.50%</td>
<td>September 2016</td>
<td>351 610</td>
<td>351 610</td>
<td>351 540</td>
<td>351 540</td>
</tr>
<tr>
<td>DMTN programme: 3 years (6)</td>
<td>3-month Jibar plus 1.50%</td>
<td>October 2016</td>
<td>304 445</td>
<td>304 445</td>
<td>304 386</td>
<td>304 386</td>
</tr>
<tr>
<td>DMTN programme: 3 years (6)</td>
<td>3-month Jibar plus 1.45%</td>
<td>November 2016</td>
<td>251 766</td>
<td>251 766</td>
<td>251 698</td>
<td>251 698</td>
</tr>
<tr>
<td>Standard Bank (1)</td>
<td>3-month Jibar plus 1.40%</td>
<td>March 2017</td>
<td>301 857</td>
<td>301 857</td>
<td>301 787</td>
<td>301 787</td>
</tr>
<tr>
<td>Standard Bank (1)</td>
<td>Prime less 1.65%</td>
<td>June 2017</td>
<td>432 250</td>
<td>432 250</td>
<td>432 250</td>
<td>432 250</td>
</tr>
<tr>
<td>Standard Bank (1)</td>
<td>3-month Jibar plus 1.30%</td>
<td>September 2017</td>
<td>301 833</td>
<td>301 833</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DMTN programme: 3 years (6)</td>
<td>3-month Jibar plus 1.55%</td>
<td>October 2017</td>
<td>161 402</td>
<td>161 402</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DMTN programme: 5 years (6)</td>
<td>3-month Jibar plus 1.70%</td>
<td>November 2017</td>
<td>297 151</td>
<td>297 151</td>
<td>297 087</td>
<td>297 087</td>
</tr>
<tr>
<td>DMTN programme: 5 years (6)</td>
<td>3-month Jibar plus 1.70%</td>
<td>February 2018</td>
<td>192 319</td>
<td>192 319</td>
<td>192 259</td>
<td>192 259</td>
</tr>
<tr>
<td>Rand Merchant Bank (2), (6)</td>
<td>3-month Jibar plus 1.50%</td>
<td>March 2018</td>
<td>302 624</td>
<td>302 624</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rand Merchant Bank (2)</td>
<td>3-month Jibar plus 1.60%</td>
<td>June 2018</td>
<td>-</td>
<td>-</td>
<td>404 849</td>
<td>404 849</td>
</tr>
<tr>
<td>Rand Merchant Bank (2)</td>
<td>Prime less 1.80%</td>
<td>June 2018</td>
<td>-</td>
<td>-</td>
<td>136 905</td>
<td>136 905</td>
</tr>
<tr>
<td>Standard Bank (1)</td>
<td>3-month Jibar plus 1.65%</td>
<td>August 2018</td>
<td>395 011</td>
<td>395 011</td>
<td>394 823</td>
<td>394 823</td>
</tr>
<tr>
<td>Standard Bank (1)</td>
<td>3-month Jibar plus 1.75%</td>
<td>August 2018</td>
<td>301 944</td>
<td>301 944</td>
<td>301 860</td>
<td>301 860</td>
</tr>
<tr>
<td>Rand Merchant Bank (2)</td>
<td>3-month Jibar plus 1.55%</td>
<td>November 2018</td>
<td>-</td>
<td>-</td>
<td>834 934</td>
<td>834 934</td>
</tr>
<tr>
<td>Nedbank (3)</td>
<td>Prime less 2.30%</td>
<td>December 2018</td>
<td>52 980</td>
<td>52 980</td>
<td>52 980</td>
<td>52 980</td>
</tr>
<tr>
<td>Standard Bank (1)</td>
<td>3-month Jibar plus 1.60%</td>
<td>February 2019</td>
<td>155 985</td>
<td>155 985</td>
<td>155 917</td>
<td>155 917</td>
</tr>
<tr>
<td>Standard Bank (1)</td>
<td>Prime less 1.80%</td>
<td>February 2019</td>
<td>-</td>
<td>-</td>
<td>70 000</td>
<td>70 000</td>
</tr>
<tr>
<td>Rand Merchant Bank (2), (6)</td>
<td>3-month Jibar plus 1.55%</td>
<td>March 2019</td>
<td>2 186</td>
<td>2 186</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Standard Bank (1)</td>
<td>3-month Jibar plus 1.60%</td>
<td>March 2019</td>
<td>181 144</td>
<td>181 144</td>
<td>181 085</td>
<td>181 085</td>
</tr>
<tr>
<td>Standard Bank (1)</td>
<td>Prime less 1.80%</td>
<td>March 2019</td>
<td>-</td>
<td>-</td>
<td>35 000</td>
<td>35 000</td>
</tr>
<tr>
<td>Standard Bank (5)</td>
<td>Prime less 1.50%</td>
<td>March 2019</td>
<td>65 651</td>
<td>65 651</td>
<td>65 596</td>
<td>65 596</td>
</tr>
<tr>
<td>Nedbank (3)</td>
<td>Prime less 2.30%</td>
<td>April 2019</td>
<td>-</td>
<td>-</td>
<td>74 160</td>
<td>74 160</td>
</tr>
<tr>
<td>Standard Bank (1)</td>
<td>3-month Jibar plus 1.50%</td>
<td>September 2019</td>
<td>181 129</td>
<td>181 129</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nedbank (3)</td>
<td>Prime less 1.75%</td>
<td>September 2019</td>
<td>112 200</td>
<td>112 200</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nedbank (3)</td>
<td>Prime less 1.75%</td>
<td>October 2019</td>
<td>178 800</td>
<td>178 800</td>
<td>178 740</td>
<td>178 740</td>
</tr>
<tr>
<td>Rand Merchant Bank (2), (6)</td>
<td>3-month Jibar plus 1.60%</td>
<td>March 2020</td>
<td>2 196</td>
<td>2 196</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Nedbank (7)</td>
<td>3-month Jibar plus 1.65%</td>
<td>April 2020</td>
<td>403 007</td>
<td>403 007</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rand Merchant Bank (2), (6)</td>
<td>3-month Jibar plus 1.70%</td>
<td>March 2021</td>
<td>2 234</td>
<td>2 234</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DMTN programme: 7 years (6)</td>
<td>3-month Jibar plus 1.75%</td>
<td>March 2021</td>
<td>401 987</td>
<td>401 987</td>
<td>401 920</td>
<td>401 920</td>
</tr>
</tbody>
</table>

5 907 367 5 907 367 6 888 120 6 888 120

Current portion included in current liabilities

*(573 646) (573 646) (659 610) (659 610) *

5 333 721 5 333 721 6 228 510 6 228 510

* This amount includes the minorities’ interest of R38,2 million.
12 INTEREST-BEARING BORROWINGS (CONTINUED)

Interest-bearing borrowings are secured by the following:

<table>
<thead>
<tr>
<th></th>
<th>Investment property R'000</th>
<th>Investments R'000</th>
<th>Total R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group Jun 2015</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Absa Bank (8)</td>
<td>962 600</td>
<td>-</td>
<td>962 600</td>
</tr>
<tr>
<td>Standard Bank (1)</td>
<td>6 321 560</td>
<td>-</td>
<td>6 321 560</td>
</tr>
<tr>
<td>Nedbank (3), (4), (7)</td>
<td>2 322 742</td>
<td>-</td>
<td>2 322 742</td>
</tr>
<tr>
<td>Rand Merchant Bank (2), (6)</td>
<td>7 121 368</td>
<td>-</td>
<td>7 121 368</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16 728 270</td>
<td>-</td>
<td>16 728 270</td>
</tr>
<tr>
<td><strong>Group Jun 2014</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Bank (1)</td>
<td>5 236 905</td>
<td>-</td>
<td>5 236 905</td>
</tr>
<tr>
<td>Nedbank (3), (4)</td>
<td>1 791 363</td>
<td>-</td>
<td>1 791 363</td>
</tr>
<tr>
<td>Rand Merchant Bank (2)</td>
<td>4 389 237</td>
<td>-</td>
<td>4 389 237</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11 417 505</td>
<td>-</td>
<td>11 417 505</td>
</tr>
</tbody>
</table>

The minorities’ interest in the investment property that serves as security for interest-bearing borrowings totals R692,6 million (2014: nil).

The assets have been pledged under the following terms:

(1) ■ The total overall consolidated debt may not exceed 50% of total consolidated assets.
■ Earnings before interest, tax, depreciation and amortisation ("EBITDA") to net interest payable in respect of all debt on a consolidated basis may not be less than 2 times.
■ The loan-to-value ("LTV") ratio may not exceed 70%.
■ EBITDA from the properties serving as security for the loan, to net interest payable in respect of the loan facility, may not be less than 1,3 times.

(2) ■ The interest-bearing debt to asset ratio may not exceed 55%.
■ The facility outstanding mortgaged asset value ratio may not exceed 50%.
■ The total interest cover ratio may not be less than 2 times.
■ The facility interest cover ratio may not be less than 1,75 times.
■ A net asset value of R6,0 billion must be maintained at all times.

(3) ■ The overall borrowings to total assets ratio may not exceed 60%.
■ EBITDA, excluding revaluation gains on investment property, to net interest, excluding debenture interest, may not be less than 1,3 times.

(4) ■ The LTV ratio may not exceed 60%.
■ EBITDA to net interest, excluding debenture interest, may not be less than 1,35 times.

(5) ■ General banking facility.

(6) ■ The sum of secured and unsecured debt and sureties and guaranties divided by the sum of the market value of the property portfolio and listed stock portfolio may not exceed 50%.

(7) ■ The gearing level, measured as total debt excluding trade creditors and other payables, tenant deposits and tax payable expressed as a percentage of total assets, shall not exceed 50%.
■ The interest cover for the reporting periods, measured as EBITDA divided by net interest paid, shall be at least 2 times.
■ The value of the total secured debt shall not exceed 50% of total assets.
■ The value of unencumbered assets shall be at least 20% of total assets.
■ The Global Credit Rating Co ratings shall not fall below:
  Long term - A (za)
  Short term - A1 (za)

(8) ■ The total amount outstanding under the facility, divided by the most recent valuation of the bonded property may not be less than 60%.
■ The net operating income of the bonded property divided by the interest incurred on the aggregate amount outstanding on the facility must exceed 1,65 times.
■ The total consolidated borrowings of the group (including contingent liabilities but excluding all subordinated debt), divided by the most recent valuation of the group’s direct investment property and investment holdings shall be less than 50%.
■ The net operating income of the group before interest and taxation divided by the interest cost incurred on third party indebtedness shall be greater than 2 times.
Interest-bearing borrowings are repayable as follows:

<table>
<thead>
<tr>
<th>Group</th>
<th>Capital repayment R’000</th>
<th>Jun 2015</th>
<th>Jun 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>(659 610)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>(573 646)</td>
<td>(276 377)</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>(1 641 928)</td>
<td>(2 201 132)</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>(1 255 329)</td>
<td>(1 030 179)</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>(1 154 911)</td>
<td>(2 140 202)</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>(877 332)</td>
<td>(178 800)</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>(404 221)</td>
<td>(401 820)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(5 907 367)</td>
<td>(6 888 120)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jun 2015</th>
<th>Jun 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Loans under the DMTN programme are unsecured whilst the Rand Merchant Bank loans are secured by the assets disclosed above.
13 DEFERRED TAX

Deferred tax comprises the following:

- Recoupment of investment property related allowances
- Revaluation of investments
- Revaluation of interest rate derivatives
- Revaluation of currency derivatives
- Exchange differences on translation of foreign operations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Recoupment of investment property related allowances</td>
<td>38 784</td>
<td>63 944</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation of investments</td>
<td>764 215</td>
<td>458 629</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation of interest rate derivatives</td>
<td>44 524</td>
<td>30 784</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation of currency derivatives</td>
<td>10 134</td>
<td>(810)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>-</td>
<td>(93)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Deferred Tax</td>
<td>857 657</td>
<td>552 454</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Carrying amount at beginning of year | 552 454 | 550 770 |
Charged to the statement of comprehensive income during the year | 305 536 | 1 777 |
Charged to the statement of changes in equity during the year | - | (93) |
Obtaining control of joint ventures (refer to note 18.6) | (333) | - |
Carrying amount at end of year | 857 657 | 552 454 |

As a result of Resilient’s REIT status, the group is not liable for capital gains tax on the disposal of investment property and investments. Deferred tax is, however, provided on the recoupment of capital allowances claimed on investment property as well as the fair value adjustments on the group’s investment in Nepi as the current enacted legislation does not deem it exempt from capital gains tax.

Deferred tax is provided at 28% (2014: 28%) on investment property, at 28% (2014: 28%) on interest rate and currency derivatives and at 28% (2014: 28%) on investments.

Resilient has no (2014: R2,4 million) unrecognised tax assets.

14 AMOUNTS OWING TO MINORITIES

<table>
<thead>
<tr>
<th></th>
<th>Jun 2015</th>
<th>Jun 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minorities in Resilient Africa</td>
<td>479 651</td>
<td>196 103</td>
</tr>
<tr>
<td>Minorities in Arbour Town (Pty) Ltd</td>
<td>394 845</td>
<td>-</td>
</tr>
<tr>
<td>Minorities in Southern Palace Investments 19 (Pty) Ltd</td>
<td>25 522</td>
<td>-</td>
</tr>
<tr>
<td>Total Loans from Minorities</td>
<td>900 028</td>
<td>196 103</td>
</tr>
</tbody>
</table>

Loans totalling R184,8 million (2014: R82,5 million) included under the loans from minorities in Resilient Africa, bear no interest as it relates to the equity contributed by partners in Nigeria with the remainder of the loans bearing interest at rates between 6,6% (2014: 6,6%) and prime less 1% (2014: prime less 1%). The Arbour Town loan bears no interest. The loans from minorities in Southern Palace Investments 19 bear interest at rates between prime minus 1% and prime plus 3%. The loans are unsecured and have no fixed terms for repayment.

15 TRADE AND OTHER PAYABLES

Accrued expenses | 215 788 | 161 013 | 2 040 | 662 |
Fair value of interest rate derivatives | 29 785 | 47 064 |
Fair value of currency derivatives | 1 048 | 5 567 |
Tenant deposits | 42 263 | 24 267 |
Prepaid rentals | 8 270 | 5 668 |
VAT payable | 9 944 | 3 828 |
Total Trade and Other Payables | 307 098 | 268 527 | 2 040 | 662 |
### 16 Profit Before Income Tax Expense

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th></th>
<th>Group</th>
<th></th>
<th>Company</th>
<th></th>
<th>Company</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun 2015</td>
<td>R’000</td>
<td>Jun 2014</td>
<td>R’000</td>
<td>Jun 2015</td>
<td>R’000</td>
<td>Jun 2014</td>
<td>R’000</td>
</tr>
<tr>
<td>Profit before income tax expense is stated after charging:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditors’ remuneration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– audit fee</td>
<td>(870)</td>
<td>(333)</td>
<td>(46)</td>
<td>(46)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– other services</td>
<td>(53)</td>
<td>(94)</td>
<td>(47)</td>
<td>(91)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Directors’ remuneration *</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– services as director (non-executive)</td>
<td>(3 042)</td>
<td>(2 851)</td>
<td>(3 042)</td>
<td>(2 851)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– other services (executive)</td>
<td>(20 668)</td>
<td>(12 676)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation of tenant installation</td>
<td>(4 816)</td>
<td>(4 236)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation of letting commission</td>
<td>(313)</td>
<td>(303)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property administration fees</td>
<td>(26 881)</td>
<td>(20 541)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee cost (excluding executive directors)</td>
<td>(61 666)</td>
<td>(71 591)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation of intangible asset**</td>
<td>-</td>
<td>(26 422)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Details of directors’ remuneration are disclosed in the remuneration report on pages 22 to 23.

** The intangible asset related to the management contract of PFM, the management company of Capital Property Fund. The group disposed of its interest in PFM during 2014 and consequently amortised the value of the intangible asset.

### 17 Income Tax Expense

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th></th>
<th>Group</th>
<th></th>
<th>Company</th>
<th></th>
<th>Company</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun 2015</td>
<td>R’000</td>
<td>Jun 2014</td>
<td>R’000</td>
<td>Jun 2015</td>
<td>R’000</td>
<td>Jun 2014</td>
<td>R’000</td>
</tr>
<tr>
<td>South African normal tax</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– current tax current year</td>
<td>882</td>
<td>(683)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– deferred tax current year</td>
<td>(305 536)</td>
<td>(1 777)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(304 654)</td>
<td>(2 660)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Reconciliation of tax rate

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th></th>
<th>Group</th>
<th></th>
<th>Company</th>
<th></th>
<th>Company</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard tax rate</td>
<td>28,00%</td>
<td></td>
<td>28,00%</td>
<td></td>
<td>28,00%</td>
<td></td>
<td>28,00%</td>
<td></td>
</tr>
<tr>
<td>Capital gains tax rate differential</td>
<td>-</td>
<td>0,04%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent differences - REIT</td>
<td>(21,23)%</td>
<td>(21,77)%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permanent differences</td>
<td>(1,51)%</td>
<td>(6,19)%</td>
<td>(28,00)%</td>
<td>(28,00)%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>5,26%</td>
<td>0,08%</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
18 NOTES TO THE STATEMENTS OF CASH FLOWS

18.1 Cash generated from operations

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun 2015 R’000</td>
<td>Jun 2014 R’000</td>
</tr>
<tr>
<td>Profit before income tax expense</td>
<td>5 788 739</td>
<td>3 327 735</td>
</tr>
<tr>
<td>Adjusted for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value gain on investment property</td>
<td>(557 030)</td>
<td>(878 691)</td>
</tr>
<tr>
<td>Fair value gain on investments</td>
<td>(3 350 820)</td>
<td>(1 071 396)</td>
</tr>
<tr>
<td>Fair value loss on currency derivatives</td>
<td>188 817</td>
<td>7 353</td>
</tr>
<tr>
<td>Profit on disposal of economic interest in PropTrax</td>
<td>(2 500)</td>
<td>-</td>
</tr>
<tr>
<td>Dividends received from group companies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit on sale of interest in subsidiaries</td>
<td>-</td>
<td>26 422</td>
</tr>
<tr>
<td>Profit on sale of interest in associate</td>
<td>(204 783)</td>
<td>-</td>
</tr>
<tr>
<td>Goodwill on acquisition of interest in joint venture</td>
<td>-</td>
<td>(29 598)</td>
</tr>
<tr>
<td>Income from associate and joint ventures</td>
<td>(518 962)</td>
<td>(146 392)</td>
</tr>
<tr>
<td>Interest received on loans</td>
<td>(308 395)</td>
<td>(88 065)</td>
</tr>
<tr>
<td>Fair value adjustment on interest rate derivatives</td>
<td>(49 069)</td>
<td>(97 287)</td>
</tr>
<tr>
<td>Interest on linked units issued cum distribution</td>
<td>-</td>
<td>(29 286)</td>
</tr>
<tr>
<td>Interest paid on borrowings</td>
<td>737 247</td>
<td>531 337</td>
</tr>
<tr>
<td>Capitalised interest</td>
<td>(76 560)</td>
<td>(59 441)</td>
</tr>
<tr>
<td>Interest to linked debenture holders</td>
<td>-</td>
<td>468 140</td>
</tr>
<tr>
<td>Amortisation of tenant installation</td>
<td>4 816</td>
<td>4 236</td>
</tr>
<tr>
<td>Amortisation of letting commission</td>
<td>313</td>
<td>303</td>
</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>-</td>
<td>(215)</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in trade and other receivables</td>
<td>(72 608)</td>
<td>10 217</td>
</tr>
<tr>
<td>Increase in trade and other payables</td>
<td>50 065</td>
<td>23 142</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>1 629 270</td>
<td>1 245 524</td>
</tr>
</tbody>
</table>

18.2 Interest paid to linked debenture holders

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun 2015 R’000</td>
<td>Jun 2014 R’000</td>
</tr>
<tr>
<td>Linked debenture interest payable at beginning of year</td>
<td>-</td>
<td>(394 446)</td>
</tr>
<tr>
<td>Charged to statement of comprehensive income during the year</td>
<td>-</td>
<td>(468 140)</td>
</tr>
<tr>
<td>Linked debenture interest payable at end of year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase)/decrease in trade and other receivables</td>
<td>-</td>
<td>(862 586)</td>
</tr>
</tbody>
</table>

18.3 Income tax paid

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun 2015 R’000</td>
</tr>
<tr>
<td>Income tax payable at beginning of year</td>
<td>(1 721)</td>
</tr>
<tr>
<td>Charged to statement of comprehensive income during the year</td>
<td>882</td>
</tr>
<tr>
<td>Income tax payable at end of year</td>
<td>839</td>
</tr>
</tbody>
</table>

for the year ended 30 June 2015
18.4 Acquisition of interest in joint venture

<table>
<thead>
<tr>
<th></th>
<th>Jun 2015 R'000</th>
<th>Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount transferred from investment property</td>
<td>-</td>
<td>219 700</td>
</tr>
<tr>
<td>Amount transferred from investment property under development</td>
<td>-</td>
<td>11 071</td>
</tr>
<tr>
<td>Investment in joint venture</td>
<td>-</td>
<td>(539 526)</td>
</tr>
<tr>
<td>Loan to joint venture</td>
<td>-</td>
<td>(1 109 662)</td>
</tr>
<tr>
<td>Negative goodwill</td>
<td>-</td>
<td>29 598</td>
</tr>
<tr>
<td><strong>Cash flow effect</strong></td>
<td>-</td>
<td>(1 388 819)</td>
</tr>
</tbody>
</table>

Resilient Properties (Pty) Ltd, a wholly-owned subsidiary, acquired an additional 65% of Arbour Town (Pty) Ltd in the prior year.

18.5 Disposal of subsidiary

<table>
<thead>
<tr>
<th></th>
<th>Jun 2015 R'000</th>
<th>Jun 2014 R'000</th>
<th>Jul 2015 R'000</th>
<th>Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in subsidiaries</td>
<td>20 554</td>
<td></td>
<td>752 990</td>
<td>733 435</td>
</tr>
<tr>
<td>Profit on sale of interest in subsidiaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>(750 000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>1 000</td>
<td></td>
<td>3 990</td>
<td>753 989</td>
</tr>
</tbody>
</table>

During 2014 Resilient Properties (Pty) Ltd, a wholly-owned subsidiary, disposed of its interest in Indian Gold Investments (Pty) Ltd and Diversified Properties (Pty) Ltd.

During 2014 the company disposed of its interest in Fortress Asset Managers (Pty) Ltd, Property Fund Managers Ltd, Property Index Tracker Managers (Pty) Ltd, Quick Leap Investments 281 (Pty) Ltd and Resilient Properties 2 (Pty) Ltd.

18.6 Obtaining control of joint ventures

With effect from 1 January 2015 Resilient obtained control over Arbour Town by virtue of an agreement with the other shareholder. Arbour Town was previously accounted for as a joint venture using the equity method, refer to note 4.

Arbour Town is incorporated in South Africa and owns The Galleria and Arbour Crossing. It declares bi-annual dividends based on its performance.

The consolidation of Arbour Town had the following impact on the statement of financial position:

<table>
<thead>
<tr>
<th></th>
<th>Jun 2015 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment property</td>
<td>2 278 060</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>4 936</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>5 455</td>
</tr>
<tr>
<td>Interest-bearing borrowings</td>
<td>(364 447)</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(9 598)</td>
</tr>
<tr>
<td>Minority interest</td>
<td>(205 266)</td>
</tr>
<tr>
<td>Investment in and loans to associate</td>
<td>(1 709 140)</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>5 455</td>
</tr>
<tr>
<td><strong>Cash flow effect</strong></td>
<td>5 455</td>
</tr>
</tbody>
</table>

Management has determined that the group has, on a de facto power basis, control over Southern Palace Investments 19 since 1 January 2015. This is because the other shareholders in the company are widely dispersed and there is no indication that all other shareholders exercise their votes collectively. Southern Palace Investments 19 was previously accounted for as a joint venture using the equity method, refer to note 4.
**18 NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)**

**18.6 Obtaining control of joint ventures (continued)**

The consolidation of Southern Palace Investments 19 had the following impact on the statement of financial position:

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>Jun 2015</th>
<th>R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment property</td>
<td></td>
<td>332 370</td>
<td></td>
</tr>
<tr>
<td>Investment property under development</td>
<td></td>
<td>26 376</td>
<td></td>
</tr>
<tr>
<td>Loans to development partners</td>
<td></td>
<td>(20 759)</td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td></td>
<td>1 457</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing borrowings</td>
<td></td>
<td>(105 187)</td>
<td></td>
</tr>
<tr>
<td>Deferred tax</td>
<td></td>
<td>333</td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td></td>
<td>(1 706)</td>
<td></td>
</tr>
<tr>
<td>Minority interest</td>
<td></td>
<td>(47 823)</td>
<td></td>
</tr>
<tr>
<td>Investment in and loans to associate</td>
<td></td>
<td>(185 065)</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Cash flow effect</strong></td>
<td></td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

**18.7 Acquisition of interest in subsidiary**

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
<th>June 2015</th>
<th>R’000</th>
<th>June 2014</th>
<th>R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment property</td>
<td></td>
<td>(712 090)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment property under development</td>
<td></td>
<td>(60 000)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td></td>
<td>(8 400)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minority interest</td>
<td></td>
<td>(640)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans to co-owners</td>
<td></td>
<td>(63 503)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill ^</td>
<td></td>
<td>(8 506)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash flow effect</strong></td>
<td></td>
<td>(853 139)</td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Resilient Properties (Pty) Ltd, a wholly-owned subsidiary, acquired an additional 9.96% of Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd on 5 November 2014.

Resilient Properties (Pty) Ltd, a wholly-owned subsidiary, acquired Irene Mall (Pty) Ltd on 1 December 2014.

^ The goodwill relates to the investment property under development in Nigeria. As such, the goodwill was written off under fair value gain on investment property in the statement of comprehensive income.

**19 THE RESILIENT SHARE PURCHASE TRUST**

Shareholders adopted The Resilient Share Purchase Trust ("the Trust") Deed at a special meeting on 2 June 2004. In terms of the rules of the Trust, the maximum number of shares which may be granted to the participants shall be limited to 35 000 000 (2014: 30 000 000) shares.

<table>
<thead>
<tr>
<th></th>
<th>Jun 2015</th>
<th>Jun 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of issued shares</td>
<td>Number of shares</td>
<td>% of issued shares</td>
</tr>
<tr>
<td>Maximum shares available to the Trust in terms of the Trust deed</td>
<td>9,3%</td>
<td>35 000 000</td>
</tr>
<tr>
<td>Issued to the Trust through loan account</td>
<td>3,3%</td>
<td>(12 488 432)</td>
</tr>
<tr>
<td>Previously issued to the Trust, repaid and not available for reissue</td>
<td>5,0%</td>
<td>(18 840 868)</td>
</tr>
<tr>
<td><strong>Shares available but unissued</strong></td>
<td></td>
<td>3 670 700</td>
</tr>
</tbody>
</table>

The participants in the Trust carry the risk associated with the shares issued to them.
Details of the allocations of shares to directors on which debt remained outstanding at 30 June 2015 are as follows:

<table>
<thead>
<tr>
<th>Number of shares</th>
<th>Date of issue</th>
<th>Issue price R</th>
<th>Employee asset as recorded in the Trust R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Des de Beer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80 000</td>
<td>9 Mar 11</td>
<td>28,80</td>
<td>2 304</td>
</tr>
<tr>
<td>300 000</td>
<td>10 Nov 11</td>
<td>33,36</td>
<td>10 008</td>
</tr>
<tr>
<td>500 000</td>
<td>7 Mar 13</td>
<td>51,86</td>
<td>25 930</td>
</tr>
<tr>
<td>500 000</td>
<td>13 Nov 13</td>
<td>53,10</td>
<td>26 550</td>
</tr>
<tr>
<td>175 000</td>
<td>8 May 15</td>
<td>94,78</td>
<td>15 608</td>
</tr>
<tr>
<td>Andries de Lange</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50 000</td>
<td>9 Mar 11</td>
<td>28,80</td>
<td>1 440</td>
</tr>
<tr>
<td>200 000</td>
<td>10 Nov 11</td>
<td>33,36</td>
<td>6 672</td>
</tr>
<tr>
<td>374 832</td>
<td>7 Mar 13</td>
<td>51,86</td>
<td>19 439</td>
</tr>
<tr>
<td>500 000</td>
<td>13 Nov 13</td>
<td>53,10</td>
<td>26 550</td>
</tr>
<tr>
<td>150 000</td>
<td>8 May 15</td>
<td>94,78</td>
<td>13 378</td>
</tr>
<tr>
<td>Nick Hanekom</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>174 600</td>
<td>9 Mar 11</td>
<td>28,80</td>
<td>5 028</td>
</tr>
<tr>
<td>350 000</td>
<td>10 Nov 11</td>
<td>33,36</td>
<td>11 676</td>
</tr>
<tr>
<td>200 000</td>
<td>7 Mar 13</td>
<td>51,86</td>
<td>10 372</td>
</tr>
<tr>
<td>410 000</td>
<td>13 Nov 13</td>
<td>53,10</td>
<td>21 771</td>
</tr>
<tr>
<td>112 500</td>
<td>8 May 15</td>
<td>94,78</td>
<td>10 034</td>
</tr>
<tr>
<td>Johann Kriek</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50 000</td>
<td>9 Mar 11</td>
<td>28,80</td>
<td>1 440</td>
</tr>
<tr>
<td>8 000</td>
<td>10 Nov 11</td>
<td>33,36</td>
<td>267</td>
</tr>
<tr>
<td>300 000</td>
<td>7 Mar 13</td>
<td>51,86</td>
<td>15 558</td>
</tr>
<tr>
<td>500 000</td>
<td>13 Nov 13</td>
<td>53,10</td>
<td>26 550</td>
</tr>
<tr>
<td>150 000</td>
<td>8 May 15</td>
<td>94,78</td>
<td>13 378</td>
</tr>
</tbody>
</table>

**20 CAPITAL COMMITMENTS**

<table>
<thead>
<tr>
<th>Group</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jun 2015 R’000</td>
</tr>
<tr>
<td></td>
<td>R’000</td>
</tr>
<tr>
<td>Approved and contracted for</td>
<td>2 130 500</td>
</tr>
<tr>
<td>Approved and not contracted for</td>
<td>677 919</td>
</tr>
</tbody>
</table>

The expenditure relates to property developments and extensions to properties and will be funded by borrowings and the disposal of investments.

**21 CONTINGENT LIABILITIES**

Resilient is standing surety for the funding obligations of Eagle’s Eye Investments (Pty) Ltd. At the date of this report, Eagle’s Eye Investments had debt totalling R57 million whilst the remaining 3 603 604 Resilient shares were valued at R348 million.

The directors have considered the claim instituted against the company relating to the Clairwood Racecourse and, having regard to the legal advice provided to the company that the claim is without merit, do not consider these legal proceedings to be material.

There are no other contingent liabilities.

**22 OPERATING LEASE RENTALS**

Contractual rental revenue from tenants can be analysed as follows:

<table>
<thead>
<tr>
<th>Group</th>
<th>Jun 2015 R’000</th>
<th>Jun 2014 R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>1 307 631</td>
<td>950 681</td>
</tr>
<tr>
<td>Within two to five years</td>
<td>3 174 382</td>
<td>2 312 114</td>
</tr>
<tr>
<td>More than five years</td>
<td>839 876</td>
<td>861 025</td>
</tr>
<tr>
<td>Total</td>
<td>5 321 889</td>
<td>4 123 820</td>
</tr>
</tbody>
</table>
### Segmental Reporting

#### Segmental Statement of Financial Position at June 2015

<table>
<thead>
<tr>
<th>Group</th>
<th>Corporate R'000</th>
<th>Retail R'000</th>
<th>Total R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment property and investment property under development</td>
<td>-</td>
<td>18 835 327</td>
<td>18 835 327</td>
</tr>
<tr>
<td>Investment in and loans to associate and joint ventures</td>
<td>3 343 041</td>
<td>3 343 041</td>
<td>3 343 041</td>
</tr>
<tr>
<td>Investments</td>
<td>8 772 173</td>
<td>8 772 173</td>
<td>8 772 173</td>
</tr>
<tr>
<td>Resilient Share Purchase Trust loans</td>
<td>659 392</td>
<td>659 392</td>
<td>659 392</td>
</tr>
<tr>
<td>Loans to BEE vehicles</td>
<td>1 714 551</td>
<td>1 714 551</td>
<td>1 714 551</td>
</tr>
<tr>
<td>Loans to co-owners</td>
<td>268 622</td>
<td>268 622</td>
<td>268 622</td>
</tr>
<tr>
<td>Investment property held for sale</td>
<td>-</td>
<td>164 433</td>
<td>164 433</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>371 039</td>
<td>15 990</td>
<td>387 029</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>29 123</td>
<td>16 043</td>
<td>45 166</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>15 157 941</td>
<td>19 031 793</td>
<td>34 189 734</td>
</tr>
</tbody>
</table>

Due to the pooling of funds, disclosure of segmental liabilities will all be included under corporate.

#### Segmental Statement of Comprehensive Income for the Year Ended June 2015

<table>
<thead>
<tr>
<th>Group</th>
<th>Corporate R'000</th>
<th>Retail R'000</th>
<th>Total R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recoveries and contractual rental revenue</td>
<td>-</td>
<td>1 755 229</td>
<td>1 755 229</td>
</tr>
<tr>
<td>Straight-lining of rental revenue adjustment</td>
<td>121 443</td>
<td>121 443</td>
<td>121 443</td>
</tr>
<tr>
<td>Segment revenue</td>
<td>1 876 672</td>
<td>1 876 672</td>
<td>1 876 672</td>
</tr>
<tr>
<td>Property operating expenses</td>
<td>(600 137)</td>
<td>(600 137)</td>
<td>(600 137)</td>
</tr>
<tr>
<td>Net rental and related revenue</td>
<td>-</td>
<td>1 276 535</td>
<td>1 276 535</td>
</tr>
<tr>
<td>Income from investments</td>
<td>328 292</td>
<td>328 292</td>
<td>328 292</td>
</tr>
<tr>
<td>Fair value gain on investment property net of adjustment</td>
<td>-</td>
<td>435 587</td>
<td>435 587</td>
</tr>
<tr>
<td>resulting from straight-lining of rental revenue</td>
<td>3 350 820</td>
<td>3 350 820</td>
<td>3 350 820</td>
</tr>
<tr>
<td>Fair value loss on currency derivatives</td>
<td>(188 817)</td>
<td>(188 817)</td>
<td>(188 817)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(89 172)</td>
<td>(89 172)</td>
<td>(89 172)</td>
</tr>
<tr>
<td>Profit on disposal of economic interest in PropTrax</td>
<td>2 500</td>
<td>2 500</td>
<td>2 500</td>
</tr>
<tr>
<td>Foreign exchange gains</td>
<td>2 612</td>
<td>2 612</td>
<td>2 612</td>
</tr>
<tr>
<td>Profit on sale of interest in associate</td>
<td>204 783</td>
<td>204 783</td>
<td>204 783</td>
</tr>
<tr>
<td>Income from associate and joint ventures</td>
<td>701 309</td>
<td>67 513</td>
<td>768 822</td>
</tr>
<tr>
<td><strong>Total segment result</strong></td>
<td>4 312 327</td>
<td>1 779 635</td>
<td>6 091 962</td>
</tr>
</tbody>
</table>

#### Segmental Capital Expenditure

<table>
<thead>
<tr>
<th>Group</th>
<th>Corporate R'000</th>
<th>Retail R'000</th>
<th>Total R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>2 191 687</td>
<td>2 191 687</td>
<td>2 191 687</td>
</tr>
</tbody>
</table>

Due to the pooling of funds, disclosure of segmental liabilities will all be included under corporate.

#### Segmental Statement of Financial Position at June 2014

<table>
<thead>
<tr>
<th>Group</th>
<th>Corporate R'000</th>
<th>Retail R'000</th>
<th>Total R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment property and investment property under development</td>
<td>-</td>
<td>12 825 587</td>
<td>12 825 587</td>
</tr>
<tr>
<td>Investment in and loans to associate and joint ventures</td>
<td>2 472 517</td>
<td>1 847 991</td>
<td>4 320 508</td>
</tr>
<tr>
<td>Investments</td>
<td>5 619 438</td>
<td>5 619 438</td>
<td>5 619 438</td>
</tr>
<tr>
<td>Resilient Share Purchase Trust loans</td>
<td>628 047</td>
<td>628 047</td>
<td>628 047</td>
</tr>
<tr>
<td>Loans to BEE vehicles</td>
<td>614 259</td>
<td>614 259</td>
<td>614 259</td>
</tr>
<tr>
<td>Loans to co-owners</td>
<td>209 325</td>
<td>209 325</td>
<td>209 325</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>222 793</td>
<td>11 475</td>
<td>234 268</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>61 660</td>
<td>1 457</td>
<td>63 117</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>9 828 039</td>
<td>14 686 510</td>
<td>24 514 549</td>
</tr>
</tbody>
</table>

Due to the pooling of funds, disclosure of segmental liabilities will all be included under corporate.
### Segmental statement of comprehensive income for the year ended June 2014

<table>
<thead>
<tr>
<th>Group</th>
<th>Corporate R'000</th>
<th>Retail R'000</th>
<th>Total R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recoveries and contractual rental revenue</td>
<td>-</td>
<td>1 281 705</td>
<td>1 281 705</td>
</tr>
<tr>
<td>Straight-lining of rental revenue adjustment</td>
<td></td>
<td>18 886</td>
<td>18 886</td>
</tr>
<tr>
<td>Segment revenue</td>
<td>-</td>
<td>1 300 591</td>
<td>1 300 591</td>
</tr>
<tr>
<td>Property operating expenses</td>
<td>(430 846)</td>
<td>(430 846)</td>
<td></td>
</tr>
<tr>
<td>Net rental and related revenue</td>
<td>-</td>
<td>869 745</td>
<td>869 745</td>
</tr>
<tr>
<td>Income from investments</td>
<td>172 416</td>
<td>172 416</td>
<td></td>
</tr>
<tr>
<td>Fair value gain on investment property net of adjustment</td>
<td></td>
<td>859 805</td>
<td>859 805</td>
</tr>
<tr>
<td>Fair value gain on investments</td>
<td>1 071 396</td>
<td>1 071 396</td>
<td></td>
</tr>
<tr>
<td>Fair value loss on currency derivatives</td>
<td>(7 353)</td>
<td>(7 353)</td>
<td></td>
</tr>
<tr>
<td>Management fees received from PFM</td>
<td>81 774</td>
<td>81 774</td>
<td></td>
</tr>
<tr>
<td>Underwriting fee received</td>
<td>2 500</td>
<td>2 500</td>
<td></td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(100 781)</td>
<td>(100 781)</td>
<td></td>
</tr>
<tr>
<td>Termination fee received from Amber Peek</td>
<td>54 366</td>
<td>54 366</td>
<td></td>
</tr>
<tr>
<td>Amortisation of intangible asset</td>
<td>(26 422)</td>
<td>(26 422)</td>
<td></td>
</tr>
<tr>
<td>Foreign exchange gains</td>
<td>8 693</td>
<td>8 693</td>
<td></td>
</tr>
<tr>
<td>Profit on sale of interest in subsidiaries</td>
<td>752 990</td>
<td>752 990</td>
<td></td>
</tr>
<tr>
<td>Goodwill on acquisition of interest in joint venture</td>
<td>29 598</td>
<td>29 598</td>
<td></td>
</tr>
<tr>
<td>Income from associate and joint ventures</td>
<td>131 224</td>
<td>284 406</td>
<td></td>
</tr>
<tr>
<td><strong>Total segment result</strong></td>
<td>2 192 359</td>
<td>1 860 774</td>
<td>4 053 133</td>
</tr>
</tbody>
</table>

| Segmental capital expenditure                              | -               | 732 226      | 732 226     |

### Reconciliation of profit for the year to dividend declared

<table>
<thead>
<tr>
<th>Group</th>
<th>for the year ended Jun 2015 R'000</th>
<th>for the year ended Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td>5 484 085</td>
<td>3 325 075</td>
</tr>
<tr>
<td>Fair value gain on investment property</td>
<td>(557 030)</td>
<td>(878 691)</td>
</tr>
<tr>
<td>Fair value gain on investments</td>
<td>(3 350 820)</td>
<td>(1 071 396)</td>
</tr>
<tr>
<td>Fair value loss on currency derivatives</td>
<td>188 817</td>
<td>7 353</td>
</tr>
<tr>
<td>Profit on disposal of economic interest in PropTrax</td>
<td>(2 500)</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation of intangible asset</td>
<td>(2 612)</td>
<td>(752 990)</td>
</tr>
<tr>
<td>Foreign exchange gains</td>
<td>(204 783)</td>
<td>-</td>
</tr>
<tr>
<td>Profit on sale of interest in subsidiaries</td>
<td>(2 500)</td>
<td>-</td>
</tr>
<tr>
<td>Goodwill on acquisition of interest in joint venture</td>
<td>(29 598)</td>
<td>-</td>
</tr>
<tr>
<td>Non-distributable income from associate and joint ventures</td>
<td>(518 962)</td>
<td>(146 392)</td>
</tr>
<tr>
<td>Fair value adjustment on interest rate derivatives</td>
<td>(49 069)</td>
<td>(97 287)</td>
</tr>
<tr>
<td>Interest to linked debenture holders</td>
<td>-</td>
<td>486 140</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>304 654</td>
<td>1 419</td>
</tr>
<tr>
<td>Minority interest</td>
<td>(20 219)</td>
<td>303</td>
</tr>
<tr>
<td>Antecedent dividend</td>
<td>95 614</td>
<td>-</td>
</tr>
<tr>
<td>Dividends accrued</td>
<td>40 555</td>
<td>141 993</td>
</tr>
<tr>
<td><strong>Amount available for distribution under best practice</strong></td>
<td>1 407 730</td>
<td>994 351</td>
</tr>
<tr>
<td>Dividend/distribution declared - interim</td>
<td>(635 209)</td>
<td>(468 140)</td>
</tr>
<tr>
<td>Dividend declared - final</td>
<td>(772 521)</td>
<td>(526 211)</td>
</tr>
</tbody>
</table>

### 24 SUBSEQUENT EVENTS

The directors are not aware of any other events subsequent to 30 June 2015, not arising in the normal course of business, which are likely to have a material effect on the financial information contained in this report, other than as disclosed in the directors' report.
25 FINANCIAL INSTRUMENTS

25.1 Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

<table>
<thead>
<tr>
<th>Financial Instrument</th>
<th>Group Jun 2015 R'000</th>
<th>Group Jun 2014 R'000</th>
<th>Company Jun 2015 R'000</th>
<th>Company Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to joint ventures</td>
<td>-</td>
<td>1 139 370</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Resilient Share Purchase Trust loans</td>
<td>659 392</td>
<td>628 047</td>
<td>658 756</td>
<td>627 411</td>
</tr>
<tr>
<td>Loans to BEE vehicles</td>
<td>1 714 551</td>
<td>614 259</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans to co-owners</td>
<td>268 622</td>
<td>209 325</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>387 029</td>
<td>234 181</td>
<td>17</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>45 166</td>
<td>63 117</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>3 074 760</td>
<td>2 888 299</td>
<td>658 773</td>
<td>627 411</td>
</tr>
</tbody>
</table>

The maximum exposure to credit risk for loans at the reporting date was:

<table>
<thead>
<tr>
<th>Financial Instrument</th>
<th>Group Jun 2015 R'000</th>
<th>Group Jun 2014 R'000</th>
<th>Company Jun 2015 R'000</th>
<th>Company Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resilient Share Purchase Trust loans</td>
<td>659 392</td>
<td>628 047</td>
<td>658 756</td>
<td>627 411</td>
</tr>
<tr>
<td>Shares pledged as security</td>
<td>(1 204 509)</td>
<td>(917 425)</td>
<td>(1 204 509)</td>
<td>(917 425)</td>
</tr>
<tr>
<td>Net exposure</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans to joint ventures</td>
<td>-</td>
<td>1 139 370</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans to BEE vehicles</td>
<td>1 714 551</td>
<td>614 259</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loans to co-owners</td>
<td>163 424</td>
<td>209 325</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net exposure total loans</td>
<td>1 877 975</td>
<td>1 962 954</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

None of the borrowers to whom loans were granted were in breach of their obligations.

No impairment allowance is necessary in respect of loans as the fair value of the security provided exceeds the value of the loans.

The maximum exposure to credit risk for trade and other receivables at the reporting date by segment was:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Jun 2015 R'000</th>
<th>Jun 2014 R'000</th>
<th>Past due not impaired R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate</td>
<td>371 039</td>
<td>222 706</td>
<td>17</td>
</tr>
<tr>
<td>Retail</td>
<td>15 990</td>
<td>11 475</td>
<td>-</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>387 029</td>
<td>234 181</td>
<td>17</td>
</tr>
<tr>
<td>Tenant deposits (limited to tenant arrears)</td>
<td>(15 990)</td>
<td>(11 475)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>371 039</td>
<td>222 706</td>
<td>17</td>
</tr>
</tbody>
</table>

The aging of all trade receivables at the reporting date was less than 90 days.

The group believes that no impairment allowance is necessary in respect of trade receivables as a comprehensive analysis of outstanding amounts is performed on a regular basis and impairment losses are accounted for timeously.

There are no significant concentrations of credit risk.

Gross receivables:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Past due not impaired R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not past due</td>
<td>371 039</td>
</tr>
<tr>
<td>Past due not impaired</td>
<td>15 990</td>
</tr>
<tr>
<td>Total</td>
<td>387 029</td>
</tr>
</tbody>
</table>

Tenant arrears of R6.2 million (2014: R3.9 million) was written off as irrecoverable during the year. No impairment adjustment is required against the balance of the receivables.
25.2 Liquidity risk

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

<table>
<thead>
<tr>
<th></th>
<th>Carrying value R'000</th>
<th>Contractual outflows R'000</th>
<th>1-12 months R'000</th>
<th>2-5 years R'000</th>
<th>More than 5 years R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group Jun 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-derivative financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owing to minorities</td>
<td>900 028</td>
<td>900 028</td>
<td>-</td>
<td>479 661</td>
<td>420 367</td>
</tr>
<tr>
<td>Interest-bearing borrowings</td>
<td>5 907 367</td>
<td>7 128 118</td>
<td>993 902</td>
<td>5 708 148</td>
<td>426 068</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>258 051</td>
<td>258 051</td>
<td>258 051</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Group Jun 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-derivative financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owing to minorities</td>
<td>196 103</td>
<td>196 103</td>
<td>-</td>
<td>196 103</td>
<td>-</td>
</tr>
<tr>
<td>Interest-bearing borrowings</td>
<td>6 888 120</td>
<td>8 605 050</td>
<td>1 132 552</td>
<td>6 836 401</td>
<td>636 097</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>205 400</td>
<td>205 400</td>
<td>205 400</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Company Jun 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-derivative financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing borrowings</td>
<td>2 792 406</td>
<td>3 257 764</td>
<td>706 019</td>
<td>2 125 677</td>
<td>426 068</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>2 040</td>
<td>2 040</td>
<td>2 040</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Company Jun 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-derivative financial liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing borrowings</td>
<td>2 624 456</td>
<td>3 134 345</td>
<td>818 364</td>
<td>1 862 875</td>
<td>453 106</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>662</td>
<td>662</td>
<td>662</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Cash flows are monitored on a regular basis to ensure that cash resources are adequate to meet funding requirements.

<table>
<thead>
<tr>
<th></th>
<th>Jun 2015 R'000</th>
<th>Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permitted borrowings for the group:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>34 189 734</td>
<td>24 514 549</td>
</tr>
<tr>
<td>60% of total assets</td>
<td>20 513 840</td>
<td>14 708 729</td>
</tr>
<tr>
<td>Total borrowings</td>
<td>(5 907 367)</td>
<td>(6 888 120)</td>
</tr>
<tr>
<td>Unutilised borrowing capacity</td>
<td>14 606 473</td>
<td>7 820 609</td>
</tr>
</tbody>
</table>
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

for the year ended 30 June 2015

25 FINANCIAL INSTRUMENTS (CONTINUED)

25.3 Market risk

25.3.3 Currency risk

The board’s policy is to hedge a maximum of 35% of its foreign currency exposure to equity investments (Nepi and Rockcastle). At year end the fair value of these investments was R8 336 million (2014: R5 261 million) and a total of EUR52 million (2014: EUR nil) and USD151 million (2014: USD98 million) was hedged.

25.3.2 Interest rate risk

<table>
<thead>
<tr>
<th>Interest-bearing instruments comprise:</th>
<th>Group</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans to joint ventures</td>
<td>91 990</td>
<td>-</td>
</tr>
<tr>
<td>Resilient Share Purchase Trust loans</td>
<td>659 392</td>
<td>628 047</td>
</tr>
<tr>
<td>Loans to BEE vehicles</td>
<td>614 259</td>
<td>-</td>
</tr>
<tr>
<td>Loans to co-owners</td>
<td>209 325</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>63 117</td>
<td>-</td>
</tr>
<tr>
<td>Interest-bearing borrowings</td>
<td>(5 907 367)</td>
<td>(6 868 120)</td>
</tr>
<tr>
<td>Amounts owing to minorities</td>
<td>(320 378)</td>
<td>(113 613)</td>
</tr>
</tbody>
</table>

The group adopts a policy of ensuring that at least 80% of its exposure to interest rates is hedged.

Details of existing interest rate derivatives are:

<table>
<thead>
<tr>
<th>Swap maturity</th>
<th>Nominal amount R'000</th>
<th>Average swap rate</th>
<th>Fair value R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Jun 2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun 2016</td>
<td>100 000</td>
<td>7,84%</td>
<td>(932)</td>
</tr>
<tr>
<td>Jun 2017</td>
<td>700 000</td>
<td>7,67%</td>
<td>(9 359)</td>
</tr>
<tr>
<td>Jun 2018</td>
<td>900 000</td>
<td>7,52%</td>
<td>(8 362)</td>
</tr>
<tr>
<td>Jun 2019</td>
<td>1 100 000</td>
<td>7,28%</td>
<td>4 923</td>
</tr>
<tr>
<td>Jun 2020</td>
<td>880 000</td>
<td>6,31%</td>
<td>45 257</td>
</tr>
<tr>
<td>Jun 2021</td>
<td>820 000</td>
<td>7,88%</td>
<td>(2 595)</td>
</tr>
<tr>
<td>Jun 2022</td>
<td>500 000</td>
<td>8,09%</td>
<td>(2 624)</td>
</tr>
<tr>
<td>Jun 2023</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Jun 2024</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Jun 2025</td>
<td>100 000</td>
<td>7,78%</td>
<td>3 288</td>
</tr>
<tr>
<td></td>
<td>5 100 000</td>
<td>7,41%</td>
<td>29 932</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cap maturity</th>
<th>Nominal amount R'000</th>
<th>Average cap rate</th>
<th>Fair value R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun 2016</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Jun 2017</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Jun 2018</td>
<td>400 000</td>
<td>5,90%</td>
<td>10 424</td>
</tr>
<tr>
<td>Jun 2019</td>
<td>200 000</td>
<td>7,38%</td>
<td>3 697</td>
</tr>
<tr>
<td>Jun 2020</td>
<td>300 000</td>
<td>7,54%</td>
<td>8 995</td>
</tr>
<tr>
<td>Jun 2021</td>
<td>300 000</td>
<td>7,92%</td>
<td>11 075</td>
</tr>
<tr>
<td>Jun 2022</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Jun 2023</td>
<td>400 000</td>
<td>7,71%</td>
<td>27 372</td>
</tr>
<tr>
<td>Jun 2024</td>
<td>800 000</td>
<td>7,78%</td>
<td>67 518</td>
</tr>
<tr>
<td>Jun 2025</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>2 400 000</td>
<td>7,41%</td>
<td>129 081</td>
</tr>
</tbody>
</table>
Swap maturity | Nominal amount R'000 | Average swap rate | Fair value R'000
--- | --- | --- | ---
Group Jun 2014
Jun 2015 | 250 000 | 6.84% | (1 147)
Jun 2016 | 450 000 | 7.73% | (7 032)
Jun 2017 | 700 000 | 7.67% | (11 760)
Jun 2018 | 900 000 | 7.52% | (7 725)
Jun 2019 | 1 100 000 | 7.28% | 6 954
Jun 2020 | 880 000 | 6.31% | 52 054
Jun 2021 | 820 000 | 7.88% | (4 890)
Jun 2022 | 500 000 | 8.09% | (4 650)

5 600 000 | 7.39% | 21 804

Cap maturity | Nominal amount R'000 | Average cap rate | Fair value R'000
--- | --- | --- | ---
Jun 2018 | 400 000 | 5.90% | 17 098
Jun 2019 | 200 000 | 7.38% | 6 523
Jun 2020 | 300 000 | 7.54% | 13 056
Jun 2021 | 300 000 | 7.92% | 16 194
Jun 2022 | - | - | -
Jun 2023 | 200 000 | 7.99% | 15 394
Jun 2024 | 200 000 | 7.99% | 19 876

1 600 000 | 7.29% | 88 141

Effective interest rates and repricing
The effective interest rates at the statement of financial position date and the periods in which the borrowings reprice are reflected in note 12.

Cash flow sensitivity analysis for variable rate instruments

Interest
A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2014.

| Profit or loss and equity | Increase R’000 | Decrease R’000 |
---|---|---|
Group Jun 2015
Loans to BEE vehicles | 17 146 | (17 146)
Loans to co-owners | 2 686 | (2 686)
Cash and cash equivalents | 452 | (452)
Interest-bearing borrowings | (59 074) | 59 074
Amounts owing to minorities | (3 204) | 3 204
Interest rate derivatives | 75 000 | (75 000)
Cash flow sensitivity (net) | 33 006 | (33 006)
Group Jun 2014
Loans to joint ventures | 920 | (920)
Loans to BEE vehicles | 6 143 | (6 143)
Loans to co-owners | 2 093 | (2 093)
Cash and cash equivalents | 631 | (631)
Interest-bearing borrowings | (68 881) | 68 881
Amounts owing to minorities | (1 136) | 1 136
Interest rate derivatives | 72 000 | (72 000)
Cash flow sensitivity (net) | 11 770 | (11 770)
Group Jun 2015
Interest-bearing borrowings | (27 924) | 27 924
Company Jun 2015
Interest-bearing borrowings | (26 245) | 26 245
25.3 Market risk (continued)

25.3.3 Equity price risk
The carrying amount of financial assets represents the maximum equity price risk exposure. The maximum exposure to equity price risk at the reporting date was:

<table>
<thead>
<tr>
<th></th>
<th>Jun 2015 R'000</th>
<th>Jun 2014 R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>8 772 173</td>
<td>5 619 438</td>
</tr>
</tbody>
</table>

A one percent change in the market value of investments would have increased/(decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2014.

<table>
<thead>
<tr>
<th></th>
<th>1% increase R'000</th>
<th>1% decrease R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>87 722</td>
<td>(87 722)</td>
</tr>
</tbody>
</table>

25.4 Fair values
The fair values of all financial instruments with the exception of the investment in associate company Rockcastle are substantially the same as the carrying amounts reflected on the statement of financial position.

<table>
<thead>
<tr>
<th></th>
<th>Designated at fair value R'000</th>
<th>Loans and receivables R'000</th>
<th>Amortised cost R'000</th>
<th>Total carrying amount R'000</th>
<th>Fair value R'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Jun 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in associate (level 1)</td>
<td>3 343 041</td>
<td>3 343 041</td>
<td>4 728 450</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments (level 1)</td>
<td>8 772 173</td>
<td>8 772 173</td>
<td>8 772 173</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resilient Share Purchase Trust loans</td>
<td>659 392</td>
<td>659 392</td>
<td>659 392</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans to BEE vehicles</td>
<td>1 714 551</td>
<td>1 714 551</td>
<td>1 714 551</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans to co-owners</td>
<td>268 622</td>
<td>268 622</td>
<td>268 622</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>160 988</td>
<td>160 988</td>
<td>160 988</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate derivatives debtor (level 2)</td>
<td>188 798</td>
<td>188 798</td>
<td>188 798</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency derivatives debtor (level 2)</td>
<td>37 243</td>
<td>37 243</td>
<td>37 243</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>45 166</td>
<td>45 166</td>
<td>45 166</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing borrowings</td>
<td>(5 907 367)</td>
<td>(5 907 367)</td>
<td>(5 907 367)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owing to minorities</td>
<td>(900 028)</td>
<td>(900 028)</td>
<td>(900 028)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(258 051)</td>
<td>(258 051)</td>
<td>(258 051)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate derivatives creditor (level 2)</td>
<td>(29 785)</td>
<td>(29 785)</td>
<td>(29 785)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency derivatives creditor (level 2)</td>
<td>(1 048)</td>
<td>(1 048)</td>
<td>(1 048)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>8 967 381</td>
<td>1 948 691</td>
<td>(2 822 377)</td>
<td>8 093 695</td>
<td>9 479 104</td>
</tr>
<tr>
<td></td>
<td>Designated at fair value R'000</td>
<td>Loans and receivables R'000</td>
<td>Amortised cost R'000</td>
<td>Total carrying amount R'000</td>
<td>Fair value R'000</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>--------------------------------</td>
<td>----------------------------</td>
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<td>-----------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>Group Jun 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment in and loans to associate and joint ventures (level 1 and level 3)</td>
<td>1 139 370</td>
<td>3 181 138</td>
<td>4 320 508</td>
<td>4 705 083</td>
<td></td>
</tr>
<tr>
<td>Investments (level 1)</td>
<td>5 619 438</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resilient Share Purchase Trust loans</td>
<td>628 047</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans to BEE vehicles</td>
<td>614 259</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans to co-owners</td>
<td>209 325</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>73 500</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate derivatives debtor (level 2)</td>
<td>157 008</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency derivatives debtor (level 2)</td>
<td>3 673</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>63 117</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing borrowings</td>
<td>(6 888 120)</td>
<td>(6 888 120)</td>
<td>(6 888 120)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owing to minorities</td>
<td>(196 103)</td>
<td>(196 103)</td>
<td>(196 103)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(205 400)</td>
<td>(205 400)</td>
<td>(205 400)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate derivatives creditor (level 2)</td>
<td>(47 064)</td>
<td>(47 064)</td>
<td>(47 064)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currency derivatives creditor (level 2)</td>
<td>(6 567)</td>
<td>(6 567)</td>
<td>(6 567)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5 726 488</td>
<td>2 531 515</td>
<td>(3 912 382)</td>
<td>4 345 621</td>
<td>4 730 196</td>
</tr>
<tr>
<td><strong>Company Jun 2015</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resilient Share Purchase Trust loans</td>
<td>658 756</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing borrowings</td>
<td>(2 792 406)</td>
<td>(2 792 406)</td>
<td>(2 792 406)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(2 040)</td>
<td>(2 040)</td>
<td>(2 040)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>658 773</td>
<td>(2 794 446)</td>
<td>(2 135 673)</td>
<td>(2 135 673)</td>
</tr>
<tr>
<td><strong>Company Jun 2014</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resilient Share Purchase Trust loans</td>
<td>627 411</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing borrowings</td>
<td>(2 624 456)</td>
<td>(2 624 456)</td>
<td>(2 624 456)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(662)</td>
<td>(662)</td>
<td>(662)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>627 411</td>
<td>(2 625 118)</td>
<td>(1 997 707)</td>
<td>(1 997 707)</td>
</tr>
</tbody>
</table>

Level 1 financial instruments are all investments in listed equities and the investment in associate company Rockcastle. Interest rate and currency derivatives have been classified as level 2 financial instruments and have been fair valued externally. In 2014 the investments in joint ventures Arbour Town (Pty) Ltd and Southern Palace Investments 19 (Pty) Ltd were classified as level 3 as their values were related to the investment property held. There were no transfers between levels 1, 2 and 3 during the year.
26 ACCOUNTING ESTIMATES AND JUDGEMENTS
Management discusses with the audit committee the development, selection and disclosure of the group’s critical accounting policies and estimates and the application of these policies and estimates.

Investment property

The revaluation of investment property requires judgement in the determination of future cash flows from leases and an appropriate capitalisation rate which may vary between 7.25% and 9.00% (2014: 7.25% and 8.75%). Changes in the capitalisation rate attributable to changes in market conditions can have a significant impact on property valuations.

A 25 basis points increase in the capitalisation rate will decrease the value of investment property (2014: including those held by joint ventures) by R601,2 million (2014: R456,7 million).

A 25 basis points decrease in the capitalisation rate will increase the value of investment property (2014: including those held by joint ventures) by R641,5 million (2014: R487,4 million).

Impairment of assets

The group tests whether assets have suffered any impairment in accordance with the accounting policy stated in note 1. The recoverable amounts of cash generating units and intangible assets have been determined based on future cash flows discounted to their present value using appropriate rates. Estimates are based on interpretation of generally accepted industry based market forecasts.

Trade receivables

Management identifies impairment of trade receivables on an ongoing basis. Impairment adjustments are raised against trade receivables when the collectability is considered to be doubtful. Management believes that the impairment write-off is conservative and there are no significant trade receivables that are doubtful and have not been written off. In determining whether a particular receivable could be doubtful, the following factors are taken into consideration:

- age;
- customer current financial status;
- security held; and
- disputes with customer.

27 RELATED PARTY TRANSACTIONS

Parent entity

The holding company is Resilient Property Income Fund Ltd.

Identity of related parties with whom material transactions have occurred

The subsidiaries, associate, joint ventures and directors are related parties. The subsidiaries of the company are identified in note 9 and the associate and joint ventures in note 4. The directors are set out on pages 6 to 9.

Material related party transactions

Loans to/from subsidiaries are set out in note 9.

Interest received from subsidiaries is set out in the statements of comprehensive income.

Remuneration paid to directors is set out on pages 22 and 23 and in note 16.

Loans by The Resilient Share Purchase Trust to directors are set out in note 19.

Interest paid by directors to The Resilient Share Purchase Trust amounts to R21,4 million (2014: R19,0 million).
28 STANDARDS AND INTERPRETATION NOT YET EFFECTIVE

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 Resilient’s operations have been applied.

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

<table>
<thead>
<tr>
<th>International Financial Reporting Standards (&quot;IFRS&quot;)</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS 1 First-time Adoption of International Financial Reporting Standards</td>
<td>Annual periods beginning on or after 1 January 2016</td>
</tr>
<tr>
<td>— Amendments resulting from 2012-2014 Annual Improvements Cycle</td>
<td></td>
</tr>
<tr>
<td>IFRS 5 Non-current Assets Held for Sale and Discontinued Operations</td>
<td>Annual periods beginning on or after 1 January 2016</td>
</tr>
<tr>
<td>— Amendments resulting from 2012-2014 Annual Improvements Cycle</td>
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</tr>
<tr>
<td>IFRS 7 Financial Instruments: Disclosures</td>
<td>Annual periods beginning on or after 1 January 2015</td>
</tr>
<tr>
<td>— Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures</td>
<td></td>
</tr>
<tr>
<td>IFRS 7 Financial Instruments: Disclosures</td>
<td>Annual periods beginning on or after 1 January 2016</td>
</tr>
<tr>
<td>— Amendments resulting from September 2014 Annual Improvements to IFRSs</td>
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</tr>
<tr>
<td>IFRS 9 Financial Instruments</td>
<td>Annual periods beginning on or after 1 January 2018</td>
</tr>
<tr>
<td>— Reissue of a complete standard with all the chapters incorporated</td>
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<tr>
<td>IFRS 10 Consolidated Financial Statements</td>
<td>Annual periods beginning on or after 1 January 2016</td>
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<tr>
<td>— Amendments on Sale or Contribution of Assets between an investor and its associate or joint venture</td>
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</tr>
<tr>
<td>IFRS 10 Consolidated Financial Statements</td>
<td>Annual periods beginning on or after 1 January 2016</td>
</tr>
<tr>
<td>— Amendments related to the application of the investment entities exceptions</td>
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<tr>
<td>IFRS 11 Joint Arrangements</td>
<td>Annual periods beginning on or after 1 January 2016</td>
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<tr>
<td>— Amendment requiring the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in IFRS 3 Business Combinations, to apply all of the principles on business combinations accounting in IFRS 3</td>
<td></td>
</tr>
<tr>
<td>IFRS 12 Disclosure of Interests in Other Entities</td>
<td>Annual periods beginning on or after 1 January 2016</td>
</tr>
<tr>
<td>— Amendments related to the application of the investment entities exceptions</td>
<td></td>
</tr>
<tr>
<td>IFRS 14 Regulatory Deferral Accounts</td>
<td>Annual periods beginning on or after 1 January 2016</td>
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<tr>
<td>— Original issue</td>
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<tr>
<td>IFRS 15 Revenue from contracts with customers</td>
<td>Annual periods beginning on or after 1 January 2018</td>
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<td>— Original issue</td>
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</table>

<table>
<thead>
<tr>
<th>International Accounting Standards (&quot;IAS&quot;)</th>
<th>Effective date</th>
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<tbody>
<tr>
<td>IAS 1 Presentation of Financial Statements</td>
<td>Annual periods beginning on or after 1 January 2016</td>
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<tr>
<td>— Amendments arising under the Disclosure Initiative</td>
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<tr>
<td>IAS 16 Property, Plant and Equipment</td>
<td>Annual periods beginning on or after 1 January 2016</td>
</tr>
<tr>
<td>— Amendments resulting from clarification of acceptable methods of depreciation and amortisation (Amendments to IAS 16 and IAS 38)</td>
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<tr>
<td>IAS 16 Property, Plant and Equipment</td>
<td>Annual periods beginning on or after 1 January 2015</td>
</tr>
<tr>
<td>— Amendments to include ‘bearer plants’ within the scope of IAS 16 rather than IAS 41</td>
<td></td>
</tr>
<tr>
<td>IAS 19 Employee Benefits</td>
<td>Annual periods beginning on or after 1 January 2016</td>
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<tr>
<td>— Amendments resulting from 2012-2014 Annual Improvements Cycle</td>
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<tr>
<td>IAS 27 Separated Financial Statements</td>
<td>Annual periods beginning on or after 1 January 2018</td>
</tr>
<tr>
<td>— Amendments resulting from 2012-2014 Annual Improvements Cycle</td>
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</tr>
<tr>
<td>IAS 28 Investments in Associates and Joint Ventures</td>
<td>Annual periods beginning on or after 1 January 2016</td>
</tr>
<tr>
<td>— Amendments on Sale or Contribution of Assets between an investor and its associate or joint venture</td>
<td></td>
</tr>
<tr>
<td>IAS 28 Investments in Associates and Joint Ventures</td>
<td>Annual periods beginning on or after 1 January 2016</td>
</tr>
<tr>
<td>— Amendments related to the application of the investment entities exceptions</td>
<td></td>
</tr>
<tr>
<td>IAS 34 Interim Financial Reporting</td>
<td>Annual periods beginning on or after 1 January 2016</td>
</tr>
<tr>
<td>— Amendments resulting from 2012-2014 Annual Improvements Cycle</td>
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<tr>
<td>IAS 38 Intangible Assets</td>
<td>Annual periods beginning on or after 1 July 2016</td>
</tr>
<tr>
<td>— Amendments resulting from clarification of acceptable methods of depreciation and amortisation (Amendments to IAS 16 and IAS 38)</td>
<td></td>
</tr>
<tr>
<td>IAS 39 Financial Instruments: Recognition and Measurement</td>
<td>Annual periods beginning on or after 1 January 2017</td>
</tr>
<tr>
<td>— Amendments for novations of derivatives</td>
<td></td>
</tr>
</tbody>
</table>

Management is currently assessing the impact of these standards and interpretations on the financial statements.
## SCHEDULE OF PROPERTIES

<table>
<thead>
<tr>
<th>No</th>
<th>Property name</th>
<th>Primary use</th>
<th>Geographical location</th>
<th>Gross lettable area (m²)</th>
<th>Vacancy</th>
<th>Weighted average rate per m² (R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Boardwalk Inkwazi</td>
<td>Retail</td>
<td>KwaZulu-Natal</td>
<td>65 991</td>
<td>1.0%</td>
<td>145.52</td>
</tr>
<tr>
<td>2</td>
<td>The Galleria (Resilient has a 75% interest)</td>
<td>Retail</td>
<td>KwaZulu-Natal</td>
<td>88 443</td>
<td>6.2%</td>
<td>136.50</td>
</tr>
<tr>
<td>3</td>
<td>Mall of the North (Resilient has a 60% interest)</td>
<td>Retail</td>
<td>Limpopo</td>
<td>76 748</td>
<td>0.3%</td>
<td>169.11</td>
</tr>
<tr>
<td>4</td>
<td>The Grove</td>
<td>Retail</td>
<td>Gauteng</td>
<td>55 150</td>
<td>3.3%</td>
<td>146.09</td>
</tr>
<tr>
<td>5</td>
<td>Highveld Mall (Resilient has a 60% interest)</td>
<td>Retail</td>
<td>Mpumalanga</td>
<td>66 853</td>
<td>0.1%</td>
<td>166.23</td>
</tr>
<tr>
<td>6</td>
<td>Jubilee Mall</td>
<td>Retail</td>
<td>Gauteng</td>
<td>52 577</td>
<td>1.8%</td>
<td>122.62</td>
</tr>
<tr>
<td>7</td>
<td>Ilanga Mall (Resilient has a 85% interest)</td>
<td>Retail</td>
<td>Mpumalanga</td>
<td>49 892</td>
<td>-</td>
<td>130.43</td>
</tr>
<tr>
<td>8</td>
<td>Tzaneng Mall</td>
<td>Retail</td>
<td>Limpopo</td>
<td>40 924</td>
<td>1.9%</td>
<td>126.10</td>
</tr>
<tr>
<td>9</td>
<td>Irene Village Mall</td>
<td>Retail</td>
<td>Gauteng</td>
<td>31 818</td>
<td>1.4%</td>
<td>157.21</td>
</tr>
<tr>
<td>10</td>
<td>Tubatse Crossing (Resilient has a 96.5% interest)</td>
<td>Retail</td>
<td>Limpopo</td>
<td>43 691</td>
<td>3.0%</td>
<td>129.67</td>
</tr>
<tr>
<td>11</td>
<td>Brits Mall (Resilient has a 95% interest)</td>
<td>Retail</td>
<td>North West</td>
<td>37 955</td>
<td>1.2%</td>
<td>118.89</td>
</tr>
<tr>
<td>12</td>
<td>Circus Triangle</td>
<td>Retail</td>
<td>Eastern Cape</td>
<td>34 744</td>
<td>0.3%</td>
<td>138.52</td>
</tr>
<tr>
<td>13</td>
<td>Limpopo Mall</td>
<td>Retail</td>
<td>Limpopo</td>
<td>27 803</td>
<td>-</td>
<td>142.75</td>
</tr>
<tr>
<td>14</td>
<td>Jabulani Mall (Resilient has a 55% interest)</td>
<td>Retail</td>
<td>Gauteng</td>
<td>46 866</td>
<td>-</td>
<td>146.00</td>
</tr>
<tr>
<td>15</td>
<td>Diamond Pavilion</td>
<td>Retail</td>
<td>Northern Cape</td>
<td>34 657</td>
<td>0.3%</td>
<td>128.79</td>
</tr>
<tr>
<td>16</td>
<td>Rivonia Village</td>
<td>Retail</td>
<td>Gauteng</td>
<td>26 373</td>
<td>1.3%</td>
<td>130.86</td>
</tr>
<tr>
<td>17</td>
<td>Mvusuludzo Mall Thohoyandou</td>
<td>Retail</td>
<td>Limpopo</td>
<td>20 952</td>
<td>-</td>
<td>145.04</td>
</tr>
<tr>
<td>18</td>
<td>Northerm Plaza</td>
<td>Retail</td>
<td>Limpopo</td>
<td>28 932</td>
<td>4.8%</td>
<td>109.35</td>
</tr>
<tr>
<td>19</td>
<td>Secunda Mall (Resilient has a 40% interest)</td>
<td>Retail</td>
<td>Mpumalanga</td>
<td>59 694</td>
<td>0.2%</td>
<td>116.95</td>
</tr>
<tr>
<td>20</td>
<td>Village Mall Kathu</td>
<td>Retail</td>
<td>Northern Cape</td>
<td>27 751</td>
<td>-</td>
<td>101.02</td>
</tr>
<tr>
<td>21</td>
<td>Arbou Crossing (Resilient has a 75% interest)</td>
<td>Retail</td>
<td>KwaZulu-Natal</td>
<td>39 786</td>
<td>13.9%</td>
<td>93.36</td>
</tr>
<tr>
<td>22</td>
<td>Soshangue Crossing (Resilient has a 55% interest)</td>
<td>Retail</td>
<td>Gauteng</td>
<td>34 513</td>
<td>0.2%</td>
<td>120.22</td>
</tr>
<tr>
<td>23</td>
<td>The Crossing Mokopane</td>
<td>Retail</td>
<td>Limpopo</td>
<td>18 733</td>
<td>3.7%</td>
<td>114.83</td>
</tr>
<tr>
<td>24</td>
<td>Mafikeng Mall (Resilient has a 66% interest)</td>
<td>Retail</td>
<td>North West</td>
<td>22 896</td>
<td>-</td>
<td>115.91</td>
</tr>
<tr>
<td>25</td>
<td>Murchison Mall</td>
<td>Retail</td>
<td>KwaZulu-Natal</td>
<td>18 654</td>
<td>0.4%</td>
<td>114.13</td>
</tr>
<tr>
<td>26</td>
<td>Tzaneen Crossing</td>
<td>Retail</td>
<td>Limpopo</td>
<td>15 351</td>
<td>3.7%</td>
<td>118.93</td>
</tr>
<tr>
<td>27</td>
<td>Pick n Pay Hypermarket Klerksdorp</td>
<td>Retail</td>
<td>North West</td>
<td>18 926</td>
<td>1.6%</td>
<td>75.90</td>
</tr>
<tr>
<td>28</td>
<td>Tzaneen Lifestyle Centre (Resilient has a 45% interest)</td>
<td>Retail</td>
<td>Limpopo</td>
<td>9 380</td>
<td>4.7%</td>
<td>119.04</td>
</tr>
</tbody>
</table>

**Total direct property investment**: 1 095 953

**Total developments and vacant land**

<table>
<thead>
<tr>
<th>No</th>
<th>Property name</th>
<th>Use</th>
<th>Area</th>
<th>Vacancy</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>29</td>
<td>Resilient Africa - investment property under development</td>
<td>Development</td>
<td>Nigeria</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>30</td>
<td>Checkers Burgersfort</td>
<td>Vacant land</td>
<td>Limpopo</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>31</td>
<td>Polokwane Value Centre (Resilient has a 60% interest)</td>
<td>Vacant land</td>
<td>Limpopo</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>32</td>
<td>The Grove additional land</td>
<td>Vacant land</td>
<td>Gauteng</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>33</td>
<td>Tzaneen Lifestyle Centre land (Resilient has a 45% interest)</td>
<td>Vacant land</td>
<td>Limpopo</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>34</td>
<td>The Village Klerksdorp (Resilient has a 50% interest)</td>
<td>Vacant land</td>
<td>North West</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>35</td>
<td>Irene Village Mall land</td>
<td>Vacant land</td>
<td>Gauteng</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>36</td>
<td>Brits Mall land</td>
<td>Vacant land</td>
<td>North West</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**Total developments and vacant land**: 1 095 953

---

* Based on Resilient’s pro rata interests.

*1* Purchase price includes capitalised costs to date.

* Acquired through Resilient Africa.

Information shown on a proportionate consolidated basis.
<table>
<thead>
<tr>
<th>Initial acquisition date</th>
<th>Purchase price/cost R’000</th>
<th>Valuation R’000</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Dec 11</td>
<td>1 081 844</td>
<td>1 506 000</td>
<td>Krugerrand Road Richards Bay</td>
</tr>
<tr>
<td>30 Nov 04</td>
<td>1 398 089</td>
<td>1 325 896</td>
<td>Cnr N2 Highway and Chamberlain Road Umbogintwini</td>
</tr>
<tr>
<td>20 Apr 07</td>
<td>617 131</td>
<td>1 153 440</td>
<td>Cnr future N1 (Ringroad) and R81 Modjadji’s Kloof Road Bendor Polokwane</td>
</tr>
<tr>
<td>20 Sep 06</td>
<td>896 480</td>
<td>1 098 792</td>
<td>Cnr Simon Vermooten Road and Lynnwood Road Equestria</td>
</tr>
<tr>
<td>26 Apr 07</td>
<td>499 735</td>
<td>1 091 726</td>
<td>Cnr President Avenue and N4 Highway Witbank</td>
</tr>
<tr>
<td>1 Sep 14</td>
<td>981 751</td>
<td>962 600</td>
<td>Cnr Harry Gwala Rd and Jubilee Road Hammanskraal</td>
</tr>
<tr>
<td>6 Sep 07</td>
<td>601 993</td>
<td>780 250</td>
<td>Cnr N4 and Graniet Street Nelspruit</td>
</tr>
<tr>
<td>23 Dec 03</td>
<td>201 623</td>
<td>750 892</td>
<td>Cnr 24 - 26 Danie Joubert Street (cnr Danie Joubert and Agatha Roads) Tzaneen</td>
</tr>
<tr>
<td>1 Dec 14</td>
<td>713 705</td>
<td>700 000</td>
<td>Cnr Nellmapius Drive and Van Ryneveld Avenue Irene</td>
</tr>
<tr>
<td>17 Jul 07</td>
<td>455 825</td>
<td>674 631</td>
<td>Intersection Polokwane and Steelpoort Roads Burgersfort</td>
</tr>
<tr>
<td>22 Jan 08</td>
<td>380 539</td>
<td>613 259</td>
<td>Cnr Hendrik Verwoerd Avenue (R511) and Martinius Ras Street Brits</td>
</tr>
<tr>
<td>1 Dec 10</td>
<td>504 745</td>
<td>592 884</td>
<td>Cnr Chatham Elliot and Sutherland Streets Mhatha</td>
</tr>
<tr>
<td>1 Dec 02</td>
<td>116 516</td>
<td>576 000</td>
<td>Rissik Market Church Devenish and President Kruger Streets Polokwane</td>
</tr>
<tr>
<td>1 Nov 06</td>
<td>234 484</td>
<td>570 585</td>
<td>2189 Bolani Road Jabulani Soweto</td>
</tr>
<tr>
<td>21 Jul 05</td>
<td>349 772</td>
<td>531 950</td>
<td>Cnr Oliver Road and MacDougall Street Monument Heights Kimberley</td>
</tr>
<tr>
<td>30 Jun 08</td>
<td>241 707</td>
<td>470 387</td>
<td>Cnr Rivonia Boulevard and Mutual Road Rivonia</td>
</tr>
<tr>
<td>2 Dec 04</td>
<td>144 227</td>
<td>455 047</td>
<td>Thandukudzo Street Thohoyandou</td>
</tr>
<tr>
<td>20 Oct 05</td>
<td>181 442</td>
<td>433 000</td>
<td>Cnr Provincial Road P16 – 2 and Provincial Road P1235 Northam</td>
</tr>
<tr>
<td>7 Mar 12</td>
<td>317 903</td>
<td>400 187</td>
<td>Cnr PDP Kruger and OR Tambo Streets Secunda</td>
</tr>
<tr>
<td>26 Nov 08</td>
<td>261 789</td>
<td>379 761</td>
<td>Cnr De Ben and Hendrik van Eck Streets Kathu</td>
</tr>
<tr>
<td>30 Nov 04</td>
<td>326 003</td>
<td>353 033</td>
<td>Cnr N2 Highway and Chamberlain Road Umbogintwini</td>
</tr>
<tr>
<td>7 Jan 08</td>
<td>237 754</td>
<td>310 404</td>
<td>Ruth First Street (K-4) Soshanguve</td>
</tr>
<tr>
<td>24 Oct 03</td>
<td>93 770</td>
<td>304 000</td>
<td>56 Thabo Mbeki Drive Mokopane</td>
</tr>
<tr>
<td>31 Jul 07</td>
<td>149 916</td>
<td>258 060</td>
<td>Cnr Carney and Carrington Streets Mafikeng</td>
</tr>
<tr>
<td>1 Mar 05</td>
<td>76 290</td>
<td>257 843</td>
<td>Cnr Murchison and Lyell Streets Ladysmith</td>
</tr>
<tr>
<td>1 Dec 02</td>
<td>62 311</td>
<td>245 108</td>
<td>12 Lydenburg Road Tzaneen</td>
</tr>
<tr>
<td>1 Dec 02</td>
<td>57 969</td>
<td>164 433</td>
<td>91 Buffalo Doorn Avenue (cnr Buffalodoorn Road and Tom Avenue) Wilkoppies Klerksdorp</td>
</tr>
<tr>
<td>5 Sep 06</td>
<td>61 266</td>
<td>69 750</td>
<td>Cnr Voortrekker and the P43-3 Road Tzaneen</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11 248 770</strong></td>
<td><strong>17 028 918</strong></td>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

* 604 918 | 623 863 | Wari (Delta State), Owerni (Imo State), Asaba (Delta State) and Abeokuta (Ogun State) in Nigeria
16 Jul 07 | 56 271 | 56 271 | Lydenburg Road Burgersfort
15 Mar 07 | 43 568 | 43 568 | R81 Modjadji’s Kloof Road Bendor Polokwane
6 Jul 10 | 38 571 | 38 571 | Cnr Simon Vermooten Road and Lynnwood Road Equestria
5 Sep 08 | 38 606 | 31 500 | Cnr Voortrekker and the P43-3 Road Tzaneen
10 Nov 06 | 15 833 | 15 833 | Buffalodoorn Avenue Klerksdorp
1 Dec 14 | 60 000 | 60 000 | Cnr Nellmapius Drive and Van Ryneveld Avenue Irene
10 Aug 11 | 14 254 | 14 254 | Cnr Hendrik Verwoerd Avenue (R511) and Martinius Ras Street Brits

**Total** | **872 021** | **883 860** | **Total** |
COMPANY DETAILS
Resilient Property Income Fund Limited
(Registration number: 2002/016851/06)
Share code: RES
ISIN: ZAE000190807
4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191
(PO Box 2555, Rivonia, 2128)

COMMERCIAL BANKERS
The Standard Bank of South Africa Limited
(Registration number: 1962/000738/06)
Corporate and Investment Banking
7th Floor, 3 Simmonds Street, Johannesburg, 2001
(PO Box 61029, Marshalltown, 2107)

TRANSFER SECRETARIES
Link Market Services South Africa Proprietary Limited
(Registration number: 2000/007239/07)
13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

SECRETARY AND REGISTERED OFFICE
Monica Muller CA(SA)
4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191
(PO Box 2555, Rivonia, 2128)

EXTERNAL AUDITORS
Deloitte & Touche
Deloitte Place, The Woodlands, Woodlands Drive, Woodmead, 2052
(Private Bag X6, Gallo Manor, 2052)

SPONSOR
Java Capital
(Registration number: 2006/005780/07)
6A Sandown Valley Crescent, Sandown, Sandton, 2196
(PO Box 2087, Parklands, 2121)
## CORRECTED DIARY

### FINAL 2015

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial year end</td>
<td>Tuesday, 30 June 2015</td>
</tr>
<tr>
<td>Publication of preliminary results</td>
<td>Wednesday, 5 August 2015</td>
</tr>
<tr>
<td></td>
<td>Press</td>
</tr>
<tr>
<td>Last day to trade shares inclusive of dividend (cum dividend)</td>
<td>Friday, 28 August 2015</td>
</tr>
<tr>
<td>Shares trade ex dividend from</td>
<td>Monday, 31 August 2015</td>
</tr>
<tr>
<td>Last day to update share register for dividend (record date)</td>
<td>Friday, 4 September 2015</td>
</tr>
<tr>
<td>Dividend payment</td>
<td>Monday, 7 September 2015</td>
</tr>
<tr>
<td>Integrated report and notice of annual general meeting posted on</td>
<td>Wednesday, 30 September 2015</td>
</tr>
<tr>
<td>Annual general meeting</td>
<td>Wednesday, 11 November 2015 at 14h00</td>
</tr>
</tbody>
</table>

### INTERIM 2016

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim period ends</td>
<td>Thursday, 31 December 2015</td>
</tr>
<tr>
<td>Announcement of interim results</td>
<td>Wednesday, 3 February 2016</td>
</tr>
<tr>
<td>Payment of interim dividend</td>
<td>Monday, 7 March 2016</td>
</tr>
</tbody>
</table>
NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

This document is important and requires your immediate attention.

Resilient Property Income Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2002/016851/06)
JSE share code: RES    ISIN: ZAE000190807
(Approved as a REIT by the JSE)
(“Resilient” or “the company”)

If you are in any doubt as to what action you should take arising from the following resolutions, please consult your stockbroker, banker, attorney, accountant or other professional advisor immediately.

Notice is given of the fourteenth annual general meeting of shareholders of Resilient Property Income Fund Limited at the company’s registered office, 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191, on Wednesday, 11 November 2015 at 14h00 for the purpose of presenting the audited company and group financial statements for the year ended 30 June 2015 together with the reports of the directors, the audit committee and the auditors and transacting the following business:

1 Re-electing the following directors, who retire in terms of clause 24.12 of the company’s Memorandum of Incorporation and who offer themselves for re-election:

1.1 ANDRIES DE LANGE (42)
   Executive director and chief operating officer
   CA(SA), CFA
   Date of appointment: November 2006
   After completing his articles, Andries joined the Industrial Development Corporation of South Africa Limited (“IDC”) and then Nedbank Limited where he gained experience in debt finance, debt and equity restructurings and private equity. He joined the Resilient group in 2004 and is a director of Rockcastle Global Real Estate Company Limited (“Rockcastle”).

1.2 SPIRO NOUSSIS (44)
   Independent non-executive director
   BCom, BAcc, CA(SA)
   Date of appointment: August 2012
   Spiro has experience in private equity and investment management. He was previously managing director of Lodestone Properties Limited. He has been involved in property since 2005 and in May 2014 was appointed chief executive officer of Rockcastle, a listed property fund invested in various direct and indirect property assets.

1.3 UMSHA REDDY (45)
   Independent non-executive director
   BSc Eng (Electrical)
   Date of appointment: March 2012
   Umsha’s 22 years of work experience spans both the engineering and IT environments across energy, telecommunications, manufacturing, retail, government and financial industries. Her longest tenures were with HP and Microsoft, five years and eight years respectively. She is currently employed at SABMiller plc. as executive head of programme management and solution delivery for the Business Information Systems division.

2 Re-electing the following directors who have served on the board for more than nine years and who retire in terms of clause 24.12.2.3 of the company’s Memorandum of Incorporation and who offer themselves for re-election:

2.1 MARTHIN PETRUS GREYLING (48)
   Independent non-executive director
   BCom (Acc) (Hons), CA(SA)
   Date of appointment: July 2002
   Marthin started his career in financial services in 1993 when he joined the IDC. During his tenure he was, inter alia, involved in debt and project finance and business turnarounds. He joined NIB in 2001 and is currently a Principal in the Nedbank Private Equity team.
2.2 MFUNDISO JOHNSON NTABANKULU (JJ) NJEKE (56)
Independent non-executive chairman
BCompt (Hons), HDip Tax, CA(SA)
Date of appointment: November 2002
JJ was an audit partner at PwC and is the past chairman of the South African Institute of Chartered Accountants (“SAICA”). In addition to serving on the board of Resilient, he serves on the boards of MMI Holdings Limited, MTN Group Limited, Sasol Limited, Adcorp Holdings Limited and Moody’s Investors Service South Africa Proprietary Limited.

2.3 BARRY DANIEL VAN WYK (49)
Independent non-executive director
BCom, BAcc, CA(SA)
Date of appointment: November 2002
Barry heads up Renlia Developments Proprietary Limited, a property investment and development company primarily focused on office, industrial and residential opportunities. He was previously an executive director of Group Five Limited and managing director of Group Five Developments.

The nomination committee has considered the past performance and contribution of each of the directors standing for re-election and recommend that they be re-elected as directors of the company.

3 Re-electing all the members of the audit committee, each by way of a separate vote, who offer themselves for re-election, in terms of section 94(2) of the Companies Act, namely:

3.1 Marthin Petrus Greyling
3.2 Bryan Douglas Hopkins
3.3 Barry Daniel van Wyk

4 Reappointing Deloitte & Touche as auditors of the group with Mr B Greyling being the designated audit partner.

5 Authorising the directors to determine the remuneration of the group’s auditors.

As special business to consider and, if deemed fit, pass with or without modification, which modification is capable of being substantive in nature, the following resolutions:

6 Consider as ordinary resolution number 6: unissued shares under the control of the directors
“RESOLVED THAT the authorised but unissued share capital be and is hereby placed under the control and authority of the directors of the company as contemplated in clause 7.7.2 of the company’s Memorandum of Incorporation.”

7 Consider as ordinary resolution number 7: general authority to issue shares for cash
“RESOLVED THAT the directors of the company be and are hereby authorised by way of a general authority to issue shares in the capital of the company for cash, as and when they in their discretion deem fit, subject to the Companies Act, the Memorandum of Incorporation of the company, the JSE Listings Requirements, when applicable, and the following limitations, namely that:

- the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- any such issue will be made to “public shareholders” and not “related parties”, all as defined in the JSE Listings Requirements, unless the JSE otherwise agrees;
- the total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 18 835 000 shares, being 5% of the company’s issued shares as at the date of notice of this annual general meeting. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 18 835 000 shares the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
- in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- this authority shall be 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;
- an announcement giving full details, including the number of shares issued, the average discount to the weighted average trade price of the shares over the 30 (thirty) days prior to the date the issue is agreed in writing and an explanation, including supporting documentation (if any), of the intended use of the funds, will be published at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) of the number of shares in issue prior to the issue; and
- in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 5% (five percent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed to by the directors of the company.”

For the avoidance of doubt, the number of shares that may be issued for cash in terms of this resolution shall exclude any shares issued for cash for Black Economic Empowerment purposes under ordinary resolution number 8.

Ordinary resolution number 7 is required, under the JSE Listings Requirements, to be passed by achieving a 75% majority of the votes cast in favour of such resolution by all shareholders present or represented by proxy and entitled to vote at the annual general meeting.
8 Consider as ordinary resolution number 8: general authority to issue shares for Black Economic Empowerment purposes only

"RESOLVED THAT the directors of the company be and are hereby authorised by way of a general authority to issue shares in the capital of the company for cash for Black Economic Empowerment purposes, as and when in their discretion they so determine, subject to the Companies Act, the Memorandum of Incorporation of the company, the JSE Listings Requirements, when applicable, and the following limitations, namely that:

- the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- any such issue will be made to “public shareholders” and not “related parties”, as defined in the JSE Listings Requirements, unless the JSE otherwise agrees;
- the total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 18 835 000 shares, being 5% (five percent) of the company’s issued shares as at the date of notice of this annual general meeting. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 18 835 000 shares the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
- in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- this authority shall be 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;
- an announcement giving full details, including the number of shares issued, the average discount to the weighted average trade price of the shares over the 30 (thirty) days prior to the date the issue is agreed in writing and an explanation, including supporting documentation (if any), of the intended use of the funds, will be published at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) of the number of shares in issue prior to the issue; and
- in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 5% (five percent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed to by the directors of the company.”

For the avoidance of doubt, the number of shares that may be issued for cash for Black Economic Empowerment purposes in terms of this resolution shall exclude any shares issued for cash under the general authority to issue shares for cash as set out in ordinary resolution number 7.

Ordinary resolution number 8 is required, under the JSE Listings Requirements, to be passed by achieving a 75% majority of the votes cast in favour of such resolution by all shareholders present or represented by proxy and entitled to vote at the annual general meeting.

9 Consider as special resolution number 9: non-binding advisory vote on remuneration policy

"RESOLVED THAT in accordance with the principles of the King III report on governance, and through a non-binding advisory vote, the company’s remuneration policy and the implementation thereof, as further detailed below, be and is hereby approved.”

Remuneration policy

The remuneration policy is disclosed in detail in the remuneration report included on pages 20 to 23 of the integrated report.

10 Consider as special resolution number 10: Change of name of company

"RESOLVED THAT the name of the company be and is hereby changed from Resilient Property Income Fund Limited to Resilient REIT Limited.”

The reason for and effect of special resolution number 1

The board believes that it is appropriate to change the name of the company since Resilient is the name by which the company is usually referred to and the nature of the company is no longer that of a traditional income fund. Furthermore, the company has been approved as a REIT by the JSE. The company’s name is proposed to be changed to Resilient REIT Limited.

Further information regarding the proposed change of name of the company is set out in Annexure A of this notice of annual general meeting.

11 Consider as special resolution number 2: approval of financial assistance to related or inter-related companies

"RESOLVED THAT to the extent required by the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company’s Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance in terms of section 45 of the Companies Act by way of loans, guarantees, the provisions of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, such authority to endure until the next annual general meeting of the company.”

The reason for and effect of special resolution number 2

The company provides loans to and/or guarantees loans or other obligations of companies in the group. The company believes it is necessary that it continues to have the ability to provide financial assistance 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) and is accordingly proposing 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) to the entities referred to in special resolution number 2 above.
In terms of section 45, if the resolution is adopted, the board of directors will only be entitled to authorise such financial assistance if it is 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.

Consider as special resolution number 3: approval of the repurchase of shares

“RESOLVED THAT, subject to the Companies Act, the Memorandum of Incorporation of the company, the JSE Listings Requirements and the restrictions set out below, the repurchase of shares of the company, either by the company or by any subsidiary of the company, is hereby authorised, on the basis that:

1) this authority will only be valid until the company's next annual general meeting or for 15 months from the date of this resolution, whichever period is shorter;
2) the number of shares which may be acquired pursuant to this authority in any financial year may not in the aggregate exceed 20%, or 10% where such acquisitions are effected by a subsidiary, of the company's share capital as at the date of this notice of annual general meeting;
3) the repurchase of shares must be effected through the order book operated by the JSE trading system and done without any prior arrangement between the company and the counter-party;
4) the repurchase of shares may not be made at a price greater than 10% above the weighted average of the market value for the shares for the five business days immediately preceding the date on which the transaction is effected;
5) at any point in time, the company will only appoint one agent to effect repurchases on its behalf;
6) the company or its subsidiary may not repurchase shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless there is a repurchase programme in place and the dates and quantities of shares to be repurchased during the prohibited period has been submitted to the JSE in writing prior to the commencement of the prohibited period; and
7) a resolution by the board of directors is passed that the board of directors of the company authorises the repurchase, that the company and the relevant subsidiaries have passed the solvency and liquidity test as set out in section 4 of the Companies Act and that, since the test was performed, there have been no material changes to the financial position of the group.”

In accordance with the JSE Listings Requirements, the directors record that although there is no immediate intention to effect a repurchase of shares of the company, the directors would utilise the general authority to repurchase shares when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

The directors, after considering the effect of maximum repurchase, are of the opinion that for a period of 12 months after the date of the notice of annual general meeting:

a) the company and the group will be able, in the ordinary course of business, to pay its debts;
b) the assets of the company and the group will be in excess of the liabilities of the company and the group;
c) the stated capital and reserves of the company and the group will be adequate for ordinary business purposes; and
d) the working capital of the company and the group will be adequate for ordinary business purposes.

After the company or its subsidiaries has cumulatively repurchased 3% of the initial number of shares (the number of shares in issue at the time that the general authority from shareholders is granted) and for each 3% in aggregate of the initial number of that class acquired hereafter, an announcement will be made in terms of the JSE Listings Requirements.

Reason for and effect of special resolution number 3

The reason for special resolution number 3 is to afford the company or a subsidiary of the company a general authority to effect a repurchase of the company's shares on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the JSE Listings Requirements and the Companies Act, to effect repurchases of the company's shares on the JSE, either through the company or through any subsidiary of the company.

The following additional information, which appears elsewhere in the integrated report, is provided in terms of paragraph 11.26 of the JSE Listings Requirements for purposes of special resolution number 3:

Major shareholders – page 25
Stated capital of the company – page 70
Material changes

Other than the facts and developments reported on in the integrated report, there have been no material changes in the affairs or financial position of the company and its subsidiaries between the date of signature of the audit report for the year ended 30 June 2015 and the date of this notice of annual general meeting.
Directors’ responsibility statement

Directors, whose names appear on pages 6 to 9 of the integrated report, 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 in terms of the JSE Listings Requirements.

13 Consider as special resolution number 4: approval of the provision of financial assistance for the purchase of shares

“RESOLVED THAT, subject to compliance with the requirements of the Companies Act, the Memorandum of Incorporation and the JSE Listings Requirements, the company, either as lender or as surety or guarantor for a lender, or otherwise is hereby authorised, from time to time, to provide financial assistance for the purchase of or subscription for its shares for purposes of effecting Black Economic Empowerment to The Siyakha Education Trust on the following terms:

• the maximum additional capital amount (excluding interest, costs, charges, fees and expenses) of any such amounts lent or for which suretyships or guarantees are given may not exceed R1 billion;
• the maximum period for the repayment of any loan provided or for which suretyships or guarantees are given in terms hereof may not exceed 10 years;
• the minimum interest rate to be applied to any loan provided may not be less than the prime overdraft rate of interest from time to time publically quoted as such by The Standard Bank of South Africa Limited.”

Reason for and effect of special resolution number 4

The reason for special resolution number 4 is to afford the company authority to provide financial assistance to The Siyakha Education Trust for the purchase of the company’s securities in terms of section 44 of the Companies Act for the purposes of effecting Black Economic Empowerment. The effect of special resolution number 4 is that the directors will have the authority, subject to the Memorandum of Incorporation, the JSE Listings Requirements and the Companies Act, to grant financial assistance on the terms set out in special resolution number 4.

14 Consider as special resolution number 5: approval of directors’ remuneration for their services as directors

“RESOLVED THAT in accordance with section 66 of the Companies Act, fees to be paid by the company to the non-executive directors for their services as directors be and are hereby approved, as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>For the year ended 31 December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>386 000</td>
</tr>
<tr>
<td>Non-executive director</td>
<td>267 000</td>
</tr>
<tr>
<td>Audit committee member (including chairman)</td>
<td>118 000</td>
</tr>
<tr>
<td>Investment committee member (including chairman)</td>
<td>118 000</td>
</tr>
<tr>
<td>Remuneration committee member (including chairman)</td>
<td>118 000</td>
</tr>
<tr>
<td>Nomination committee member (including chairman)</td>
<td>59 000</td>
</tr>
<tr>
<td>Risk committee member (including chairman)</td>
<td>59 000</td>
</tr>
<tr>
<td>Social and ethics committee member (including chairman)</td>
<td>59 000</td>
</tr>
</tbody>
</table>

The reason for and effect of special resolution number 5

To obtain shareholder approval by way of a special resolution in accordance with section 66(9) of the Companies Act for the payment by the company of remuneration to each of the non-executive directors of the company for services as a non-executive director for the period up to 31 December 2016 in the amounts set out under special resolution number 5.
Consider as ordinary resolution number 10: authority for directors or company secretary to implement resolutions

“RESOLVED THAT any director of the company or the company secretary be and is hereby authorised to do all such things and sign all such documents as may be required to give effect to special resolutions numbers 1 to 5.”

Unless otherwise stated, in order for ordinary resolutions to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required and in order for special resolutions to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass such resolutions.

Important dates to note:

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Record date for receipt of notice</td>
<td>Friday, 25 September 2015</td>
</tr>
<tr>
<td>purposes</td>
<td></td>
</tr>
<tr>
<td>Last day to trade in order to be</td>
<td>Friday, 30 October 2015</td>
</tr>
<tr>
<td>eligible to vote</td>
<td></td>
</tr>
<tr>
<td>Record date for voting purposes</td>
<td>Friday, 6 November 2015</td>
</tr>
<tr>
<td>(“voting record date”)</td>
<td></td>
</tr>
</tbody>
</table>

Statement in terms of section 62(3)(e) of the Companies Act

Shareholders holding certificated shares and shareholders holding shares in dematerialised form in "own name":

- may attend and vote at the annual general meeting; alternatively
- may appoint an individual as a proxy (who need not also be a shareholder of the company) to attend, participate in and speak and vote in your place at the annual general meeting by completing the attached form of proxy and returning it to the registered office of Resilient or to the transfer secretaries, by no later than 14h00 on Monday, 9 November 2015. Alternatively, the form of proxy may be handed to the chairman of the annual general meeting at the annual general meeting or at any time prior to the commencement of the annual general meeting. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy. Please also note that the attached form of proxy must be delivered to the registered office of Resilient or to the transfer secretaries or handed to the chairman of the annual general meeting, before your proxy may exercise any of your rights as a shareholder of the company at the annual general meeting.

Please note that any shareholder of the company that is a company may authorise any person to act as its representative at the annual general meeting.

Please also note that section 63(1) of the Companies Act requires that persons wishing to participate in the annual general meeting (including the aforementioned representative) must provide satisfactory identification before they may so participate.

Notice to owners of dematerialised shares

Please note that if you are the owner of dematerialised shares held through a CSDP or broker (or their nominee) and are not registered as an "own name" dematerialised shareholder, then you are not a registered shareholder of the company, but your CSDP or broker (or their nominee) would be.

Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker as the case may be:

- if you wish to attend the annual general meeting you must contact your CSDP or broker, and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the annual general meeting but wish to be represented at the annual general meeting, you must contact your CSDP or broker, and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, within the time period required by your CSDP or broker.
- CSDP’s, brokers or their nominees, as the case may be, recorded in the company’s sub-register as holders of dematerialised shares should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and return it to the registered office of the company or to the transfer secretaries, by no later than 14h00 on Monday, 9 November 2015. Alternatively, the form of proxy may be handed to the chairman of the annual general meeting at the annual general meeting at any time prior to the commencement of the annual general meeting.
Voting at the annual general meeting

In order to more effectively record the votes and give effect to the intentions of shareholders, voting on all resolutions will be conducted by way of a poll.

Electronic participation

Shareholders or their proxies may participate in the meeting by way of telephone conference call. Shareholders or their proxies who wish to participate in the annual general meeting via the teleconference facility will be required to advise the company thereof by no later than 14h00 on Monday, 9 November 2015 by submitting, by email to Monica Muller at monicam@resilient.co.za, or by fax to be faxed to 086 758 4105, for the attention of Monica Muller relevant contact details including email address, cellular number and landline, as well as full details of the shareholder’s title to the shares issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shareholders), and (in the case of dematerialised shareholders) written confirmation from the shareholder’s CSDP confirming the shareholder’s title to the dematerialised shares. 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 annual general meeting.

Shareholders who wish to participate in the annual general meeting by way of telephone conference call must note that they will not be able to vote during the annual general meeting. Such shareholders, should they wish to have their vote counted at the annual general meeting, must, to the extent applicable, (i) complete the form of proxy; or (ii) contact their CSDP or broker, in both instances, as set out above.

Monica Muller
Company secretary
Johannesburg
11 September 2015

Address of registered office
4th Floor, Rivonia Village,
Rivonia Boulevard, Rivonia, 2191
(PO Box 2555, Rivonia, 2128)

Address of transfer secretaries
Link Market Services South Africa Proprietary Limited
13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Resilient Property Income Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2002/016851/06)
JSE share code: RES    ISIN: ZAE000190807
(Approved as a REIT by the JSE)
("Resilient" or "the company")

For use by the holders of the company’s certificated shares ("certificated shareholders") and/or dematerialised shares held through a Central Securities Depository Participant ("CSDP") or broker who have selected "own name" registration ("own name dematerialised shareholders"), at the fourteenth annual general meeting of members of the company to be held at the company’s registered office, 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191, on Wednesday, 11 November 2015 at 14h00, or at any adjournment thereof if required. Additional forms of proxy are available from the company’s registered office.

Not for use by dematerialised shareholders 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 Letter of Representation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote in accordance with their instructions at the annual general meeting.

I/We (name/s in block letters)

being the holders of shares in the capital of the company do hereby appoint:

1 _ or failing him/her,
2 _ or failing him/her,
3 the chairman of the annual general meeting

as my/our proxy to act for me/us on my/our behalf at the annual general meeting or any adjournment thereof, which will be held for the purposes of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat as detailed in the notice of annual general meeting; and to vote for and/or against such resolutions and/or to abstain from voting for and/or against the resolutions in respect of the shares registered in my/our name in accordance with the following instructions:

<table>
<thead>
<tr>
<th>Ordinary resolution number</th>
<th>For</th>
<th>Against</th>
<th>Abstain</th>
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<tbody>
<tr>
<td>1.1 (re-election of Andries de Lange as director)</td>
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<tr>
<td>1.2 (re-election of Spiro Noussis as director)</td>
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<td>1.3 (re-election of Umsha Reddy as director)</td>
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<tr>
<td>2.1 (re-election of Marthin Greyling as director)</td>
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<tr>
<td>2.2 (re-election of JJ Njeke as director)</td>
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<tr>
<td>2.3 (re-election of Barry van Wyk as director)</td>
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<tr>
<td>3.1 (re-election of Marthin Greyling as a member of the audit committee)</td>
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<td>3.2 (re-election of Bryan Hopkins as a member of the audit committee)</td>
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<tr>
<td>3.3 (re-election of Barry van Wyk as a member of the audit committee)</td>
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<tr>
<td>4 (reappointment of auditors)</td>
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<td>5 (authorising directors to determine auditors’ remuneration)</td>
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<tr>
<td>6 (unissued shares under the control of the directors)</td>
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<tr>
<td>7 (general authority to issue shares for cash)</td>
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<tr>
<td>9 (non-binding advisory vote on remuneration policy)</td>
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<tr>
<td>10 (change of name of the company)</td>
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<tr>
<td>11 (approval of financial assistance to related or inter-related companies)</td>
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<tr>
<td>12 (approval of the repurchase of shares)</td>
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<tr>
<td>13 (approval of provision of financial assistance for the purchase of shares)</td>
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<tr>
<td>14 (authorising non-executive directors’ fees)</td>
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<tr>
<td>15 (authority for directors or company secretary to implement resolutions)</td>
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</table>

Signed at __________________________ on __________________________ 2015

Signature __________________________

Assisted by (where applicable) __________________________

(Indicate instructions to proxy in the spaces provided above). Unless otherwise instructed, my proxy may vote as he thinks fit.

Please read the notes on the reverse side hereof.
NOTES TO THE FORM OF PROXY

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

2. Shareholders that are certificated or own name dematerialised shareholders entitled to attend and vote at the annual general meeting may insert the name of a proxy or the names of two alternative proxies of the shareholder’s choice in the space(s) provided, with or without deleting “the chairperson of the annual general meeting”, but any such deletion must be initialled by the shareholder(s). Such proxy(ies) may participate in, speak and vote at the annual general meeting in the place of that shareholder at the annual general meeting. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy the chairperson shall be deemed to be appointed as the proxy.

3. 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(es) provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairperson, to vote or abstain from voting as deemed fit and in the case of the chairperson to vote in favour of the resolution.

4. 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 may not exceed the total of the votes exercisable in respect of the shares held by the shareholder.

5. A shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the shareholder as at the later of the date stated in the revocation instrument, if any; or the date on which the revocation instrument was delivered in the required manner.

6. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting notwithstanding the death of the person granting it or the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such death or transfer is received by the transfer secretaries not less than 48 hours before the commencement of the annual general meeting.

7. The chairperson of the annual general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in compliance with these notes, provided that, in respect of acceptances, the chairperson is satisfied as to the manner in which the shareholder concerned wishes to vote.

8. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the 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.

9. 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 the transfer secretaries or waived by the chairperson of the annual general meeting.

10. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the company or the transfer secretaries.

11. 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 and only that holder whose name appears first in the register in respect of such shares need to sign this form of proxy.

12. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act.

Forms of proxy must be lodged at, posted or faxed to the transfer secretaries, Link Market Services South Africa Proprietary Limited:

<table>
<thead>
<tr>
<th>Hand deliveries to</th>
<th>Postal deliveries to</th>
<th>Fax to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Link Market Services South Africa Proprietary Limited</td>
<td>Link Market Services South Africa Proprietary Limited</td>
<td>086 674 2450</td>
</tr>
<tr>
<td>13th Floor Rennie House</td>
<td>PO Box 4844</td>
<td></td>
</tr>
<tr>
<td>19 Ameshoff Street</td>
<td>Johannesburg 2000</td>
<td></td>
</tr>
<tr>
<td>Braamfontein 2001</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

To be received by no later than 14h00 on Monday, 9 November 2015.
PROPOSED CHANGE OF NAME OF THE COMPANY

Shareholders are referred to special resolution number 1 set out in the notice of annual general meeting and are advised that the board of directors (“the board”) is proposing to change the name of the company from “Resilient Property Income Fund Limited” to “Resilient REIT Limited”. The board believes that it is appropriate to change the name of the company since “Resilient” is the name by which the company is usually referred to and the nature of the company is no longer that of a traditional income fund. Furthermore, the company has been approved as a REIT by the JSE.

The name Resilient REIT Limited has been reserved with the Companies and Intellectual Property Commission (“CIPC”) and in accordance with the JSE Listings Requirements, approval was granted by the JSE for the change of name. The abbreviated name of the company will remain “Resilient” and the share code will remain “RES”. The ISIN will be changed to ZAE000209557.

The procedure required for certificated shareholders to surrender their existing share certificates and be issued with replacement share certificates in the name of “Resilient REIT Limited” is set out below. For the convenience of certificated shareholders, a form of surrender is attached to this Annexure A.

For a period of not less than one year, the company will reflect the former name “Resilient Property Income Fund Limited” on all documents of title beneath the new name of “Resilient REIT Limited”. In addition, for a period of not less than one year, the company will reflect the former name “Resilient Property Income Fund Limited” on all circulars beneath the new name “Resilient REIT Limited” in accordance with the JSE Listings Requirements.

Salient dates in respect of the change of name

The salient dates in respect of the name change are set out below:

- Record date for receipt of notice purposes: Friday, 25 September 2015
- Integrated report containing details of name change and notice of annual general meeting posted on: Wednesday, 30 September 2015
- Announcement relating to posting of integrated report containing details of name change and notice of annual general meeting released on SENS on: Wednesday, 30 September 2015
- Last day to trade in order to be eligible to vote: Friday, 30 October 2015
- Record date for voting purposes (“voting record date”): Friday, 6 November 2015
- Annual general meeting: Wednesday, 11 November 2015 at 14h00
- Results of the annual general meeting released on SENS on: Wednesday, 11 November 2015
- Resolution in respect of the change of name submitted to CIPC on: Thursday, 12 November 2015
- Resolution in respect of change of name expected to be registered by CIPC by no later than: Thursday, 26 November 2015
- Expected publication of finalisation announcement on SENS on: Friday, 27 November 2015
- Expected last day to trade in existing shares on the JSE prior to the name change: Friday, 4 December 2015
- Expected trading in new name of Resilient REIT Limited on the JSE under the JSE share code “RES” and ISIN ZAE000209557 commences on: Monday, 7 December 2015
- Expected record date in respect of the name change: Friday, 11 December 2015
- Expected date of issue of new replacement share certificates provided that the old share certificates have been lodged by 12h00 on Friday, 11 December 2015, on or about*: Monday, 14 December 2015
- CSDP and broker accounts of dematerialised shareholders are expected to be updated on: Monday, 14 December 2015

Notes:
- Share certificates received after this time will be posted within five days after receipt.

1. The above dates and times are South African and are subject to change. Any changes will be released on SENS.
2. Share certificates in the name of Resilient Property Income Fund Limited may not be dematerialised or rematerialised after Friday, 4 December 2015.
Procedure to be followed by certificated shareholders

Subject to the passing and the registration of the special resolution necessary for the change of name of the company to Resilient REIT Limited, the company is required to recall share certificates from certificated shareholders in order to replace them with share certificates reflecting the change of name.

To facilitate the timeous receipt by certificated shareholders of replacement share certificates, certificated shareholders who wish to anticipate the implementation of the change of name and who do not wish to deal in their existing shares prior to the change of name are requested to surrender their certificates of title, under cover of the form of surrender, to the transfer secretaries, at the address set out in that form, prior to the change of name record date.

Share certificates so received will be held in trust by the transfer secretaries pending the change of name becoming unconditional. In the event that the change of name does not become unconditional, the transfer secretaries will, within five business days thereafter, return the share certificates to the certificated shareholders concerned, by registered post, at the risk of such shareholders.

The results of the annual general meeting will be announced on SENS on 11 November 2015. Should the change of name be approved and implemented, shareholders who have not already surrendered their share certificates will be required to do so under cover of the attached form of surrender, which should be retained for that purpose as no further form of surrender will be circulated to shareholders. However, additional copies of the form of surrender may be requested from the transfer secretaries, Link Market Services South Africa Proprietary Limited.

Non-resident shareholders

In the case of certificated shareholders whose registered addresses in the company’s register in South Africa are outside the common monetary area, or where the relevant certificates are restrictively endorsed in terms of the Exchange Control Regulations, the following will apply:

Non-residents who are emigrants from the Common Monetary Area

The replacement share certificate reflecting the change of name will be restrictively endorsed “non-resident” in terms of the Exchange Control Regulations and will be credited to their CSDP or broker’s account and a “non-resident” annotation will be credited to their CSDP or broker’s register. Any new share certificates, dividends and residual cash payments, based on emigrants’ shares controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their blocked assets. The election by emigrants for the above purpose must be made through the authorised dealer in foreign exchange controlling their blocked assets. Such share certificates will be endorsed “non-resident”.

All other non-residents

The replacement share certificate reflecting the change of name will be restrictively endorsed “non-resident” in terms of the Exchange Control Regulations.

Procedure to be followed by dematerialised shareholders for the change of name

Dematerialised shareholders are not required to do anything as their accounts at their CSDP or broker will automatically be updated.
FORM OF SURRENDER
of documents of title for use by certificated shareholders only

Instructions:
1. This form of surrender is for use by certificated shareholders who will be receiving certificated shares in the company after the change of name and, when completed, should be sent to the transfer secretaries.
2. Replacement share certificates will not be sent to shareholders unless and until a form of surrender and the documents of title in respect of the relevant shares have been surrendered to the transfer secretaries.
3. Part A must be completed by all shareholders who have not yet dematerialised their share certificates or other documents of title. Dematerialised shareholders must not complete a form of surrender as the appropriate action will be taken by their CSDP or broker.
4. If this form of surrender is received by the transfer secretaries with the relevant documents of title prior to the change of name becoming effective, it will be treated as a conditional surrender which is made subject to the change of name becoming effective. Such surrendered documents of title will be held in trust by the transfer secretaries until the change of name becomes effective. In the event of the change of name not becoming effective, for any reason whatsoever, the transfer secretaries will (within five business days after either the date upon which it becomes known that the change of name will not be able to be implemented, or, after subsequent receipt of surrendered documents of title, whichever is the later) return the relevant documents of title to the shareholders concerned, at their risk, by registered post.
5. Part B must be completed by all emigrants from and non-residents of the common monetary area who are recorded in the share register of Resilient and who have not yet dematerialised their documents of title.
6. A separate form of surrender is required for each shareholder.

Please refer to the instructions above and the notes overleaf before completing this form of surrender.

To: Resilient Property Income Fund Limited
care of: Link Market Services South Africa, 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein 2001

Dear Sirs,
I/We, the undersigned, being the registered holder of the number of shares specified below, which are free of encumbrances, hereby surrender the enclosed documents of title identified below in respect of the shares held by me/us in Resilient, conditional upon the special resolution in respect of the change of name being passed (and the subsequent registration of the relevant special resolution with the CIPC) at the annual general meeting of shareholders to be held on 11 November 2015.

I/We hereby instruct you to post a replacement certificate in respect of the shares surrendered to me, by registered post, at my/our risk, to the address given below, on the terms set out in the document dispatched to shareholders to which this form of surrender was attached. I/We acknowledge that if no address is stated below, the replacement certificate will be sent to my/our address recorded on the relevant sub-register.

My/Our signature(s) on this form of surrender constitutes my/our execution of this instruction.

Signature of shareholder __________________________ Date __________________________ 2015.

Surname/Name of corporate body __________________________ Stamp and address of agent lodging this form (if any)
First names (in full) (if applicable) __________________________
Title (Dr, Prof, Mr, Mrs, Miss, Ms, etc) __________________________
Telephone number ( ) __________________________
Cell phone number ( ) __________________________
Assisted by me (if applicable) __________________________
Date __________________________
State full name and capacity __________________________
Postal address (preferably PO Box address) to which replacement certificates should be sent, if other than the address contained in the register of shareholders: __________________________
Postal code: __________________________

PART A – Applicable to all certificated Resilient shareholders.
Share certificate(s) and/or documents of title surrendered:

<table>
<thead>
<tr>
<th>Name of registered holder (separate form for each holder)</th>
<th>Certificate number(s) (in numerical order)</th>
<th>Number of Resilient shares covered by each certificate</th>
<th>For office use only</th>
</tr>
</thead>
<tbody>
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<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Notes to the Form of Surrender

### PART B – Applicable to all emigrants from and non-residents of the common monetary area who are recorded on the share register of Resilient.

Nominated authorised dealer in the case of a certificated shareholder who is an emigrant from or non-resident of the common monetary area.

(who wish their replacement share certificates to be sent to an authorised dealer in South Africa):

<table>
<thead>
<tr>
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<tbody>
<tr>
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<td>PO Box 4844</td>
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<tr>
<td>Braamfontein 2001</td>
<td>Johannesburg 2000</td>
</tr>
</tbody>
</table>

### Notes:

**Completion of this form of surrender (“form”):**

1. If you have any doubt as to how to complete this form, please consult your accountant, attorney, banker, broker or other professional adviser.
2. This form must be completed, signed and sent, together with the relevant share certificate/s and/or other document/s of title, to the offices or to the postal address of the transfer secretaries.
3. Any alteration to or correction on this form must be signed in full and not only initialled.

### Return address:

Once completed, this form, together with documents of title surrendered, must be delivered or mailed to the transfer secretaries at the following addresses, respectively, in an envelope marked “Resilient – Certificates of title”:

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
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</tr>
</tbody>
</table>

### Posting of replacement certificates:

Subject to the approval and registration of the special resolution to change the name of the company to Resilient REIT Limited as contained in the notice of annual general meeting attached to the integrated report dispatched to shareholders to which this form is attached, certificates reflecting the change of name will be sent to the address provided overleaf (or failing such instruction, to the address of the shareholder concerned as recorded in the relevant sub-register of Resilient) by registered post at the risk of the shareholder concerned on or about Monday, 14 December 2015, if the documents of title have been surrendered by 12h00 on Friday, 11 December 2015, or, within five business days of receipt of such documents of title if surrendered after 12h00 on Friday, 11 December 2015. Contrary instructions will not be accepted.

### Instructions

1. Persons who have acquired shares in Resilient after the date of posting of the document to which this form is attached, can obtain copies of the form and the said document from the transfer secretaries.
2. All certificated shareholders completing and returning the form must also surrender all their existing share certificates.
3. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts.
4. Signatories may be called upon for evidence of their authority or capacity to sign this form.
5. If this form is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this form for noting, unless it has already been noted by the transfer secretaries or it has been lodged with a broker and this form bears the stamp of that broker.
6. Where the member is a company or a close corporation, unless it has already been registered with the transfer secretaries, a certified copy of the directors’ or members’ resolution authorising the signing of this form must be submitted if so requested by the transfer secretaries.
7. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need to sign the form.
8. If the shareholder is a deceased estate, this form must be accompanied by a certified copy of the letter of executorship, unless the relevant documents have already been lodged with the transfer secretaries or with a broker and this form bears the stamp of that broker.
9. A minor must be assisted by his/her parent or guardian.

### Lost share certificates and/or documents of title:

If a share certificate or other document of title relating to any share in Resilient has been lost or destroyed, the relevant replacement certificate will only be issued upon production of satisfactory evidence that the relevant share certificate or document of title has been lost or destroyed and upon delivery of an indemnity, in a form and on terms and conditions approved by Resilient. Indemnity forms may be requested from the transfer secretaries.

### Dematerialised shareholders:

This form is not intended for dematerialised shareholders and such shareholders must not complete this form. Where dematerialised shareholders wish to provide a new address to which share statements are to be posted, such shareholders should contact their CSDP or broker.

South African Exchange Control Regulations:

1. Shareholders who are emigrants from or non-residents of the common monetary area, whose addresses are recorded in the shareholder register as outside the common monetary area and whose documents of title have been restrictively endorsed under the South African Exchange Control Regulations should nominate an authorised dealer in Part B of this form as required in terms of the document to which this form is attached. A replacement share certificate will be forwarded to the authorised dealer nominated above for its control. Failing such nomination, any replacement certificate due to such a shareholder will be retained in trust by the transfer secretaries pending instructions from the shareholder concerned and such shareholder shall be responsible for any costs associated with such trust account.
2. A non-resident shareholder whose documents of title have not been restrictively endorsed should submit such documents of title to the transfer secretaries. The replacement share certificate will be sent to the address provided on the face of this form, or, failing that, the registered address of the non-resident shareholder concerned as recorded in the sub-register of title.
3. Replacement share certificates issued will duplicate any restrictive endorsement in terms of the South African Exchange Control Regulations appearing on current documents of title.
Company name: Resilient Property Income Fund Limited (Registration number: 2002/016851/06)
Registered address: 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191 (PO Box 2555, Rivonia, 2128)
Website address: www.resilient.co.za
Year end: 30 June
Chairman of the board: JJ Njeke
Board of directors: JJ Njeke (chairman); Thembi Chagonda; Des de Beer; Andries de Lange; Martthin Greyling; Nick Hanekom; Bryan Hopkins; Johann Kriek; Spiro Noussis; Umsha Reddy; Barry van Wyk
Managing director: Des de Beer
Company secretary: Monica Muller
Corporate advisors and sponsor: Java Capital
External auditors: Deloitte & Touche
Date of listing: 6 December 2002
Shares in issue: 376 747 796 (2014: 312 569 839)
Interest-bearing debt to asset ratio: 17,8% (2014: 28,7%)
Investment portfolio:
| Direct property | R17 913 million/59,7% of portfolio (2014: R14 590 million / 64,3% of portfolio) |
| Listed property securities | R12 115 million / 40,3% of portfolio (2014: R6 092 million / 35,7% of portfolio) |
Share price (cents per share):
| 2015 | 2014 |
| High | 10 999 | 6 147 |
| Low | 5 832 | 4 740 |
| Closing | 9 645 | 6 005 |
Dividend/distribution (cents per share):
| 2015 | 2014 |
| Interim | 185,62 | 159,59 |
| Final | 205,05 | 168,35 |
| 390,67 | 327,94 |
Volume traded: 190,7 million shares (2014: 57,9 million shares)
Value traded: R16 650,1 million (2014: R3 131,7 million)
Annual general meeting: 11 November 2015 at 14h00 (4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191)
Dividend calendar (final dividend for the 2015 financial year):
| Last day to trade cum dividend | 28 August 2015 |
| Record date | 4 September 2015 |
| Dividend payment | 7 September 2015 |

The information has been compiled using proportionate consolidation. This results in Resilient accounting for its share of the assets and liabilities of Resilient Africa and property investments that are not held in undivided share (Arbour Crossing, The Galleria, Irene Village Mall and Mafikeng Mall).