



INTEGRATED REPORT



ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
----------------------	---------------	---------------	--------------------	---------------	-------------------	---------------------

CONTENTS

2

ABOUT THIS REPORT

SCOPE AND
BOUNDARIES 2
FRAMEWORKS
APPLIED 2

BOARD RESPONSIBILITY AND APPROVAL
OF THE INTEGRATED REPORT 3
FORWARD-LOOKING STATEMENTS 3
MATERIALITY 3
STAKEHOLDER FEEDBACK 3

4

WHO WE ARE 4 WHAT WE DO 5

6

KEY INFORMATION 6 OUR VALUES 7 KEY MILESTONES 8 – 9

22

GOVERNANCE

THE BOARD OF
DIRECTORS 22
CORPORATE AND
GOVERNANCE
STRUCTURE 22
BOARD PRACTICES 22
DUTIES OF THE BOARD
23
COMMITTEE
COMPOSITION 23 – 27
GOING CONCERN 27
BOARD OF DIRECTORS
28 – 29
EXECUTIVE COMMITTEE
30 – 31

32

VALUE CREATION

MANUFACTURED CAPITAL
32 – 37
HUMAN CAPITAL 38
SOCIAL AND
RELATIONSHIP CAPITAL
38 – 39
INTELLECTUAL CAPITAL
40
ORGANISATIONAL
CAPITAL 40
NATURAL CAPITAL 40
FINANCIAL CAPITAL 41

42

FINANCIAL PERFORMANCE

CHIEF FINANCIAL
OFFICER'S REPORT
42 – 43
ANNUAL FINANCIAL
STATEMENTS 44 – 84

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

10

OUR DEVELOPMENTS

A WORD FROM OUR HEAD OF DEVELOPMENTS –
YANNI ANASTASIADIS **10**

CURRENT DEVELOPMENT ASSETS **11**

FUTURE DEVELOPMENT OPPORTUNITIES **11**

GEOGRAPHIC SUMMARY **12 – 13**

A NOTE FROM OUR HEAD OF LEASING –
DIMITRI THOMAS **14**

STRATEGIC OVERVIEW INCLUDING
OBJECTIVES AND STRATEGY, VALUE CREATION
AND INVESTMENT CASE **16**

17

MATERIAL RISKS AND OPPORTUNITIES

17

18

LEADERSHIP REPORTS

CHAIRMAN'S REVIEW
18 – 19

CHIEF EXECUTIVE'S
REVIEW
20 – 21

85

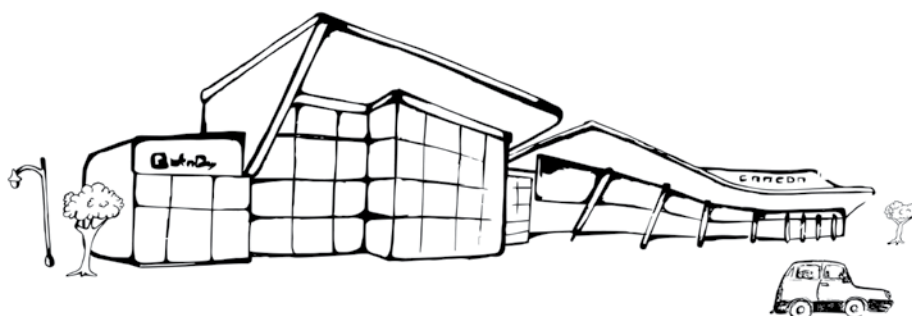
NOTICE TO THE ANNUAL GENERAL MEETING

85 – 90

PROXY FORM AND NOTES TO PROXY FORM

IBC

ADMINISTRATION GENERAL INFORMATION



ABOUT THIS REPORT

THIS IS ACSION'S FIRST INTEGRATED REPORT AS A LISTED COMPANY

This is AcSION Limited's ("the company", "AcSION", "the group") first integrated report as a listed company. The report has been prepared to provide the reader with an overview of the business since listing on the main board of the Johannesburg Stock Exchange (JSE) on 9 December 2014 in the Real Estate Holdings and Development sector, share code ACS. This report will only cover the period from December 2014 to 28 February 2015. AcSION was incorporated on 17 September 2014 and did not trade until 3 December 2014, when a restructure was completed and AcSION Limited listed on the JSE.

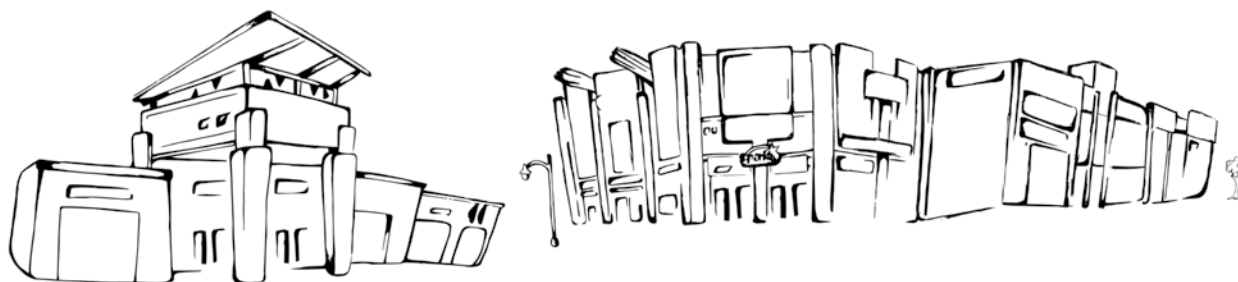
SCOPE AND BOUNDARIES

This report covers the reporting period from 3 December 2014 to 28 February 2015. The report is produced by AcSION's internal property management company, Anaprop Property Management (Southern Palace Investments 108 Proprietary Limited), which is a subsidiary of the group. All the properties are individually held in their own subsidiaries and all are managed internally. Refer to page 6 for a simplified group structure.

FRAMEWORKS APPLIED

This integrated report has been compiled in line with the guidelines, frameworks and regulations as detailed below:

- International Integrated Reporting Councils (IIRC) Integrated Reporting Framework
- South African Companies Act 71 of 2008 (as amended)
- JSE Listings Requirements
- International Financial Reporting Standards (IFRS)
- The King III Code of Corporate Governance for South Africa September 2009 (King III)



MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

King III describes the development of an integrated report as a journey. This is Acision's first integrated report and therefore also the start of its journey in which it endeavours to provide concise and meaningful information to all the readers of this report.

BOARD RESPONSIBILITY AND APPROVAL OF THE INTEGRATED REPORT

The board of directors acknowledges its responsibility to ensure the integrity of the integrated report as required by the International Integrated Reporting Council's Integrated Reporting Framework.

The board has accordingly applied its mind to the preparation and presentation of this report and believes that it is a balanced and fair representation of the performance of the group.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements. There are a number of risks, uncertainties and other factors that are associated with these forward-looking statements where actual results and developments could materially differ from that which are presented in this report.

We used words such as "believe", "anticipate", "intend", "seek", "endeavour", "will", "plan", "project", "could", "may", "estimate", "expect", "forecast" and other similar expressions which are intended to identify these forward-looking statements, but are not an exclusive means for identifying such statements.

We are not under any obligation (and expressly disclaim any such obligation) to update or alter our forward-looking information, whether as a result of new information, future events or otherwise. Investors and stakeholders are cautioned not to place undue reliance on the forward-looking statements contained herein, as they have not been reviewed or reported on by Acision's independent external auditors.

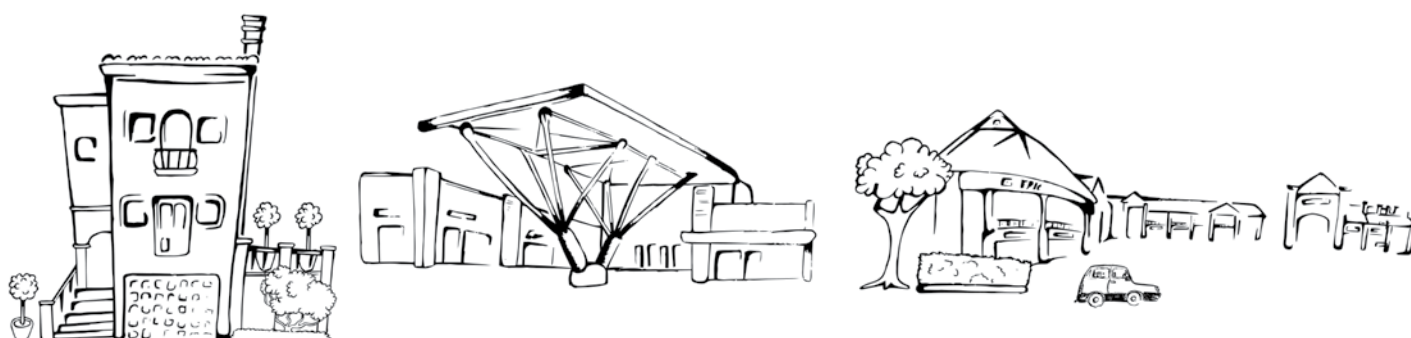
MATERIALITY

The matters addressed in this report are considered by the board and executive committee to be material in quantitative and qualitative terms. As the readers of this report are primarily investors and providers of capital, more focus has been placed on these items than some of the other capitals referred to in the Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC) in 2013.

STAKEHOLDER FEEDBACK

We welcome and appreciate any constructive input and feedback from stakeholders with regard to the content of this report.

- Email: acsion@instinctif.com
- Mail: PO Box 569, Wierda Park 0149
- Website: www.acsionsa.co.za



WHO WE ARE

Acsion is differentiated from Real Estate Investment Trusts (REITs) in the listed property sector as it focuses on the delivery of superior net asset value (NAV) growth through NAV uplift on complete properties, new developments, capital projects on property developments completed for sale and – to a lesser extent – the purchase of existing properties.

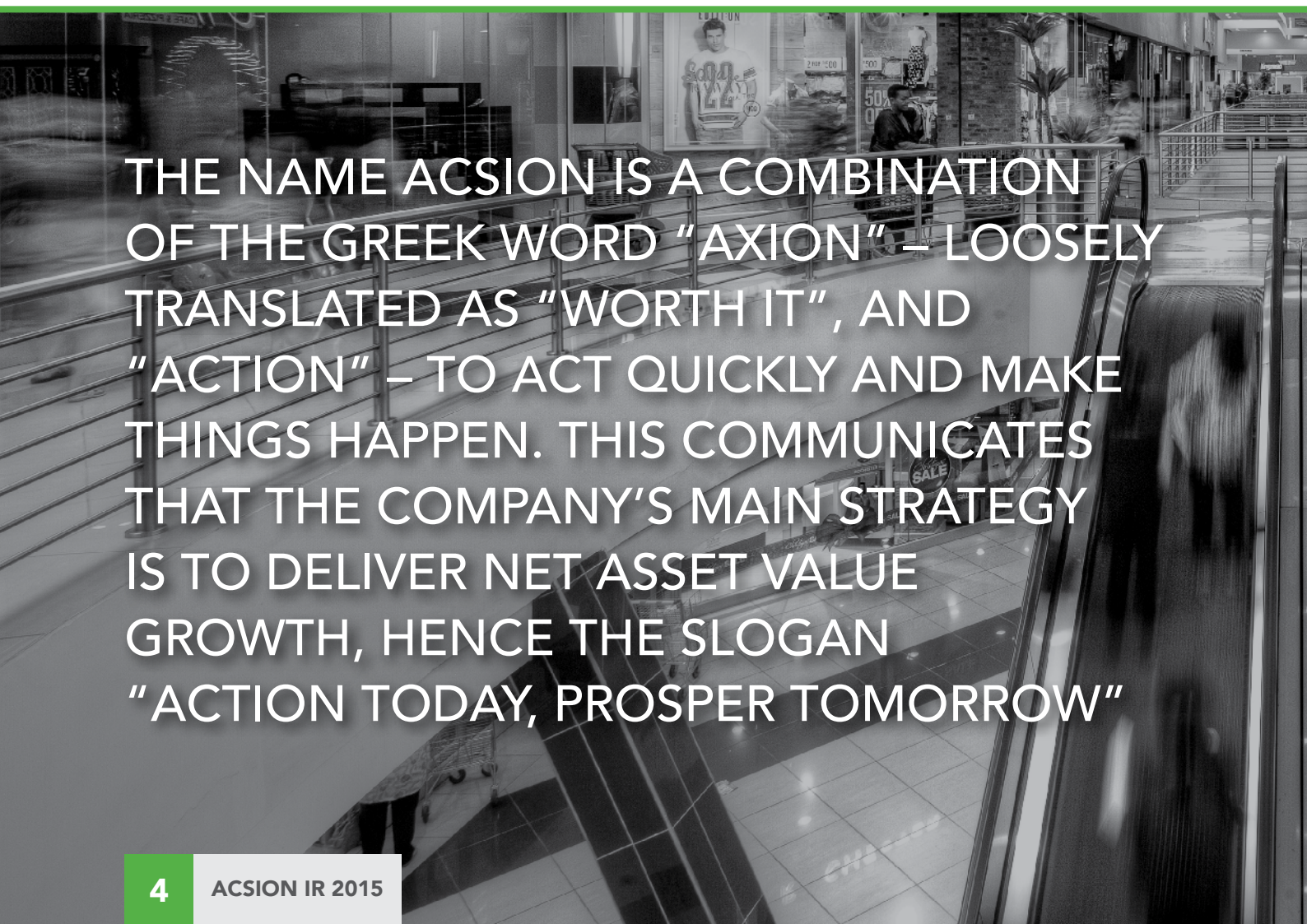
The first of the developments that currently form part of Acsion's portfolio 17 years ago. Through ingenuity, vision, value engineering and effective management, the group has expanded into one of South Africa's foremost property developers and property holding companies. The extraordinary growth of the portfolio (all of which was developed

in-house) is the result of a deep and unparalleled understanding of all facets of planning, development, construction, letting and property management processes of Acsion's management and personnel. This methodology resulted in significant cost savings being realised, while maintaining the highest standards of sustainable development and construction practice. This was later defined as "value engineering", and is one of the group's most important differentiators.

Originally, all the property developments were undertaken in separate legal entities, and were funded by a range of different shareholders. In 2014, a strategic decision was taken by the shareholders of the separate underlying companies in which the property developments have

been undertaken, to diversify their sources of funding and to accelerate the implementation of the current defined and future undefined pipeline by pursuing a listing on the JSE.

This decision resulted in Acsion directly or indirectly owning 100% of the property and asset management business, the property development business, the properties and land parcels (excluding the minority stake held by a local partner in the Maputo, Mozambique development and a minority stake in Mall@Mfula), which comprise the existing property portfolio as well as the current defined pipeline.



THE NAME ACSION IS A COMBINATION OF THE GREEK WORD "AXION" – LOOSELY TRANSLATED AS "WORTH IT", AND "ACTION" – TO ACT QUICKLY AND MAKE THINGS HAPPEN. THIS COMMUNICATES THAT THE COMPANY'S MAIN STRATEGY IS TO DELIVER NET ASSET VALUE GROWTH, HENCE THE SLOGAN "ACTION TODAY, PROSPER TOMORROW"

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

WHAT WE DO

All the properties held by Acision have been internally developed. This portfolio of six well-established, strategically located properties includes two regional shopping centres. Acision leverages the stable income stream and balance sheet strength provided by the existing portfolio to obtain funding for the development of its pipeline of high-growth development prospects. Through its development activities, Acision is able to unlock development profits and then generate annuity income and further capital growth for its shareholders through the active and continued management of its developed property portfolio for rental income.

Although the current portfolio is predominantly retail focused, it is defensive in nature and spread across the Gauteng, Mpumalanga and Limpopo provinces. The strategy is to diversify the

portfolio into specialist residential, office and industrial sectors. Development opportunities are being explored abroad and will be pursued in partnership with reputable, experienced parties in Africa and Europe, and will support further geographic diversification. National and semi-national tenants make up 81% of the current portfolio by revenue, providing a stable income stream and balance sheet strength, which allows Acision to pursue high-growth development opportunities while maintaining prudent gearing ratios and capital buffers. A large, defined development pipeline of eight opportunities has been secured in South Africa. An undefined pipeline of approximately 20 – 30 development opportunities are continuously being evaluated and are at various stages of commitment.



KEY INFORMATION

COMPANY STRUCTURE

ACSION LIMITED

100%

TRADING AS NAME LEGAL NAME

MALL@MOUTSIYA	DAYBREAK PROPERTIES 3 PROPRIETARY LIMITED
ACSIOPOLIS	LOMASTEP PROPRIETARY LIMITED
ANAPROP PROPERTY MANAGEMENT	SOUTHERN PALACE INVESTMENTS 108 PROPRIETARY LIMITED
MALL@MAPUTO	FORTUVOX PROPRIETARY LIMITED.
MALL@MFULA 55%	ZARAFUSION PROPRIETARY LIMITED
SIMARLO RAINBOW	DAJM PROPERTY INVESTMENTS PROPRIETARY LIMITED
MALL@CARNIVAL	GOLDEN FALLS TRADING 125 PROPRIETARY LIMITED
MALL@EMBA	DOUBLE RING TRADING 62 PROPRIETARY LIMITED
MORELETA SQUARE	RUBENSMEN PROPRIETARY LIMITED
MALL@REDS	PROC CORP 160 PROPRIETARY LIMITED
HYDE PARK TERRACE	BENGAVISTA PROPRIETARY LIMITED
MALL@55 AND TRADE 55	NABUVAX PROPRIETARY LIMITED
MALL@LEBO	NUNGU TRADING 517 PROPRIETARY LIMITED

Listing date	9 December 2014
Developed property portfolio NAV	R3.246bn
Weighted average lease expiry profile by gross lettable area (GLA)	4.5 years
Geographic spread by GLA	Gauteng: 75% Limpopo: 12% Mpumalanga: 13%
Total GLA	188 716 m ²
Vacancy rates across developed portfolio	5.05% (Planned 1.86%)
Tenants' average escalations	7.26%
Market capitalisation 28 Feb 2015	R4.277bn

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

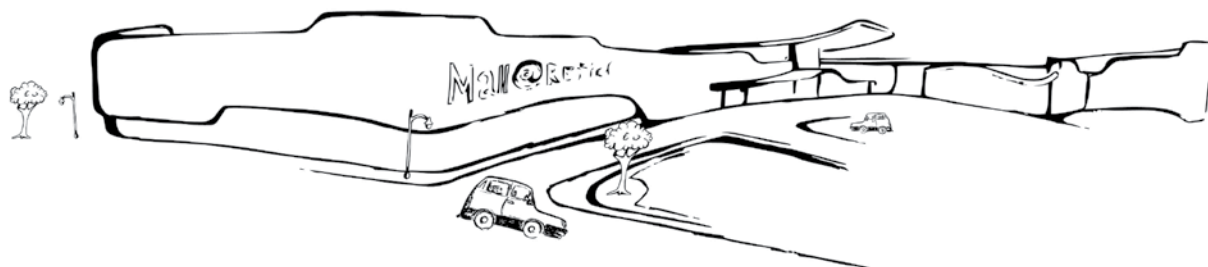
OUR VALUES

ETHICS IS THE CORNERSTONE OF THE COMPANY'S BUSINESS, AND AN UNEQUIVOCAL COMMITMENT TO ETHICAL VALUES, FAIRNESS, TRANSPARENCY AND INTEGRITY UNDERPIN ALL FACETS OF THE COMPANY'S OPERATIONS

The company is committed to:

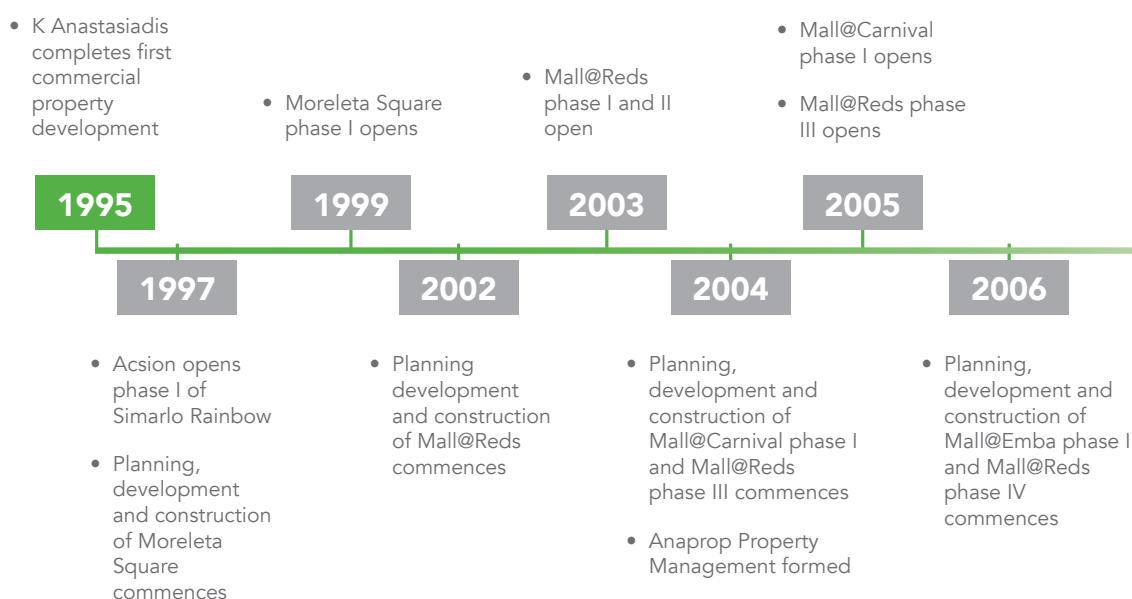
- achieving the highest standards of transparency, accountability and integrity in the running of its business, in its dealings with stakeholders and the community at large;
- providing stakeholders and the financial investment community with clear, meaningful and timely information about the company's operations and results;
- conducting its business on the basis of fair commercial and competitive practices;
- building business relationships with suppliers and customers who endorse ethical business practices;
- ensuring employment practices which are non-discriminatory and which seek to maximise the potential of all its employees through training and skills development; and
- proactively accepting responsibility for and managing the environmental and sustainability issues associated with its business.

The company's corporate values are aimed at building and maintaining a culture which promotes teamwork, commitment, professionalism, integrity and a focus on business ethics, creative thinking and open and honest communication.



KEY MILESTONES

HISTORY AND PROVEN TRACK RECORD IN THE PROPERTY SECTOR

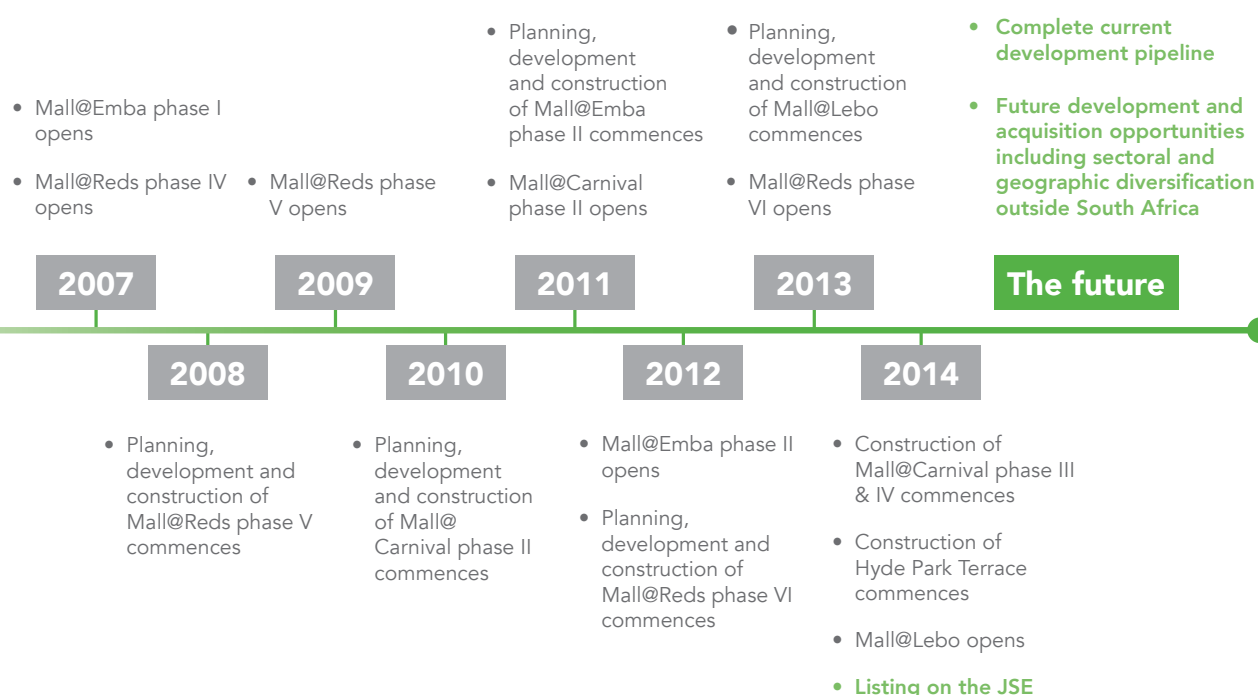


DEVELOPED FOR OWNERSHIP



- The 12 136 m² Mall@Carnival (retail) phase III and 2 900 m² phase IV expansions in Brakpan, Gauteng.
- Acsiopolis, executive residential accommodation in Benmore, Sandton. An approximate 1 ha parcel of land for upmarket residential accommodation and a small component of mixed-use totalling 56 000 m² and underground parking of 55 000 m².

FOCUSED STRATEGY TO GENERATE LONG-TERM SUSTAINABLE CAPITAL GROWTH



The development rights have been obtained for development of 70 000 m² above ground.

- Mall@Moutsiya, a 15 648 m² greenfields retail development in Walkraal, Limpopo.
- Phase I of Mall@55 (previously named Mall@Ruimte), a 15 433 m² greenfields retail development in Monavoni, Gauteng.

- Phase I of Trade 55 (previously named Commercial@Ruimte), a 10 000 m² greenfields big-box retail and specialised commercial and retail development in Monavoni, Gauteng.
- Mall@Mfula (previously named Mall@Piet Retief) an 18 000 m² shopping centre, with an anticipated 75% national tenancy, providing a complete formal retail offering for Piet Retief, Mpumalanga.

OUR DEVELOPMENTS

A WORD FROM OUR HEAD OF DEVELOPMENTS YANNI ANASTASIADIS



Over the past 12 months we have commenced with two developments, Hyde Park Terrace and Mall@Carnival phase III. For Hyde Park Terrace, 12 units of the 39 have been completed within budget and we expect higher than previously anticipated returns. Mall@Carnival phase III commenced in August 2014, and will be completed on time and within budget in September 2015. We expect a higher initial return compared to the initial budgeted return of 16%.

Our Mall@55 and Trade 55 developments in Monavoni, as well as our Mall@Mfula in Piet Retief, are very close to achieving desired leasing milestones in order to commence with construction. We await various approvals from various public sector departments before these developments can progress. We have identified this as a risk to progress, but remain committed to working together with them in order to achieve the desired outcomes. We remain optimistic and anticipate breaking ground in the first half of the 2016 financial year. All three developments promise initial returns in excess of 15%.

Furthermore, we are also planning to break ground on our exciting mixed-use development, Acsiopolis in Benmore, by July 2015. This will be our biggest development to date and we anticipate initial returns in excess of 16%.

Over the next 12 months, we also anticipate breaking ground on our Mall@Moutsiya and Mamahlodi Gardens (Residential@Moutsiya) affordable housing development, both situated in Walkraal, Mpumalanga, as well as the 50 000 m² Mall@Maputo in Mozambique.

Refurbishments for some of our existing malls, Mall@Reds, Mall@Carnival and Mall@Emba, have been planned to commence in 2015, to a total value of approximately R20 million, and will be completed by the end of the year.

We are also pleased to report that all aspects of sustainable development (economic, social and environmental) are followed where feasible, and that the quality of our developments remain, of a very high standard.

Yanni Anastasiadis
Head of developments

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

CURRENT DEVELOPMENT ASSETS

The Current Development Assets comprise eight secured development opportunities, which are anticipated to comprise 185 117 m² of gross lettable area (GLA) once completed. It is envisioned that the completion of the Current Development Assets will not only add scale to Acision's Developed Investment Properties portfolio, but also provide sectoral diversification (into executive residential and affordable housing) and geographic diversification within South Africa.

Development activities have already begun on a portion of the Current Development Assets, and the full development profits arising from the Current Development Assets are anticipated to be realised within three years of listing.

DEVELOPED FOR OWNERSHIP

- The 12 136 m² Mall@Carnival (retail) phase III and 2 900 m² phase IV expansions in Brakpan, Gauteng;
- Acsiopolis, executive residential accommodation in Benmore, Sandton. An approximate 1 ha parcel of land for upmarket residential accommodation and a small component of mixed-use totalling 56 000 m² and underground parking of 55 000 m². The development rights have been obtained for development of 70 000 m² above ground;
- Mall@Moutsiya, a 15 648 m² greenfields retail development in Walkraal, Limpopo;
- phase I of Mall@55 (previously named Mall@Ruimte), a 15 433 m² greenfields retail development in Monavoni, Gauteng;
- phase I of Trade 55 (previously named Commercial@Ruimte), a 10 000 m² greenfields big-box retail and specialised commercial and retail development in Monavoni, Gauteng; and
- Mall@Mfula (previously named Mall@Piet Retief) an 18 000 m² shopping centre, with an anticipated 75% national tenancy, providing a complete formal retail offering for Piet Retief, Mpumalanga.

The completion of the above Current Development Assets will allow Acision to progress with its intended strategy of pursuing further sectorial and geographic diversification.

DEVELOPED OR HELD FOR SALE

- Residential@Moutsiya, an affordable housing development of 551 units held for sale in Walkraal, Limpopo; and
- Hyde Park Terrace, 12 residential units and 23 residential land opportunities held for sale in Hyde Park, Gauteng.

FUTURE DEVELOPMENT OPPORTUNITIES

Acision is continuously evaluating a diverse array of new development opportunities and is in advanced discussions in respect of certain development projects to deliver further profits and NAV uplift for shareholders.

Some of the Future Development Opportunities include:

- Mall@Frankfort, an 8 000 m² shopping centre in Frankfort, Free State. The rezoning of land is currently in process and construction is anticipated to commence in January 2016, with the opening planned for April 2017. Interest from a potential anchor tenant for 4 000 m² has already been received.
- Mall@Maputo, a development located in northern Maputo and adjacent to the main Maputo ring road, with a total land size of 8.9 ha. A memorandum of understanding has been signed with the Mozambican Ministry of Sport to develop a 50 000 m² shopping centre – a formal agreement is still to be finalised. Acision's effective holding in the development project will be 85%, with 15% held by local Mozambican partners.

- Offices@Lusaka, a 6 000 m² (phase I) development in which Acision aims to take advantage of Zambia's growing economy and limited available infrastructure for multinational companies. Negotiations with a local land owner to co-develop up to 20 000 m² of office space are currently underway. The site is located in close proximity to Manda Hill Shopping Mall and next to Stanbic's Lusaka offices.

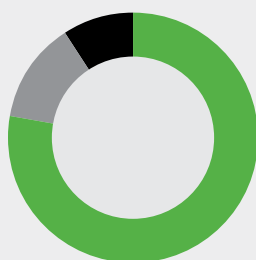
In the context of Acision's unique exposure to the Developed Investment Properties, Current Development Assets and Future Development Opportunities, the group offers investors direct exposure to a highly successful property developer, existing high-quality retail centres with strong and stable income streams, and other attractively priced property development opportunities in both metropolitan and high-growth areas of South Africa and Southern Africa.

OUR DEVELOPMENTS *continued*

GEOGRAPHIC SUMMARY

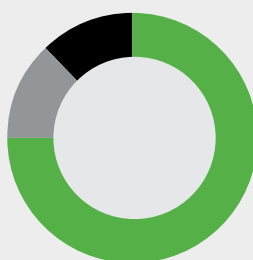
CURRENT DEVELOPED PORTFOLIO'S GEOGRAPHIC SUMMARY

GEOGRAPHIC PROFILE BY REVENUE



78%: Gauteng
13%: Mpumalanga
9%: Limpopo

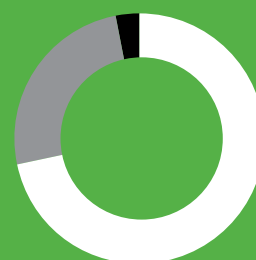
GEOGRAPHIC PROFILE BY GLA



75%: Gauteng
13%: Mpumalanga
12%: Limpopo

TENANT PROFILE

SECTOR PROFILE BY GLA



71%: Retail - Metropolitan
25%: Retail - Rural
3%: Light industrial

SOUTH AFRICA

DEVELOPED PROPERTIES

01. MALL@CARNIVAL
02. MALL@REDS
03. MALL@EMBA
04. MALL@LEBO
05. MORELETA SQUARE
06. SIMARLO RAINBOW

FUTURE DEVELOPMENT OPPORTUNITIES

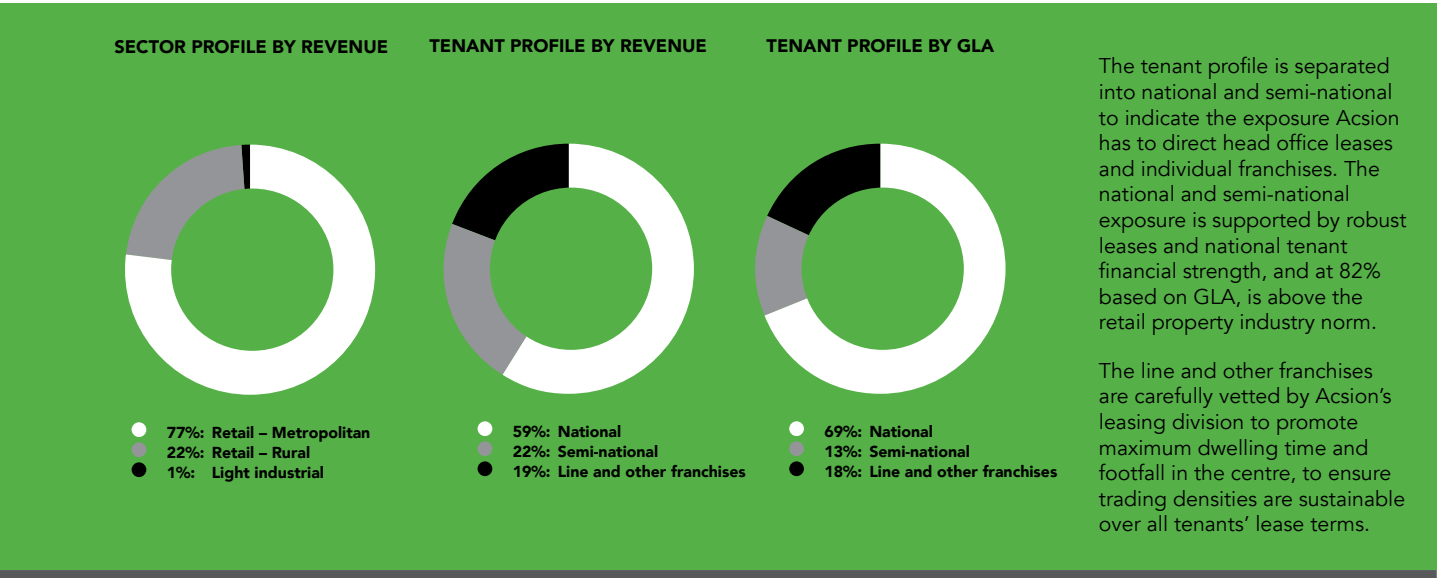
01. MALL@CARNIVAL PHASE III
02. ACISIOPOLIS
03. MALL@MOUTSIYA
04. MALL@55 PHASE I
05. TRADE 55
06. HYDE PARK TERRACE
07. RESIDENTIAL@MOUTSIYA

MOZAMBIQUE

FUTURE DEVELOPMENT AREA

ZAMBIA

FUTURE DEVELOPMENT AREA



OUR DEVELOPMENTS *continued*

A NOTE FROM OUR HEAD OF LEASING DIMITRI THOMAS



While we see muted growth in the retail sector in 2015, we note that value retailers are trading better in the current environment, and the trend with national retailers is to focus on cost-cutting and increasing efficiencies within their operations. Companies are becoming more astute and “leaner” which has always been our *modus operandi* at Acision and Anaprop Property Management. Thus, while national retailers will continue to expand, they are doing so via smaller-format stores.

We have seen a concerted drive from a number of sizeable semi-national and independent retailers (with existing stores already between 20 – 100 stores) to expand their store footprints. This is very encouraging, as they take up considerable space and offer diversity to the tenant mix. These semi-nationals and independent retailers are characterised by agile, hands-on management styles, which are crucial in today’s trading environment, and position them well for growth.

We are also working closely with international retailers to bring new offerings into our portfolio, and upgrading, revamping and retenanting our existing shopping centres, so as to adapt them to the current customer demands and reposition them for the next 10 years.

Another trend is that outlet retail stores are growing. We have seen a number of new companies growing in this sector, with consumers being budget conscious, and we are thus working on creating factory outlet store nodes within certain parts of our portfolio, which create a strong destination gravity, and are differentiated from the standard mall retail format.

There is certainly a rent-reversion trend within the current South African retail property sector, for various reasons including external overhead costs (electricity, rates and taxes) having increased well above inflation, premature developments and cannibalisation. However, our existing portfolio comes off a low rental base of approximately 20% below comparative centres in the market, and as such we are managing to achieve rent increases on the majority of our renewals, and in some cases increases of up to 22%, due to normalising our tenants’ rentals to bring them in line with their turnover rental.

The residential rental market is an area where we see progressive upside potential in the near future, as a result of urban areas becoming more work-centric, traffic congestion close to major commercial nodes, and suitable accommodation being in short supply in certain nodes. The Sandton node, which has considerable new commercial and office space that will be completed in the next two years is one such node, where we are developing 1 000 upmarket and executive apartments for rental, which will achieve rental yields of 16%

in the first year. This development will give our portfolio a significant diversification into the residential rental space.

Our focus for 2016 and 2017 is on developing our pipeline, which is already underway, as well as identifying and securing new development opportunities which will give us above-market returns as well as diversification and resilience. We have already identified a number of exciting opportunities, and are in the process of securing them.

We have focused our energy on the following areas in order to position ourselves for growth for the next 10 – 15 years:

- 1 diversification into upmarket, high-demand residential and parking sectors in Sandton and Hyde Park;
- 2 diversification into industrial and warehousing to support the demand that will be created by e-commerce in the future;
- 3 diversification into rural markets where there is an undersupply of retail outlets;
- 4 diversification into Africa and Europe;
- 5 implementation of solar energy and generators in our developments in order to become self-sufficient, and offer the value-add that retailers need;
- 6 incorporation of international brands, semi-national and sound independent retailers into our tenant mix; and
- 7 diversification of our malls to incorporate more services, community offerings, training facilities and colleges.

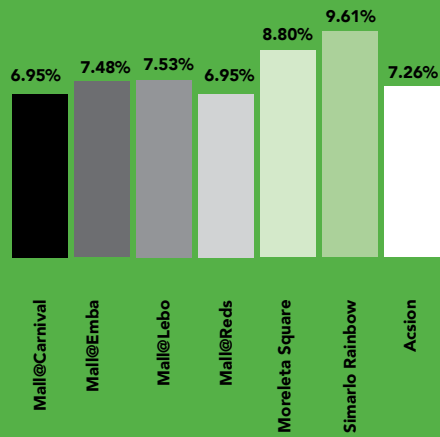
Overall, we are well positioned to take advantage of any downward pressures in the retail rental market as well as upward demand in the residential rental market as we are very cost effective and competitive, and still manage to consistently achieve first-year yields of 15% upwards on our projects in a market that is currently achieving single-digit returns.

Dimitri Thomas

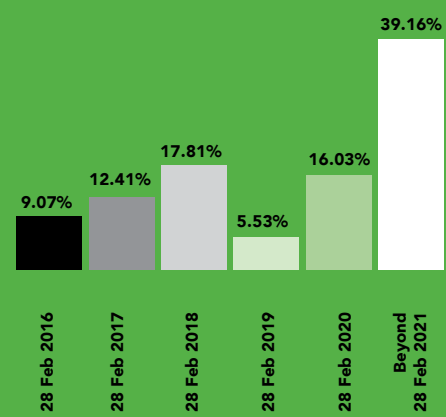
Head of development and portfolio leasing

LEASE EXPIRY PROFILE, RENTAL ESCALATIONS AND GROSS RENTAL

AVERAGE ESCALATIONS



LEASE EXPIRY PROFILE BY GLA



OUR DEVELOPMENTS *continued*

STRATEGIC OVERVIEW INCLUDING OBJECTIVES AND STRATEGY, VALUE CREATION AND INVESTMENT CASE

The long-term strategy of Acision is to drive NAV (capital) and income growth for its shareholders, by identifying and investing in value-creating development opportunities, and subsequently leasing and managing such properties over the property life cycle, or where a value creation opportunity exists, selling the development opportunities or the developed properties.

Acision is well positioned to meet these objectives given the quality of the completed Developed Investment Properties and Current Development Assets, the extensive experience of the internal property development, asset management and property management teams, as well as strong, long-standing relationships with major national retailers, banks and franchises, municipalities and land owners. Access to the Future Development Opportunities will also contribute to Acision's income and capital growth in the medium term which opportunities, given its track record, are anticipated to continue to deliver further capital growth to shareholders. At any one time, Acision is reviewing an average of between 20 – 30 development opportunities at various stages of maturity.

As part of its strategy to bolster the defensive quality of its portfolio, Acision has implemented measures to diversify into the residential and commercial property sectors through proposed developments located in Walkraal in Limpopo province (residential) as well as Hyde Park and Benmore (upmarket residential accommodation). Geographic diversification will be achieved outside of South Africa in partnership with experienced and reputable local partners to pursue property development opportunities in Africa and Europe.

In 2015, Acision's immediate strategy to achieve the above objectives is set out below:

- 1 the roll-out and unlocking of the Current Development Assets over a three-year period from listing;
- 2 sourcing and securing new developments that form part of the Future Development Opportunities; and
- 3 delivering rental income and capital growth through continued ownership and management of existing Developed Investment Properties, and associated contractual rental escalations.

It is envisaged that the strategy will provide investors with NAV uplift that is largely uncorrelated to traditional REITs.

Acision offers its shareholders access to superior annual net asset value growth through its highly experienced management team via:

- the ownership and development of commercially viable property projects in a cost efficient manner, with a target first-year development yield of 15% – 20%;
- the ownership, leasing as well as property and asset management of developed properties for rental income;
- the sourcing, assessment and, if commercially viable, the acquisition and ownership of strategic land opportunities for further development;
- solar energy supplementation to the four largest buildings;
- the further development of Developed Investment Properties; and
- to a lesser extent, the acquisition of existing yield producing property assets for renovation or if additional bulk exists.

In some cases, and in order to maximise value for Acision and its shareholders, some property developments may be undertaken for sale.

This strategy is underpinned by the identification of land opportunities for development, and the subsequent development, tenancing, and ownership of its entire Developed Investment Properties, independently valued at the time of listing at R3.246bn.

The group's strength lies in its ability to leverage off in-house planning, development, project and construction management, cost management, value engineering and an internal leasing function, to maximise cost efficiencies and maintain a hands-on approach to the entire development and property management process. These functions are often outsourced by other property developers.



MATERIAL RISKS AND OPPORTUNITIES

Material risks	Detail of risk	How the risk is mitigated
Pipeline sustainability	As the market becomes more saturated, finding quality property has become more challenging which poses a risk to the sustainability of the projected growth of Acision.	Acision is currently investigating various opportunities in Africa and Europe. As well as to invest in non-saturated and rural areas to find suitable investments. Acision will also be looking to expand existing centres to drive growth. These opportunities will assist in ensuring that the strategic priority of NAV growth of 20% – 25% on average per year is met.
Tenants	To ensure the long-term sustainability of the portfolio's income, Acision needs to attract and maintain quality tenants and a strong tenant mix in order to create a resilient income stream.	Refurbishments are being planned at some of the mature assets in the portfolio including Mall@Reds as well as Mall@Emba to ensure that strong tenants are attracted to the centre. In an effort to pre-empt e-trade there is a focus on creating a strong service and community-based slant to their retail buildings. Acision's experienced leasing team have long-standing relationships with national tenants who support their developments assisting with creating a strong tenant mix.
Existing portfolio value erosion	There are multiple factors that effect this risk: - Escalating municipal and operational costs erodes rentals; - Competition from other centres; and - An oversupply of retail centres with a similar offering.	Various alternatives to municipal power are being investigated in an attempt to manage these increasing costs. Acision focuses very heavily on cost control in all areas to ensure that value erosion is limited. Every item is investigated to ensure that costs are in line with expectations. Acision's experienced leasing team have long-standing relationships with national tenants who support their developments assisting with creating a strong tenant mix. Alternative income streams are constantly being investigated as a way of maintaining value. Acision's centres are well positioned within their nodes and therefore remain the centres of choice.
Interest rates	Although the Acision group is currently very lowly geared and a change in interest rates is not likely to have a significant impact on its ability to service its debt, changing interest rates affect the pricing of property sector shares as they relate to the price of bonds.	As Acision is not a REIT, its returns are largely uncorrelated with that of the traditional property sector shares and should therefore not be as significantly effected by changes in interest rates.
Load shedding	A lack of consistent power provision from Eskom presents a risk of reduced footfall and tenant turnover due to a lack of being able to trade.	Building management systems are being implemented at all large malls to moderate power usage and relieve pressure on the grid. Acision is investigating generators and PV (photo voltaic) solar solutions to reduce electricity usage from Eskom and to provide sustainable electricity solutions.
South African economy	There is a risk that due to the weak South African economy, Acision will face downward pressure on rentals.	Acision's current average rentals are lower than their competitors', therefore if rent reversions are experienced, Acision should not be impacted as severely. Due to the low building rates at which Acision builds, projects remain viable even with downward rental pressure where they may not for their competitors.

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
----------------------	---------------	---------------	--------------------	---------------	-------------------	---------------------

LEADERSHIP REPORTS

It is with great pleasure that we present this, Acision's first integrated report. In line with the Global Reporting Initiative's guidelines on sustainability reporting, we have embraced the process of an integrated report to stakeholders as a journey that we will improve on and develop each year.

To this effect, we have complied with the "apply or explain" approach of the King Code on Governance Principles for South Africa, 2009 (King III).

Acision successfully listed on 9 December 2014. Although the company has a long track record as a business, it is with some excitement and anticipation that we bed down our position as a specialist commercial, retail and residential property developer focused on net asset value growth within the listed property sector.

CHAIRMAN'S REVIEW

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------



ACSION'S IN-HOUSE PROPERTY AND ASSET MANAGEMENT AND DEVELOPMENT TEAM OFFERS INVESTORS ACCESS TO 100% OF DEVELOPMENT PROFITS

MANDATE FROM SHAREHOLDERS

AcSION has set itself a very ambitious target of achieving an average of 20% – 25% growth over the next three years. Imperative to achieving this target is the successful development of our significant pipeline of developments by leveraging its unique “value engineering” approach. More information on this approach can be found in the chief executive officer's report.

AcSION has an established in-house property management, asset management and development team consequently offering investors access to 100% of development profits.

The development pipeline is expected to be completed over a three-year period since listing and comprises eight secured development opportunities which will differentiate the portfolio into mixed-use and specialist residential assets.

The company has significant headroom to increase debt funding as its debt (amounting to R198 million at period end) represented just 6.1% of the developed portfolio value. Given the low cost of 7.37%, all of the debt is at floating interest rates with a remaining average term of 7.32 years.

CHALLENGES

Administrative delays concerning regulatory approvals are proving a major challenge – not only for AcSION, but for all large developers. This has had an impact on the breaking of ground on some projects, however the team remains persistent in engaging with the relevant authorities and regulatory processes before construction can commence.

Although prudent, given AcSION's exceptionally low gearing, the board's decision not to raise capital at the time of

listing has impacted on liquidity. A number of founder shareholders have indicated their intention to diversify their investments and these shares will be sold into the market in a controlled manner, providing a more diverse shareholder base and tradability.

THE REAL-ESTATE MARKET

The domestic economy is facing increasingly strong headwinds with real GDP growth forecast below 2% for 2015. In addition to infrastructure challenges where demand for electricity outstrips available supply, consumers are increasingly coming under pressure due to increases in utility costs, fuel and food inflation, which we expect will be further exacerbated by possible interest rate increases during the course of the year.

AcSION's portfolio of prime, strategically located retail assets provides some defence against downward pressure or potential rental reversions. These assets are further underpinned by strong counter parties (81% of the lease profile consists of national tenants) maintaining a robust income stream. In addition, the current through rate of rentals across the portfolio are below market average and we therefore expect any negative impact to be less pronounced than in our peer group.

STRATEGY

As mentioned earlier in this report, the team remains focused on achieving regulatory approvals and leveraging its in-house expertise in developing the company's significant pipeline.

At the same time, management is in the process of implementing a number of initiatives to mitigate the impact of the above-mentioned economic constraints. This includes a focus on improving non-GLA-based income, expanding existing retail centres in line with tenant demand

and maintaining strict cost control measures across the business.

GOVERNANCE AND BOARD

The board of directors is committed to and endorses King III and the JSE Listings Requirements and have proactively taken steps to ensure that AcSION is fully compliant with these regulations and recommendations in all material respects.

The board will continuously review and assess the assimilation and entrenchment of governance best practices. More information on a detailed checklist as well as AcSION's approach to corporate governance can be found on pages 22 to 31 respectively, as well as on the company's website, www.acsionsa.co.za.

OUTLOOK

Performance has been in line with expectations, despite the reporting period only covering the three months since listing. For the three-month period, AcSION achieved normalised net asset value growth of 6%. On an annualised basis this constitutes 24%, representing R11.56 per share.

APPRECIATION

I would like to thank my fellow board members for their support and wise counsel. On behalf of the board, I would like to congratulate and thank the AcSION management team for their dedication, passion, long hours and personal sacrifice in making the listing a success.

Your hard work is much appreciated!

David Green
Board chairperson

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

LEADERSHIP REPORTS *continued*



VALUE ENGINEERING IS A UNIQUE WAY OF WORK DEVELOPED BY ACSION WHERE SIGNIFICANT COST SAVINGS ARE REALISED

CHIEF EXECUTIVE'S REVIEW

It is a well-known fact that the listed property sector performed exceptionally well over the past number of years. Low bond rates and muted macro-economic growth underpinned the market's demand for high-yielding but relatively low risk property stock.

Simultaneously, strong consumer demand on the back of record low interest rates supported retail expansion as shoppers called for a more diverse catering, fashion and entertainment experience.

The listed property sector not only became one of the best performers on the JSE, but also saw the most activity for listings as a number of new counters capitalised on the market's appetite.

The introduction of REITs regulation saw the majority of distribution focused funds converting to benefit from the tax treatment as well as potential international interest.

Given the increasing number of counters listed on the JSE, differentiation became progressively more important. This trend continues with investors increasingly discerning between specialist, niche funds with expert management teams or a particular focus.

In light of the flurry of activity and strong market demand, we saw it as an opportune time to bring AcSION's unique investment case to the market, becoming only the third purely growth-focused fund to do so.

INVESTMENT CONSIDERATIONS

AcSION differentiates itself from traditional REITs by focusing on delivering superior net asset value (NAV) growth mainly by enhancing existing properties and completing value-accretive developments.

Prior to listing, the group has developed its entire portfolio of defensive, strategically located assets in-house and its highly experienced management team boasts a proven 17-year track record. Apart from management's focus on delivering on the development pipeline, we are also continuously strategising on unlocking continued capital uplift of developed assets through tenant optimisation, refurbishments and enhancing alternative income streams.

The developed portfolio is independently valued at R3.246 billion and serves as a NAV underpin going forward. AcSION's development assets to be retained are on track to deliver strong growth with the pipeline estimated at a cost of R1.98 billion.

VALUE ENGINEERING INSTEAD OF FINANCIAL ENGINEERING

AcSION's unique "value engineering" approach allows us to unlock a first-year development yield of between 15% – 20%, which is the key principal requirement when investing in a specific development.

Value engineering is a unique way of work developed by AcSION where significant cost savings are realised through an innovative or more effective approach while maintaining the highest standards of sustainable development and construction practice.

This process starts with considering the parcel of land intended for construction and continues with hands-on involvement throughout the design and construction process. By optimising each phase, AcSION is able to develop at a cost significantly lower than its peers without compromising on functionality, safety or quality.

GEARING AND DEBT

Since AcSION has sufficient capacity to fund new developments for the foreseeable future, it did not raise any capital at the time of listing. The company's gearing is currently only 6.1% and the board has introduced a self-imposed limit of 45% loan to value.

Given the low gearing levels, AcSION does not have to manage interest rate risk through any instruments and debt is currently floating. Appropriate hedging mechanisms will be considered and implemented as gearing increases over time.

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

The business is highly cash generative and Acsion will continue with its strategy of internally funded growth and reduction of debt wherever appropriate. During the three-month reporting period, mortgage bonds acquired through the forming of the group reduced another R32 million after expansion costs of R25 million.

PIPELINE DEVELOPMENT

Projects developed for ownership include phases III and IV of Mall@Carnival (on the back of tenant demand), phase I of Mall@Moutsiya in Limpopo, phase I of Mall@55 and Trade 55 in Monavoni, Acsiopolis in Sandton, and Mall@Mfula in Piet Retief. Two projects developed for sale include Residential@Moutsiya in Limpopo and Hyde Park Terrace in Sandton.

Further development opportunities have been identified such as Mall@Frankfort, an 8 000m² shopping centre in the Free State and a co-development in Zambia (Offices@ Lusaka) with up to 20 000m² of office space. A memorandum of understanding has been signed with the Mozambican Ministry of Sport to develop a 50 000m² shopping centre on an 8.9 ha piece of land in northern Maputo (Mall@Maputo). Acsion's effective holding would be 85% with 15% held by local partners. These developments signify Acsion's intentions to geographically diversify its portfolio with the immediate focus being Africa and Europe.

More information on the current portfolio as well as pipeline developments is available in the report from our head of developments, Yanni Anastasiadis on page 10.

LEASE RENEWALS

Our portfolio consists of mostly defensive retail assets with a total gross lettable area (GLA) of 188 716m². The core portfolio reported a weighted average vacancy level of 5.05%, of which 1.86% was strategic vacancies for the expansions and tenant relocations at Mall@Carnival and Mall@Reds respectively.

More information on lease renewals is available in the report from our head of leasing, Dimitri Thomas on page 14.

FINANCIAL RESULTS

Normalised net asset value per share increased by 6% to R11.56 for the three months ended 28 February 2015.

Revenue for the period totalled R107.4 million and net profit after tax was R40.8 million and EBITDA of R67 million despite challenging economic conditions and inflationary pressure on tenants. The direct property expenses to rental income ratio for the period was 11.08%.

INTERNATIONAL STRATEGY

The development team is consistently reviewing new opportunities in high-growth markets in the rest of Africa and Europe to ensure a constant future pipeline. However, our focus is also on the completion of the secured development pipeline over the next three years.

GOING FORWARD

Going forward the key tenet of our strategy will be delivering on the development pipeline as this is the primary driver of growth. We will continue to leverage our intricate knowledge of every aspect of the process, including the acquisition of land, construction, development and delivery of large scale projects to realise superior growth for our investors.

We are currently investigating solar energy supplementation at four of our main assets. Early indications are that for each 1MVA installed, a NAV uplift of approximately R10 million will be achieved.

The investment team will furthermore continue to explore the purchase of existing properties, based on a strict selection criteria.

There are approximately 20 – 30 opportunities under investigation, inclusive of development opportunities. Details in this regard will be announced on the JSE's Stock Exchange News Service at the appropriate time and once a level of certainty has been reached. Management intends to conclude approximately eight transactions in the current reporting year.

APPRECIATION

I would like to thank the board for their guidance and support during the listing process and look forward to working with them as custodians of a public company.

A special word of thanks should also go to Pieter Scholtz, our chief financial officer and his team as well as our head of leasing, Dimitri Thomas and head of developments, Yanni Anastasiadis for their exceptional efforts and contributions in making Acsion's listing a success.

To our valued tenants, customers and shareholders – thank you for your commitment. We look forward to growing Acsion to its full potential with you.



Yanni Anastasiadis
Chief executive officer

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

GOVERNANCE

THE BOARD OF DIRECTORS

As part of the listing process Acsion undertook all the necessary steps to comply with the Companies Act 71 of 2008 (as amended) and the JSE Listings Requirements. Instances where the company does not yet comply with, the principles of King III are explained and over time Acsion will mature in some of these areas.

The board of directors is committed to and endorses the Code of Corporate Practices and Conduct as contained and recommended in King III and the JSE Listings Requirements. It is the intention of all directors that the principles of integrity and the highest ethical standards are upheld by achieving the four values underpinning good governance advocated by King III:

- Fairness
- Responsibility
- Transparency
- Accountability

The board is the custodian of corporate governance. The board committees are continuously reviewing the company's governance structures and processes to ensure that the board exercises effective and ethical leadership, conducts its affairs as a good corporate citizen and takes decisions to ensure sustainability.

The directors have endeavoured to ensure that the company is fully compliant with the King Code recommendations considered mandatory by the JSE and the board is of the opinion that the company is compliant with such recommendations in all material respects. The board will continuously review and assess the assimilation and entrenchment of governance best practices in the group. A detailed checklist of Acsion's compliance with the principles contained in King III is available for inspection on Acsion's website, www.acsionsa.co.za.

CORPORATE AND GOVERNANCE STRUCTURE

The board consists of six members, two of whom are executive directors, with the remaining four members being independent non-executive directors. Apart from Kiriakos Anastasiadis who is a Greek citizen and permanent resident of South Africa, all the remaining directors are South African citizens and permanent residents of South Africa.

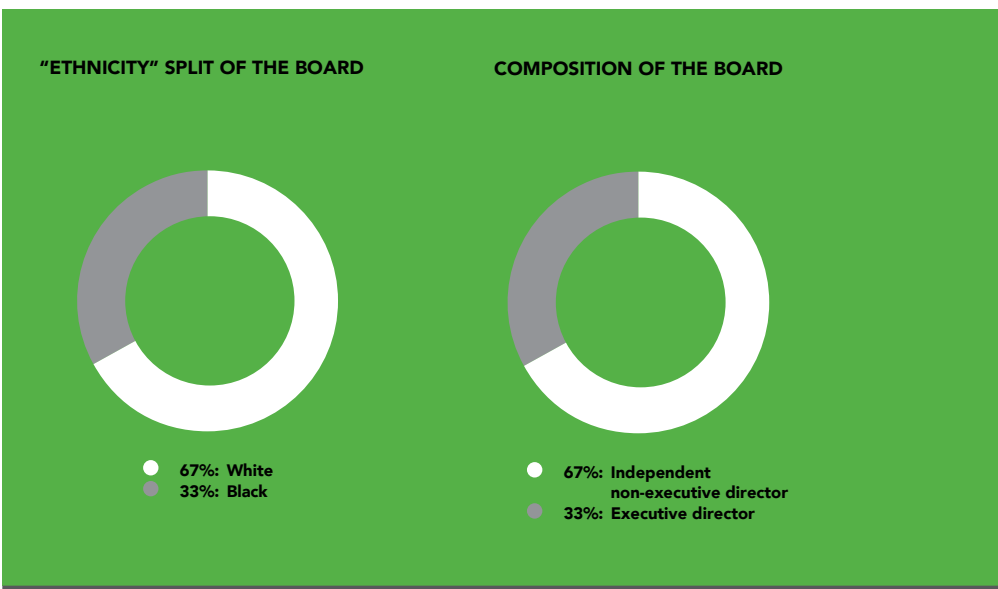
The board is well-balanced, consisting of members with:

- prior property experience and knowledge;
- excellent understanding of technical accounting and audit related matters;
- prior experience of serving on a listed company board; and
- vast commercial knowledge and experience.

The company secretary supports the directors in maintaining the regulatory

the shareholders and will be evaluated collectively and individually by the board on an annual basis.

Criteria used in the selection of the directors of the company include leadership qualities, depth of experience, skills, independence, personal integrity and business acumen. The board is led by a chairman who is an independent non-executive director.



compliance of Acsion. The board has considered and satisfied itself as to the competence, qualifications and experience of the company secretary and believes that the company secretary will be able to provide the board with the requisite support for its efficient functioning and discharge of its duties. In accordance with the recommendations of King III, the company secretary is not a director of Acsion and will maintain an arms-length relationship.

BOARD PRACTICES

The company is led by a diverse board of six directors. There is a formal process for nominations of directors to the board. The board is responsible for directing, governing and controlling the company's business by, *inter alia*, developing and approving the company's strategy, financial budget, risk framework and supporting policies and procedures. Members of the board are appointed by

A clear separation of roles and powers exists between the chairman of the board and the chief executive officer, and there is a clear division of responsibilities at board level.

The board and its committees are governed by a board charter which sets out, *inter alia*, the principles and processes in terms of which directors are nominated, the duties and responsibilities of the board and how issues such as dealing in the company's securities and conflicts of interest, are to be dealt with.

The board charter does incorporate the principles of King III wherever appropriate and sets out a decision making framework to ensure that no one director has unfettered powers of decision making.

The meetings of the board and board committees are scheduled annually in advance.

All directors of the company have access to the advice and services of the

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

company's company secretary and, at their discretion may, at the company's expense, seek independent professional advice concerning its affairs.

DUTIES OF THE BOARD

The board is ultimately responsible to shareholders for the performance of the company.

GENDER SPLIT OF THE BOARD



The board gives strategic direction to the company, approves and regularly reviews business plans, budgets and policies, proposes the appointment of the chief executive officer and other executive directors and ensures that powers and authorities delegated to management are clearly documented and regularly reviewed and that the governance framework of the company remains appropriate and relevant. The board retains control over the company, monitors risk and oversees the implementation of approved strategies through a structured approach to reporting and accountability.

The board has delegated certain of its responsibilities to various committees:

- Audit and risk committee
- Investment committee
- Executive committee
- Remuneration and nominations committee
- Social and ethics committee

COMMITTEE COMPOSITION

REMUNERATION AND NOMINATIONS COMMITTEE

Thabani Jali, an independent non-executive director, chairs the remuneration and nomination committee, and its other members are **David Sekete** and **Sonja Griesel**, both of whom are independent non-executive directors.

The chief executive officer and other executives may attend meetings of the remuneration and nomination committee by invitation but do not participate in discussions regarding their own remuneration and benefits and do not have a vote.

The remuneration and nomination committee is responsible for reviewing the group's board structures, the size and composition of the various boards within the group and to make recommendations in respect of these matters as well as an appropriate split between executive and non-executive directors and independent directors. This committee also assists in identification and nomination of new directors for approval by the board. It considers and approves the classification of directors as independent, oversees induction and training of directors and conducts annual performance reviews of the board and various board committees. The remuneration and nomination committee is also responsible for ensuring the proper and effective functioning of the group's boards and assists the chairman in this regard.

The remuneration and nomination committee further has the responsibility and authority to consider and make recommendations to the board on, *inter alia*, the remuneration policy of the company, the payment of performance bonuses, director and executive director remuneration, short, medium and long-term incentive schemes and employee-retention schemes. Although the remuneration committee provides guidance, council and makes the recommendations to the board who has the ultimate authority regarding the above, these decisions are at the discretion of the chief executive officer who decided on executive pay (members of the executive committee).

During the period under review the remuneration committee met once, with all members attending the meeting.

In the year ahead the committee will oversee the formalisation of a company remuneration policy.

REPORT OF THE REMUNERATION COMMITTEE

During the year under review Acsion listed on the JSE, subsequent to that the committee met on 13 February 2015 and all the members of the committee were present. The committee considered the remuneration philosophy and policy in respect of both the executive management and non executive directors.

In considering the executives remuneration it became apparent that it is generally accepted within the company that the total guaranteed pay (GP) and the short-term incentives (STI) are below market so as to drive shareholder value. The management proposal in this regard was that the remuneration will be supplemented with an opportunity to invest in the future developments. The chief financial officer has been tasked with investigating and proposing a suitable LTI scheme.

The short-term incentives are limited to a maximum of one month's salary for all staff members based on their performance during the year.

In order for the company to be competitive in the market place and for it to comply with the spirit and letter of King III, the Corporate Governance Framework, the committee will have to review the remuneration policy and if need be, benchmark the executive management salaries. The review will have to lead us to a consistent and objective outcome to address issues of, amongst others, retention and performance for all staff members. In addition, we have to be competitive in South Africa today where there is war on talent and a general shortage of skills in this sector. This is work in progress for the committee.

Acsion is a new company and the non executive directors only started receiving their fees after the listing. As a result the non executive directors decided not to increase their board fees for the coming year.

*Thabani Jali
Chairperson of the
remuneration committee*

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

GOVERNANCE *continued*

DIRECTORS' REMUNERATION

DIRECTORS' SERVICE CONTRACTS AND RESTRAINTS OF TRADE

Both of the executive directors have concluded service contracts with Acision, the terms and conditions of which are typical for such appointments. The executive directors appointments as directors were effective 17 September 2014 and their new employment contracts were effective 1 December 2014. Both of the executive directors are subject to restraints of trade.

Acision was a new company formed for the purpose of the listing and therefore no director has received any remuneration from Acision in the prior year.

The remuneration received by directors from group companies during the 2014 financial period is detailed in the table below:

NAME	SALARY R'000	DIRECTORS' FEES R'000	FEES FOR OTHER SERVICES R'000	PROVIDENT/ PENSION FUND AND MEDICAL AID CONTRIBUTIONS R'000	BONUSES R'000	TOTAL R'000
Executive directors						
Kiriakos Anastasiadis	–	80	–	–	–	80
Pieter Scholtz	841	–	–	–	69	910
Non-executive directors						
David Green	–	–	–	–	–	–
Thabani Jali	–	–	–	–	–	–
David Sekete	–	–	–	–	–	–
Sonja Griesel	–	–	–	–	–	–
Total	841	80	–	–	69	990

The directors' annual remuneration including short-term incentive has been set out in the table below and represents the 3 months' earnings from the date of listing to 28 February 2015:

NAME	SALARY R'000	DIRECTORS' FEES R'000	FEES FOR OTHER SERVICES R'000	PROVIDENT/ PENSION FUND AND MEDICAL AID CONTRIBUTIONS R'000	BONUSES R'000	STAFF SHARES R'000	TOTAL R'000
Executive directors							
Kiriakos Anastasiadis	692	–	–	–	–	–	692
Pieter Scholtz	335	–	–	–	–	–	335
Prescribed officers							
Dimitri Thomas	180	–	–	–	60	–	240
Ioannis Anastasiadis	180	–	–	–	60	–	240
Non-executive directors							
David Green	–	55	–	–	–	–	55
Thabani Jali	–	45	–	–	–	–	45
David Sekete	–	37.5	–	–	–	–	37.5
Sonja Griesel	–	37.5	–	–	–	–	37.5
Total	1 387	175	–	–	120	–	1 682

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

DIRECTORS' INTERESTS

DIRECTORS' INTERESTS IN SHARES

As at 28 February 2015, the directors (and their related parties) held the following percentages of the shares in the company:

DIRECTOR/PREScribed OFFICERS	DIRECT NUMBER OF SHARES	INDIRECT NUMBER OF SHARES	DIRECT SHAREHOLDING %	INDIRECT SHAREHOLDING %	TOTAL SHAREHOLDING BEFORE LISTING %
K Anastasiadis	6 967 682	290 867 136	1.76	73.64	75.40
P Scholtz	–	562 863	–	0.14	0.14
D Sekete	–	500 694	–	0.13	0.13
T Jali	–	500 694	–	0.13	0.13
D Thomas	10 494 759	639 136	2.66	0.16	2.82
Y Anastasiadis	1 233 496	562 863	0.31	0.14	0.45

Shareholders holding greater than 5% of the shares as at year-end.

Kiriakos Anastasiadis, through Ioleni Trust and in his personal capacity, directly and indirectly owns 75.40% of the issued shares and is a controlling shareholder. Included in the Ioleni Trust number of shares are 272 773 staff shares to be allocated to staff at the discretion of the remuneration committee over time.

NAME/INSTITUTION	DIRECT SHAREHOLDING (%)	INDIRECT SHAREHOLDING (%)	TOTAL SHAREHOLDING (%)
Kiriakos Anastasiadis	1.76%	73.64%	75.40%
The Papa's Trust	6.97%	–	6.97%

SHAREHOLDER ANALYSIS

SHAREHOLDER SPREAD	NUMBER OF SHAREHOLDINGS	%	NUMBER OF SHARES	%
1 – 1000 shares	83	55.33	29 449	0.01
1 001 – 10 000 shares	36	24.00	107 144	0.03
10 001 – 100 000 shares	4	2.67	249 405	0.06
100 001 – 1 000 000 shares	10	6.67	3 840 018	0.96
1 000 001 shares and over	17	11.33	390 733 960	98.94
Total	150	100	394 959 976	100

PUBLIC/NON-PUBLIC SHAREHOLDING ANALYSIS

CATEGORY	NUMBER OF SHAREHOLDINGS	%
Public	83 400 444	21.12
Non-public	311 559 532	78.88
Total	394 959 976	100

DIRECTORS' INTERESTS IN TRANSACTIONS

During the financial year, Anastasi Construction Close Corporation of which K. Anastasiadis is the sole member, undertook construction of the Hyde Park Terrace development as well as the phase III extension of Mall@Carnival. Mr I. Anastasiadis is a director of all underlying companies and his wife owns Kinsella Consultants who were used for ad hoc repairs and maintenance. The transactions for the 3 months ended 28 February 2015 were as follows:

	R
K. Anastasi Projects Close Corporation trading as Anastasi construction	24 299 344
Kinsella Consultants	39 786

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

GOVERNANCE *continued*

AUDIT AND RISK COMMITTEE

Sonja Griesel, an independent non-executive director, chairs the audit and risk committee, and its other members are **David Green** and **David Sekete**, both of whom are independent non-executive directors. The audit and risk committee is responsible for performing the functions required of it in terms of Section 94(7) of the Companies Act. These functions include nominating and appointing the company's auditors and ensuring that such auditors are independent of the group; determining the fees to be paid to the auditor and the auditor's terms of engagement; ensuring that the appointment of the auditor complies with the provisions of the Companies Act and any other relevant legislation; dealing with any complaints (whether from within or outside the company) relating to accounting practices, internal audits of the company or the content of the company's financial statements and related matters.

The non-statutory functions of this committee are to assist the board in fulfilling its responsibilities by reviewing the effectiveness of internal control systems in the company with reference to the findings of external auditors, reviewing the annual financial statements and interim reports of the company as well as other public communications of a financial nature, considering accounting issues, ensuring that all key areas of risks have been properly identified and that the company mitigates such risks, reviewing audit recommendations and ensuring that the company complies with relevant legislation and sound corporate governance principles. In addition, and if required, the audit and risk committee will review any significant cases of fraud, misconduct or conflicts of interests.

The audit and risk committee will from time to time determine policies with regard to non-audit services provided by the external auditor.

The company's external auditors have unrestricted access to the audit and risk committee and attend its meetings.

The audit and risk committee annually reviews the appropriateness of the expertise and experience of Acsion's chief financial officer, Pieter Scholtz, and reports on whether or not it is satisfied therewith.

The audit and risk committee will meet at least three times during a financial year, excluding any ad hoc meetings held to consider special business. The committee held one meeting during the period under review that was fully attended.

REPORT OF THE AUDIT AND RISK COMMITTEE

The group's audit and risk committee is a committee of the board of directors. The activities are determined by its terms of reference as approved by the board of directors and its statutory responsibilities as per the South African Companies Act 71 of 2008 (as amended).

Statutory duties

In addition to the duties set out in the audit and risk committee's terms of reference, a summary of which is provided above, the committee carried out its functions for the year ended 28 February 2015 as follows:

- satisfied itself through enquiry that the external registered independent auditor Ernst & Young Incorporated, as appointed by the shareholders, is independent and R de Lange, the audit director is independent;
- determined the fees to be paid to Ernst & Young Incorporated and its terms of engagement;
- defined the non-audit services Ernst & Young Incorporated may provide on a pre-approved basis;
- received no complaints relating to the accounting practices of the group, the content or auditing of its financial statements, the internal financial controls or any other related matter; and
- recommended for approval the group annual financial statements for the year ended 28 February 2015.

Delegated duties

The audit and risk committee also assisted the board of directors with the following duties:

- reviewed the key risks facing the group and the risk management processes implemented and, where relevant, made recommendations to the board of directors;

- resolved and put in place controls to manage the related parties process; and
- considered the reports of internal audit and the remuneration thereof.

Evaluation

- An effectiveness evaluation will be performed annually in September in terms of which the board of directors satisfies itself that each committee member has the suitable skill and experience to serve on the audit and risk committee.

Finance function

- The audit and risk committee has further considered and is satisfied with the expertise and experience of the company's chief financial officer, Pieter Scholtz and his staff; and
- the group's accounting practices are effective and adhered to.

Following the review of the financial statements, the audit and risk committee is of the opinion that, in all material aspects they comply with the relevant provisions of the Companies Act and International Financial Reporting Standards (IFRS) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), and that they fairly present in all material aspects, the results of operations, cash flows and financial position of the company and the group for the year ended 28 February 2015.

On behalf of the audit and risk committee

S Griesel
Sonja Griesel
 Chairperson

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

INVESTMENT COMMITTEE

Acsion has established an investment committee to evaluate and appraise potential investment, development and disposal opportunities which may be presented to the group from time to time.

The committee is chaired by **David Green**. **David Sekete**, **Kiriakos Anastasiadis** and **Pieter Scholtz** also serve on the committee. No investment committee meetings were held during the period under review.

SOCIAL AND ETHICS COMMITTEE

The social and ethics committee is chaired by **David Sekete** and **Thabani Jali** and **Kiriakos Anastasiadis** also serve on the committee.

The social and ethics committee will meet at least twice during the financial year and will assume the following statutory responsibilities as set out in Regulation 43 of the Companies Act 71 of 2008 (as amended):

- social and economic development;
- good corporate citizenship;
- the environment, health and public safety;
- consumer relationships; and
- labour and employment.

REPORT OF THE SOCIAL AND ETHICS COMMITTEE

The period under review for the 2015 financial year is the three months ended February, as Acsion listed on 9 December 2014. The Acsion group was therefore only in operation for three months and although it has endeavoured to address all of the requirements of regulation 43 of the Companies Act 71 of 2008 (as amended), we recognise that this is a journey and have not yet been able to focus on each item.

During the period under review, the social and ethics committee met once with one member unable to attend. The committee considered the various aspects as described in regulation 43, with particular focus on corporate social investment where it set targets for the donation of space within the malls to worthy

organisations, to the value of R500 000 for the coming year, and other kinds of organisations it would like to support.

In the coming year, the committee will focus on formalising the various aspects that it oversees with specific focus on the company's strategy regarding employment equity and B-BBEE, as well as the environmental impact of the company with regard to energy usage.

We are also looking at all the other aspects as set out in regulation 43 and we remain committed to addressing as many as possible in the coming year.

D. Sekete

David Sekete
Chairperson
Social and ethics committee

GOING CONCERN

The board of directors of Acsion believe that the company is well placed to meet its financial obligations in the coming year. The group is very lowly geared at 6.1% (loan-to-value) and although there is a large amount of development planned for the coming year, the company has sufficient access to funding to fund the developments. The company is in a position to be able to continue with operations into the foreseeable future and therefore the financial statements have been prepared on a going concern basis.

ENTERPRISE RISK MANAGEMENT

Although risks and opportunities have always been managed within the business it is now required, as part of the JSE Listings Requirements, that this process is formally bedded down with effective tools being used to actively track and manage specific and enterprise wide risk.

The responsibility of overseeing risk has been delegated to the audit and risk committee, a sub-committee of the board. The board believes that the most efficient and effective way for Acsion to manage risk is for the executive committee to manage it in conjunction with mitigation plans. A risk register has been compiled in this regard, for review by the audit and risk committee for timely and accurate feedback to the board.

A register with detail is then reviewed by the audit and risk committee so they can effectively feedback to the board with timely and accurate reports who can then report back to shareholders on how it has satisfied itself of the risks and mitigation plans effectiveness at addressing those risks.

Acsion is committed to addressing and dealing with risk in a proactive way. To this end an internal audit division has been established to provide assurance around the control environment and in the process also assist in identifying risks. The audit and risk committee has to ensure that a combined assurance model is effectively implemented.

Information Technology (IT) governance is also an area of responsibility for the board according to King III. At this stage due to the relative size of the business and simplicity thereof a separate steering committee has not been formed and IT risk management forms part of the overall risk management process. Internal audit will perform testing around IT governance and will give size and complexity appropriate recommendations for the improvement of the environment. The IT environment includes a MS Windows operating system, specialist property management application software (MDA) that includes customer relationship management (CRM) and finance modules, payroll software, as well as analytic and reporting tools.



ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

GOVERNANCE *continued*

BOARD OF DIRECTORS

ADV DAVID GREEN (53)

Independent non-executive chairman
BA, LLB
Chairperson of the board
Chairperson: Investment committee

David is a director of ProAfrica Property Services in alliance with Cushman & Wakefield and an admitted advocate in the Supreme Court of South Africa. He has extensive experience in the property industry having held the positions of managing director of Pace Property Group, executive director of Marriott Property Group, head of the fund and asset management divisions of JHI Property Services and management of the Capital and City Centre Listed property funds at JHI Property Services. He was previously chairman of the SA Listed Property Association and a board member of SAPOA.

MR KIRIAKOS ANASTASIADIS (62)

Chief executive officer
PR Eng MSc Eng (Structural)

Kiriakos started the first development that forms part of the group, now known as AcSION, approximately seventeen years ago. He holds a Masters Degree in BSc Structural Engineering and is a registered professional engineer with over thirty six years' construction and property development experience.

MR PIETER SCHOLTZ (39)

Chief financial officer
BCom (Accounting), BCom Honours (Accounting), CA(SA), M.Com (Tax)

Pieter completed articles at Deloitte & Touche Inc. in 1999 after which he joined the Standard Bank group, first serving as an investment analyst in SCMB and later at Stanlib in the operational division of the business. He joined Anaprop as the financial manager in 2010 and ultimately oversaw the formation of the AcSION group and listing on the JSE. Pieter is a registered member of the South African Institute of Chartered Accountants as a CA(SA).

DR DAVID SEKETE (61)

Independent non-executive director
BSc, MBChB, MSc Med
Chairperson: Social and ethics committee

David is a medical practitioner with thirty years of experience in this field. He has held various directorships at subsidiary level of the listed entity over the past seven years and prior to this, he was a director at several companies including Meditech (eight years), Buhle Waste (seventeen years) and Liseko (nine years).

MR THABANI JALI (56)

Independent non-executive director
BA, LLB, LLM
Chairperson: Remuneration and nominations committee

Thabani has twenty years of experience in the legal profession as an attorney, mediator, arbitrator judge of the Competition Appeal Court and Deputy judge president of the High Court having specialised in, amongst others, commercial law, litigation, labour law and alternative dispute resolution. He is company secretary and group executive responsible for governance, compliance, sustainability and editorial and language services at Nedbank Group.

He is also chairman of Pan African Mineral Development Company and Menston Energy Proprietary Limited. He was executive chairman of PricewaterhouseCoopers (Southern Africa) and has held several board positions over the past years.

MRS SONJA GRIESEL (54)

Independent non-executive director
CA(SA), BCom, BCompt (Hons), M.Com (Accounting)
Chairperson: Audit and risk committee

Sonja is a qualified chartered accountant and an expert in financial accounting, having lectured on this and related subjects at various local universities over a twenty-six-year period. Most recently, Sonja was senior lecturer and subject responsible lecturer at the University of Pretoria (2007 – 2011). She is a member of the South African Institute of Chartered Accountants and author of a number of publications and/or research papers related to accounting.

MR MICHAEL REYNOLDS (54)

Company secretary
BCom, BCom Hons, CA(SA) B.A.
C.IFRS MDP-BBBEE

Michael was previously the company's audit partner at MWRK Auditors Inc. between 2005 and 2012. He completed his articles at Deloitte & Touche in 1986 after which he joined the South African Revenue Services (SARS) for five years before leaving as a deputy director to start his own practice with a partner. Thereafter he spent six years in public practice followed by eight years in commerce. Michael and his consortium partners listed a building facility management company on the JSE where he served as financial director and managing director in the late 1990's. This was followed by financial directorship at Command Holdings Limited and a chief financial officer appointment at RMB Properties before he returned to public practice where he has been engaged for the past eleven years.



David Green



Kiriakos Anastasiadis



Pieter Scholtz



David Sekete



Thabani Jali



Sonja Griesel



Michael Reynolds

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

GOVERNANCE *continued*

EXECUTIVE COMMITTEE

The overall direction, supervision and management of AcSION is the responsibility of the board who is entitled to delegate certain functions to the management team.

The role of the executive committee is to discharge the strategy approved by the board and oversee the day to day running of the group. The executive committee is made up of Kiriakos Anastasiadis (CEO), Pieter Scholtz (CFO), Yanni Anastasiadis (Head of Developments), Dimitri Thomas (Head of Development and Portfolio Leasing), Jeanette Nel (Portfolio Leasing, reporting to Head of Leasing), Gavin Balsdon (Portfolio Facilities Management) and Michelle Hayes (Group Financial Management).

The executive committee meets at least once a month where they track the progress of the various projects and deal with the day to day items that have been escalated from the management meetings. Members debate and discuss these matters to ensure that the strategy, as approved by the board, is executed and implemented correctly. Internal processes confirmed that all members of the executive committee are free to air their opinions and debate is robust.

MR YANNI ANASTASIADIS (33)

Director of subsidiaries: Head of developments
BSc (Hons) Construction Management (Oxford Brooks University, England)

Yanni heads up the New Business Development and Project Management functions of the group, where he is responsible for driving the construction and development projects and ensuring feasibilities, budgets and value engineering are achieved. He has experience working in construction both abroad and in South Africa. Since joining the group in 2005, Yanni has managed the development of approximately 120 000 m² of new retail space.

MR DIMITRI THOMAS (39)

Director of subsidiaries: Head of development and portfolio leasing
BSc Electrical Engineering (University of Witwatersrand)

Dimitri has been with AcSION since 2004, and heads up the leasing and development function at the group, where he is responsible for driving key negotiations with all tenants, conceptualising tenant mix and layout design, planning and implementing strategies to maximise investment performance of the existing portfolio, as well as growth of the portfolio. He has extensive experience in all aspects of property development, management and market trends, and has several years of retail industry experience.

MRS JEANETTE NEL (53)

Portfolio leasing manager
FCIS (Institute of Chartered Secretaries and Administrators)

Jeanette joined the group in 2013 from Old Mutual Properties and is a seasoned property professional with twenty eight years experience in the industry, including financial management, property management, development deal origination and leasing. Jeanette manages a leasing support team consisting of eight people.

MR GAVIN BALSDON (56)

Portfolio facilities manager
Dip (Architecture)

Gavin joined the group at the beginning of 2013 as property portfolio manager of the six properties under management and a support team consisting of eighteen staff members.

Coming from an architectural background and having achieved accreditation from the Estate Agency Board, Gavin has had twenty seven years' experience in managing super regional shopping centres and being involved in property portfolio management. He has managed the Wooltru Property Portfolio, Fountainhead Property Trust as well as the Broll Properties Management office in Malawi, amongst other portfolios. Subsequent to year-end Gavin resigned.

MRS MICHELLE HAYES (29)

Group financial manager
BCom (Accounting), BCom Honours (Accounting), CA(SA)

Michelle joined the group in May 2013 from Ernst & Young Advisory Services. She is the financial manager for the group and is a registered chartered accountant with the South African Institute of Chartered Accountants. Michelle manages a financial support team consisting of ten people.



Yanni Anastasiadis



Dimitri Thomas



Jeanette Nel



Gavin Balsdon



Michelle Hayes

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

VALUE CREATION

MANUFACTURED CAPITAL

OVERVIEW OF THE DEVELOPED INVESTMENT PROPERTIES

Acsion's Developed Investment Properties are held at the combined value of R3.246bn which was independently valued at time of the listing and which values were used for year-end reporting.

ANALYSIS OF THE DEVELOPED INVESTMENT PROPERTIES

The Developed Investment Properties consists of six properties with a total (gross lettable area) GLA of 188 716 m².

PROPERTY NAME	INDEPENDENT VALUATION Rmil	GLA m ²	VALUE/m ² (EXCLUDING BULK, WHERE APPLICABLE) R	PERCENTAGE OF TOTAL PORTFOLIO BY VALUE %
Mall@Carnival	1 525	72 338	21 082	47.0
Mall@Reds	820	53 423	15 349	25.3
Mall@Emba	419	24 477	17 118	12.9
Mall@Lebo	314	23 964	13 103	9.7
Moreleta Square	136	8 507	15 987	4.2
Simarolo Rainbow	32	6 007	5 377	0.9
Total Developed Investment Properties	3 246	188 716	17 200	100.0

TOTAL
DEVELOPED
INVESTMENT
PROPERTIES

R3.246bn
INDEPENDENT VALUATION

RETAIL PROPERTIES

There are five retail properties, two of which are regional shopping centres that comprise approximately 72.3% of the total value of the Developed Investment Properties portfolio. Acsion's flagship asset is the Mall@Carnival shopping centre. Other prominent properties include Mall@Reds, Mall@Emba and Mall@Lebo.

The salient investment highlights of each retail property in the Developed Investment Properties portfolio are set out below.



Mall@Carnival

72 338 m²

regional shopping
centre in Brakpan,
Gauteng

- Well located regional mall on N17 highway opposite Carnival City
- Primary catchment area of approximately 100 000 households
- Located in established middle to upper income area
- 129 000 m² bulk available for development
- Weighted average lease expiry of 3.8 years
- Vacancies of 5.5% (planned 2.4% due to the expansion of Carnival phase III and IV)

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------



Mall@Reds

53 423 m²

regional shopping centre in Centurion, Gauteng

- Established regional shopping centre based in the heart of Rooihuiskraal, Centurion on a main arterial route
- Dense, fast-growing medium to high income residential area
- Vacancies of 6.54% (planned 3.4% due to reorganisation of tenants due to the leasing strategy)
- Weighted average lease expiry of 5.3 years



Mall@Lebo

23 964 m²

community centre in Lebowakgomo, Limpopo

- Only major formal retail offering within a 50 km radius catering for approximately 300 000 residents in its primary catchment area
- Strong underpin by national tenants
- Adjacent to municipal taxi rank and complementary informal retail offering
- Weighted average lease expiry of 6.5 years
- Vacancies of 1.27%



Mall@Emba

24 477 m²

community centre in eMbalenhle, Mpumalanga

- Only formal retail offering in its primary catchment area with approximately 300 000 residents – primary employer in the area is Sasol
- Risk of competing development limited given constraints on availability of electricity in the area
- Located adjacent to main taxi rank and transport node
- Nearest formal retail in the Secunda CBD is approximately 15 km away costing approximately R20 to travel by taxi
- Weighted average lease expiry of 2.8 years
- Vacancies of 4.42%



Moreleta Square

8 507 m²

neighbourhood centre in Moreleta Park, Gauteng

- Long lease expiry underpinned by national tenant
- Well-established community shopping centre in the Moreleta Park node
- Established convenience node
- Weighted average lease expiry of 4.6 years
- Vacancies of 0.58%



LIGHT INDUSTRIAL/ COMMERCIAL PROPERTY

The light industrial/commercial component of the Developed Investment Properties comprises one property, being Simarolo Rainbow in Hennopspark, Centurion. The property is a sectional title industrial holding comprising 30 units. The group owns 27 of the 30 units, and the group's units comprise 6 007 m² of GLA. The salient features are set out below:

- Close proximity to the N14 and N1 freeways and Hendrik Verwoerd Drive
- Suitable for vehicle workshops, distribution and light industrial use
- Each unit comprises office space with adjoining workshop and storage
- Weighted average lease expiry of 3.7 years
- Vacancies of 8.38%

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

VALUE CREATION *continued*

DETAILS OF THE CURRENT DEVELOPMENT ASSETS

The Current Development Assets comprises the following individual projects:

DEVELOPED FOR OWNERSHIP



Mall@Carnival
Phase III 12 136 m²
 and
phase IV 2 900 m²
 expansion

A tenant-driven expansion of Mall@Carnival to accommodate and introduce new tenants to the mall and expand on the trading space of select existing national tenants. The expansion will include the introduction of a value retail offering to the Mall@Carnival node.

The expansion project entrenches Mall@Carnival's position as the preferred regional retail destination in its primary catchment area of Brakpan, Benoni, Springs, Boksburg and Germiston by increasing the Mall@Carnival's total GLA to 87 374 m² and enhancing the mall's relevance as a regional shopping centre in its catchment area.

Acsion has secured rights to develop up to a total of 217 000 m² at Mall@Carnival and, dependent on sufficient tenant demand to justify further expansion, the group aims to expand Mall@Carnival to 110 000 m² over the next five to seven years.



Acsiopolis
1 hectare
 parcel of land in
 Benmore, Sandton

Upmarket residential accommodation and a small component of mixed-use to a total of 56 000 m² and basement parking of 55 000 m². The development rights have been obtained for 70 000 m² of superstructure. With the transfer of the land being the only outstanding condition, it is anticipated that the construction will start in July 2015. This development is situated in the heart of Sandton's densely populated, ultra-high-income Benmore node.

There is a scarcity of land for new high-rise developments in Sandton and it is the opinion of management that above average rentals can be achieved for the right nature of development. This development is also in line with Acsion's vision of sectoral diversification into residential and mixed-use property.

The subdivision of the land has been completed and the final legal conveyancing steps are being undertaken so that the transfer can be lodged. An engineering services report and traffic impact assessment were completed and approved by the council.

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------



Mall@Moutsiya
15 648 m²
 development of phase I

Comprises a 14 348 m² retail offering and a 1 300 m² petrol station in Walkraal, Limpopo. The highly visible and easily accessible location has direct thoroughfare onto the R573 (Moloto Road extension), a major regional arterial road through the Elias Motsoaledi municipality in Limpopo. The primary catchment market consists of approximately 136 000 people and secondary catchment market consists of approximately 396 000 people.



Trade 55
 (previously named
 Commercial@Ruimte)
10 000 m²
 development of phase I

Big-box retail with special commercial and retail rights already obtained in Monavoni, Gauteng. It is located on an extremely busy arterial route accessible from the N14 freeway and the R55 and across from the Mall@55 site. Trade 55's value offering will be complementary to Mall@55's offering. The timing thereof is anticipated to be similar to that of Mall@55. This development has rights in place to expand up to 30 000 m² in future.



Mall@55
 (previously named
 Mall@Ruimte)
15 433 m²
 development of phase I

A convenience shopping centre located on an extremely busy arterial route accessible from the N14 freeway and the R55 in Monavoni, Gauteng. This development is ideal for a value/convenience/lifestyle centre, which is underrepresented in the Monavoni area with the closest convenience/value offering over 5 km away. The convenience offering will also include a drive-through fast food offering. The anticipated start date for this development is September 2015 with the centre opening in September 2016. This development has rights in place to expand up to 35 000 m² in future.



Mall@Mfula
 (previously named
 Mall@Piet Retief)
18 000 m²
 shopping centre

An anticipated 75% national tenancy, providing a complete formal retail offering for Piet Retief. Acsion is currently finalising the township establishment application of this property, and aims to commence construction by October 2015 with the opening scheduled for October 2016. National retailer commitments for 65% of GLA have been received and negotiations for the remaining 35% of GLA are anticipated to be finalised by end July 2015.

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

VALUE CREATION *continued*

DETAILS OF THE CURRENT DEVELOPMENT ASSETS *continued*

HELD FOR SALE



Residential@Moutsiya
551 units

An affordable housing development in Walkraal, Limpopo with a total land size of 40 ha. Acsion has formed a partnership with local residents and the local municipality to approach prospective buyers with access to housing subsidies from the Department of Human Settlements. Proclamation of the land is at its final stage with all services (water, sewage and electricity) already secured. Plans to build up to 551 residential units for sale are supported by a shortage of affordable housing in the Moutsiya/Siyabuswa/Walkraal area. The proceeds will be between R300 000 to R500 000 per unit. Interest for approximately 50 units has already been secured and construction is anticipated to commence in August 2015. The development will be demand driven.



Hyde Park Terrace
12 units
27 land parcels

A residential development comprising 12 completed free standing units and 27 residential land parcels in Hyde Park, Gauteng. This high-end residential development is in the heart of one of Sandton's most exclusive areas. The total land size of 2.5 ha and is situated 500 m away from the Hyde Park shopping centre. The 12 units are approximately 350 m² to 540 m² under roof, the balance is to be sold as stands of 450 m² to 650 m² with or without building packages. There is significant appetite based on initial marketing and sales, and a growing demand for luxury residential properties in close proximity to the Sandton CBD driven by rising living standards. Completed four to five-bedroom units start from R6.5m.

THE EXTRAORDINARY GROWTH OF THE PORTFOLIO (ALL OF WHICH WAS DEVELOPED IN-HOUSE) IS AS A RESULT OF A DEEP AND UNPARALLELED UNDERSTANDING OF ALL FACETS ASSOCIATED WITH THE PLANNING, DEVELOPMENT, CONSTRUCTION, LETTING AND PROPERTY MANAGING PROCESSES OF ACSION'S MANAGEMENT AND PERSONNEL

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

FUTURE DEVELOPMENT OPPORTUNITIES

Acsion is continuously evaluating 20 – 30 new opportunities and is in advanced discussions on certain projects to further enhance capital growth for shareholders for financial years 2018 and beyond. Details of most of these projects are not contained in this report and will be communicated to shareholders in due course once an appropriate level of certainty has been reached.

At the last practicable date, the following further development opportunities were under investigation by Acsion, among others, the salient features include:



Mall@Maputo
50 000 m²
shopping centre

This development is located in northern Maputo and is adjacent to the main Maputo ring road, with a total land size of 8.9 ha. A memorandum of understanding has been signed with the Mozambican Ministry of Sport to develop a 50 000 m² shopping centre – the transfer of the duart is yet to be completed. Acsion's effective holding in the development project will be 85%, with 15% held by local Mozambican partners. The development is to be completed with a reputable local Mozambican contractor and is in line with Acsion's vision of geographic diversification into Southern African retail.



Mall@Frankfort
8 000 m²
shopping centre
development in
Frankfort, Free State

The rezoning of land is currently in progress and construction is anticipated to commence in January 2016, with the opening planned for April 2017. Interest from a potential anchor tenant for 4 000 m² has already been received.



Offices@Lusaka
20 000 m²
of office space

Acsion aims to take advantage of Zambia's growing economy and limited available infrastructure for multinational companies. Negotiations with a local land owner to co-develop up to 20 000 m² of office space are currently underway. The site is located in close proximity to Manda Hill Shopping Mall and next to Stanbic's Lusaka offices. It is envisaged that the first phase will comprise 6 000 m².

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

VALUE CREATION *continued*

HUMAN CAPITAL

OUR TEAM

Anaprop Property Management is the internal management company that oversees the major areas of Acision's business property management including leasing, finance, operations and marketing; asset management and developments, with a total employee count of 50. Attracting, retaining and developing its employees is an important cornerstone for Acision. The company's philosophy is to employ people that ascribe to the group's values, culture and shared vision.

REWARDS

Employees are recognised as being an integral part of the business and significant contributors to its success. Therefore as part of the listing process Acision awarded shares at zero cost to employees. Three components were taken into account in the allocation: current position, performance over the past year and tenure at the group.

Attracting, retaining and developing appropriately skilled employees who are committed to Acision's values and culture is fundamental to Acision's future success and is therefore undergoing a process of creating a formal written remuneration policy for the company. The policy will set the guiding principles around remuneration and a framework for implementation thereof.

To date the strategy for recruiting was determined by each Head of Department. However, generally the company has sought to employ people with potential and a willingness to learn and continuously train them to give them the skills required for more senior positions.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

It is important to take cognisance that employment equity and (Black economic empowerment) BEE are tools used to redress the employment effects of the past. The management company has an

employment equity plan in place. Since listing, the social and ethics committee has been reviewing the strategy to capitalise on the work already done as well as to identify areas for improvement. This process will be monitored and overseen by the social and ethics committee going forward.

TRAINING AND DEVELOPMENT

Training and development is an aspect taken seriously by the business. A formal training and development policy is in place where the company will assist with the costs of meaningful further education to develop those that wish to study and grow their skills.

There are currently no formal succession plans in place. The remuneration committee have recognised this as an area to improve for the coming year.

SOCIAL AND RELATIONSHIP CAPITAL

Our stakeholders are broadly defined as those people or organisations that are impacted by or that impact Acision as a business. It is important that each group has a channel through which the business can commission information and receive feedback that is useful and accurate.

In an effort to determine what is important to our stakeholders we have inserted a question submission page on our website (www.acionsa.co.za) so that any member of the public may ask questions. Acision also has a manned help desk to deal with customer and tenant queries and complaints which is well utilised and has been an effective tool in managing relationships with large stakeholder groups.

CORPORATE SOCIAL RESPONSIBILITY

As a retail property owner, one of the most effective ways Acision can help make an impact is to provide worthy causes with a platform from which to launch their campaigns to thousands of visitors. To this end, during the full year the subsidiaries donated R84 620 worth of space to the various organisations detailed below. In the coming year Acision plans to donate a total of R500 000 worth of space across the portfolio.

During the past financial year companies within the Acision group set out to engage in their respective communities by becoming actively involved in corporate social activities, utilising company resources to benefit and empower

communities, mainly by means of marketing initiatives. These projects aim at uplifting communities in such a way that the quality of life and any specific problematic situations are generally improved. Acision Limited believes in focusing mainly on the care of children and animals as well as cancer patients.

SUPPORTED ORGANISATIONS

- Santa Shoebox Project;
- SA Guide Dogs Association;
- Save the Children;
- Doctors without Borders;
- CANSA Shavathon;
- NSRI Sea Rescue; and
- Cupcakes for Kids with Cancer.



ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

VALUE CREATION *continued*

INTELLECTUAL CAPITAL

As per the International Integrated Reporting Council's Framework on Integrated reporting the definition of intellectual capital is "Organisational, knowledge-based intangibles", including:

- Intellectual property, such as patents, copyrights, software, rights and licences
- "organisational capital" such as tacit knowledge, systems, procedures and protocols".

THE ACSION BRAND

Acsion has recently listed on the JSE and management views the potential for brand building as a great opportunity. It will be part of Acsion's aim in the coming year to build their brand by giving useful timely information to the market so that their stakeholders learn more about their business and understand their differentiators.

The name Acsion is a combination of the Greek word "Axion" – loosely translated as "worth it", and "Action" – to act quickly and make things happen. this communicates that the company's main strategy is to deliver net asset value growth, hence the slogan "Action Today, Prosper Tomorrow".

The management company also holds the copyright for "Mall@" which it has used extensively through the portfolio so that customers and tenants can identify with the group.

The company moved onto a software package called MDA property management systems in 2010. MDA is specialist property software that integrates the accounting, CRM, complaints, jobs processes, budgeting and houses the rental mandate. In this way, they have integrated many of their internal processes to ensure consistency in reporting.

In 2013 the company underwent a process of documenting all of the financial processes including identifying the risks and controls within the processes. The staff were then all trained on the various processes that affect them. The reason for undertaking this process was to build institutional knowledge and to provide a base to ensure that the processes and controls are maintained as the company grows. The operational processes are currently being drawn up and will follow a similar process as the financial processes.

ORGANISATIONAL CAPITAL

The company has consistently used the term value engineering which is a methodology of looking at every part of the development lifecycle and analysing it to ensure that the best possible solution is found. This is specifically utilised in the design process where the development designs are reconfigured continuously until a solution can be found that gives the lowest possible cost without compromising quality or any engineering aspects. Value engineering doesn't only apply to this aspect of the process but to raising finance, tenant installation solutions etc. The property management function is also performed in-house by a subsidiary within the group so that they can build good client relations with tenants, shoppers, suppliers and other stakeholders. This also allows them to manage costs very effectively.

The company is managed by an experienced, well rounded, professional and committed management team with a balance of skill, experience and energy including:

- a fully resourced internal team with an in-depth knowledge of all aspects of property development across its lifecycle including the identification and securing of large development opportunities, design, project management, capital raising, value engineering, leasing, asset management and property management of its developed assets to deliver superior development returns without compromising on quality and functionality;
- a proven track record of identifying and implementing value enhancing property development opportunities, having developed the R3.246bn Investment Properties in-house;
- long-standing relationships and support from banks, tenants (major national retailers, banks and franchises), municipalities and land owners;
- a reputation in the industry for their ability to develop quality properties in a cost effective manner, whilst subscribing to standards of sustainable development and construction practice;
- a track record of successful development in both metropolitan and rural growth areas; and
- in-depth knowledge of the Developed Investment Properties and Current Development Assets, and the ability to identify and exploit Future Development Opportunities.

NATURAL CAPITAL

The board of directors are ultimately responsible for matters surrounding sustainability and acknowledge their responsibility to manage the impact that they have on the environment around them. The social and ethics committee have been delegated the responsibility of overseeing and giving guidance in this area.

Utilities have escalated significantly faster than inflation for the last few years. This has put significant pressure on the tenants which has had a direct impact on rentals. As landlords they understand that their tenants expect them to assist in the solution of these escalating costs so as to reduce vacancies. Acsion is currently investigating various options including solar PV panels and efficient lighting solutions in an effort to address the rising costs of utilities.

Green considerations are always made in the design and construction of new buildings where they make commercial sense. The following things are incorporated generally across the portfolio:

- The use of a building management system to control electricity usage effectively;
- value engineering HVAC designs and the use of natural ventilation as far as possible;
- the use of natural lighting as far as possible and where not possible ensuring the use of energy efficient light fittings; and
- the installation of "dry-gardens" to all landscaped areas which require very little water.

All buildings over 20 000 m² have areas where on-site sorting and recycling of waste is performed.

In this way management has demonstrated their commitment to managing Acsion's impact on the environment.

FINANCIAL CAPITAL

Financial capital as it relates to the Global Integrated Reporting Council's Framework covers company's pool of funds both internally and externally generated.

At the time of listing the board of directors made a decision not to take up the share subscription offers although significant offers were made within the set price range. This decision was founded in the belief that Acision has sufficient capital to sustain its growth in the short term and that it would be prudent to not raise capital that it may not be able to effectively use immediately.

Acision's current loan to value is 6.1% which provides them with capacity to fund future developments from existing or new facilities over the current portfolio. Acision has a self-imposed loan to value limit of 45%. During the coming year Acision anticipates its capital requirements to be approximately R697million and R772 million in the 2017 financial year. It is anticipated that these requirements will be met by loans against existing property and that no rights issue or additional capital raise will be required during the year. However, opportunities may arise through the year that are not planned for and for which the current debt capacity is not sufficient which may require additional debt funding or capital to be raised.

28 February 2015	
Gearing	6.1%
Fixed portion of debt	0%
Weighted average cost of finance	7.37%
Self-imposed gearing limit	45%
Prepaid portion of debt	R147 million
Outstanding balance of debt at year-end	R198 million
Interest cover ratio	15.75
Average loan maturity	7.32 years

REVENUE RECOGNITION POLICY

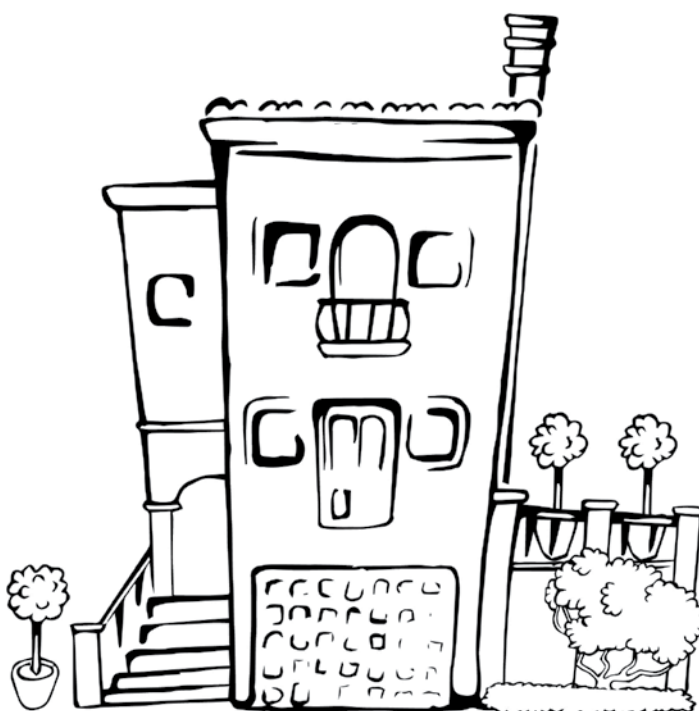
The policy for the valuation of Investment properties is to fair value the properties as described in the financial statements. This explanatory note details the framework that will be used in future to determine fair value to ensure consistency across the portfolio. This explanatory note details only the framework dealing with properties under development and not developed assets.

There are various stages in the development process and therefore different approaches followed to properly account for the fair value at each stage.

When a property is purchased and transferred it is held at cost. Once the rezoning is complete or the property is already zoned and an FSR (floor space ratio) allocation granted then the highest and best use of the land would be sale. The land is therefore revalued at the market related bulk rate multiplied by the allowable building area.

Subsequent to the above revaluation the construction and leasing can commence. As the project would be sold at any stage during the leasing and construction phase it is appropriate to measure the further fair value adjustments based on an s curve matrix according to how far both the construction and the leasing have progressed. This methodology would result in the recognition of greater profits toward the completion of the projects.

Subsequent to the completion of the building the developed asset will be externally valued at the next reporting date.



ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

FINANCIAL PERFORMANCE



WITH A DEVELOPMENT PIPELINE TO THE VALUE OF R1.981BN, THE COMPANY IS POISED FOR SIGNIFICANT GROWTH

CHIEF FINANCIAL OFFICER'S REPORT

Acsion listed on the JSE on 9 December 2014, for the listing team this was the culmination of many hours of hard work and much excitement in this new phase for the company.

As described in the strategy for the next three years, Acsion aims to deliver an average of 20% – 25% NAV growth. This growth is made up of existing portfolio growth as well as growth from new developments.

The growth in the existing portfolio is made up of income growth which we anticipate to be around 7% and NAV growth which we anticipate being 5.3% of the existing portfolio for the coming year.

The growth in new developments must then drive the remaining growth required annually. Much of the planning and preparation for the current developments has been completed but the construction has not yet commenced. Construction can, depending on the size of the development, take over 12 months which results in the growth not being consistent with financial reporting periods. In order to measure the progress of the project at fair value the policy (described on page 41) has been developed as an acceptable basis to measure the gains in fair value over the development phase of the project.

Acsion aims to grow NAV and not just investment property value, therefore the most effective method of driving growth is predominantly by development and to a lesser extent by acquisition of existing buildings.

Acsion was formed for the purpose of developing and investing in real estate. The group's strategy of undertaking developments as a means of realising sustainable long-term capital growth is the reason that REIT status was not sought on listing. Upon listing, Acsion indicated that the dividend policy was not to pay dividends for a period of 5 years. However, taking into consideration the need to attract new investors and the financial strength of the company the board is currently deliberating over whether there is a need to change the current dividend policy.

Subsequent to year-end the share price moved between R9.25 and R10.83. This is more a reflection of the illiquidity and free float of the share as opposed to the underlying value thereof. The free float at year-end was 21.12% with the CEO representing himself and the largest shareholder, Ioleni Trust, holding 75.40%. Due to the aforementioned the price of the share has been discounted by the market, however the underlying

value remains. Over the coming years the current debt capacity will diminish as the developments are undertaken and it may become necessary to raise capital to continue to provide the shareholders with the expected returns. This process will increase both liquidity and free float which should see the discount applied to the share price resulting in a more accurate reflection of the underlying value of the group.

In the three months since listing, Acsion performed well. The group recorded revenue of R107.4m and net profit after tax of R40.8m despite a challenging operating environment with escalating utility costs continuing to place tenants under pressure. Although this could ultimately lead to possible rental reversions, Acsion is pleased to report minimal rental reversions during the reporting period.

R40.8m

NET PROFIT AFTER TAX FOR THE THREE-MONTH PERIOD

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	------------------------------	-------------------	----------------------

The direct property expenses to income ratio across the portfolio for the three months to 28 February 2015 was 11.08%.

Net profit after tax attributable to ordinary shareholders was R40.8m equating to basic/diluted/headline earnings of 41.33c per share.

The financial position remains strong with investment property less estimated cost to completion at R3.755bn. Mortgage bonds decreased from R230m (acquired on restructure) to R198m after expansion costs of R25.2m, which is testament to the cash-generating capability of the group. Mortgage bonds were prepaid by R147m as at 28 February 2015.

The group has significant headroom to increase debt funding. Debt as at 28 February 2015 was R198m, which equates to 6.1% of the developed investment property value. Given the current low cost of debt, all debt is at a floating interest rate. Weighted average cost of debt funding is currently 7.37%.

Net asset value per share (excluding deferred tax) increased from R10.70 on listing to R11.56 at the end of the reporting period.

The company's assets comprise of six income-producing entities and five companies with projects under development. Acision's trade receivables, cash and cash equivalents and the prepaid portion of the mortgage bonds amounted to R169.2 million, which is considered to be sufficient to meet the current liabilities of trade and other payables totalling R51 million. The current portion of long-term debt amounted to R8.7 million which will be funded by normal trading income in the coming year.

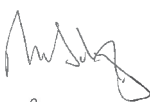
In the pre-listing statement an amount of R950 million was disclosed as goodwill. However at year-end the amount was R625 million after the reclassification of Acsiopolis and Mall@Maputo to prepayments as these projects were separately identifiable upon restructure. If either of these projects do not come to fruition they will be impaired.

The premium paid was for Anaprop Property Management and represents the amount of value the various shareholders in the restructure transaction were willing to pay in order to internalise the property development, property management, and asset management functions within the group. Due to the group's successful history of delivering NAV growth, superior to the returns of traditional REITs, for its shareholders, Acision's pre-listing shareholders agreed to the payment of the premium so as to secure their participation in the development profits arising from the Current Development Pipeline, as well as Future Development Opportunities.

ASSETS AND FUTURE DEVELOPMENT OPPORTUNITIES

Prepayments include two projects, previously carried as part of goodwill. The transfer of the Benmore development, Acsiopolis, priced at R210m for listing, is imminent and it is envisaged that construction will start in July 2015. The duart of the Maputo development, priced for listing at R200m, is expected in the last quarter of this year. Strong interest from a number of national retailers was received for this development. On the advice of the external auditors these developments were separately identifiable as part of the restructure and were consequently recognised as prepayments.

We expect a challenging operating environment in the year ahead, although we do remain optimistic that we will be able to return superior growth to shareholders over the next three years.


Pieter Scholte
 Chief financial officer

ANNUAL FINANCIAL STATEMENTS



MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

INDEX

The reports and statements set out below comprise the annual financial statements presented to the shareholders:

Index	Page
Directors' responsibilities and approval	46
Group secretary's certification	47
Independent auditor's report	48
Directors' report	49
Statement of financial position	52
Statement of profit or loss and other comprehensive income	53
Statement of changes in equity	54
Statement of cash flows	55
Accounting policies	56
Notes to the annual financial statements	64
Notice to the annual general meeting	85
Proxy form	

Preparer

PH Scholtz

BCom, BCom (Hons), CA(SA), M.Com (Tax)

Published

22 June 2015

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

DIRECTORS' RESPONSIBILITIES AND APPROVAL

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

The annual financial statements are prepared in accordance with International Financial Reporting Standards, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the group's cash flow forecast for the period to 29 February 2016 and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

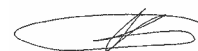
The external auditor is responsible for independently auditing and reporting on the group's annual financial statements. The annual financial statements were examined by the group's external auditor and their report is presented on page 48.

The annual financial statements set out on pages 52 to 84, which were prepared on the going concern basis, were approved by the board on 22 June 2015 and signed on its behalf by:



DJ Green
Chairperson

Centurion
22 June 2015



K Anastasiadis
Chief executive officer

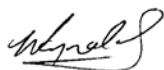
Centurion
22 June 2015

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

GROUP SECRETARY'S CERTIFICATION

DECLARATION BY THE GROUP SECRETARY IN RESPECT OF SECTION 88(2)(E) OF THE COMPANIES ACT

In terms of section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the group has lodged with the commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.



Michael Reynolds
Group secretary

Centurion
22 June 2015

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ACSION LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the consolidated and separate financial statements of Acision Limited set out on pages 52 to 84, which comprise the statements of financial position as at 28 February 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 CONSOLIDATED 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 Acision Limited as at 28 February 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 consolidated and separate financial statements for the year ended 28 February 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 audited 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 audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Ernst & Young Inc.

Ernst & Young Inc.
Director – Rosanne de Lange
Registered Auditor
Chartered Accountant (SA)

Ernst & Young
102 Rivonia Road
Johannesburg

22 June 2015

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Acsion Limited group and its subsidiaries (the group) for the three-month period ended 28 February 2015.

1. INCORPORATION

The company was incorporated on 17 September 2014 and obtained its certificate to commence business on the same day.

2. NATURE OF BUSINESS

Acsion Limited group is an investment entity incorporated in South Africa with interests in the property holding industry. The company does not trade, and all of its activities are undertaken through its principal subsidiaries, associates and joint venture arrangements. The group currently operates in South Africa.

3. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated annual financial statements were prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008.

Acsion Limited was formed on 3 December 2014 through a restructuring transaction involving several retail property companies. This set of results is for a period of three (3) months whereas the underlying subsidiaries were all trading for a full twelve (12) months.

Revenue derived from the letting of investment property for the period was R107 423 590. Other income supplemented rental revenue to a total of R112 028 257. This is in line with the three (3) months adjusted revenue as disclosed in the pre-listing statement of R109 740 413.

Finance costs were much lower than anticipated due to the cash management policy that the group follows. Taxation for the three (3) months ended 28 February 2015 amounted to R12 005 255.

The financial position of the group remains very strong. Investment property is carried at R3 667 441 137 (total of notes 3, 4, 5 and 15). Prepayments consist of two developments acquired during the restructuring transaction known as Acsiopolis and Mall@Maputo. Details of these projects can be found in note 7. It is the directors' opinion that both of these projects should be ready for development by July 2015 and March 2016 respectively, at which point these projects will be classified as investment property.

Goodwill equates to R625 464 153 and as at year-end required no impairment considering the extent of the development pipeline.

Group liquidity is adequate. Due to the group's cash management policy, mortgage bonds were paid in advance by approximately R147 000 000 for the period ended 28 February 2015, as can be seen from the detail contained in note 19. These funds can be withdrawn when needed and should be included in any assessment of working capital adequacy.

Net asset value per share for period ended 28 February 2015 equated to R10.18 whereas tangible net asset value per share equated to R8.60.

4. SHARE CAPITAL

		2015
Authorised		Number of shares
Ordinary shares		10 000 000 000
		2015
Issued		Number of shares
		R
Ordinary shares		3 979 955 592
		394 959 976

Refer to note 17 of the consolidated annual financial statements for detail of the movement in authorised and issued share capital.

5. AUTHORITY TO BUY BACK SHARES

At the annual general meeting (AGM) to be held on 30 July 2015, shareholders will be requested to give the company or any of its subsidiaries a general approval in terms of section 48 of the Companies Act 71 of 2008, by way of special resolution, for the acquisition of its own shares. This general approval will remain valid until the next AGM.

No shares were repurchased during the current period in terms of this authority.

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

DIRECTORS' REPORT (CONTINUED)

6. CONTROL OVER UNISSUED SHARES

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, up to a maximum of 20% of the company's issued share capital, under the control of the directors until the next AGM.

7. DIVIDENDS

The company's current policy is not to declare any dividends for a period of five years but to reinvest all profits and return capital growth to the shareholders. The board is revisiting this decision and a different dividend policy is currently being considered.

8. INSURANCE AND RISK MANAGEMENT

The group follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the group's insurance brokers. All risks pertaining to assets and substantial potential liabilities are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

9. DIRECTORATE

The directors in office at the date of this report are as follows:

Directors	Office	Designation	Changes
DJ Green	Chairperson	Non-executive independent	Appointed 27 October 2014
K Anastasiadis	Chief executive officer	Executive	Appointed 17 September 2014
D Sekete	Director – social and ethics committee chair	Non-executive independent	Appointed 17 September 2014
PH Scholtz	Chief financial officer	Executive	Appointed 17 September 2014
S Griesel	Director – audit committee chair	Non-executive independent	Appointed 27 October 2014
TSB Jali	Director – remuneration and nominations committee chair	Non-executive independent	Appointed 27 October 2014

K Anastasiadis, D Sekete and PH Scholtz were appointed as directors on incorporation of Acision Limited. DJ Green, S Griesel and TSB Jali were appointed shortly after the incorporation of the company.

10. DIRECTORS' INTERESTS IN SHARES

As at 28 February 2015, the directors of the company held direct and indirect beneficial interests of 75.80% in its issued ordinary shares, as set out below.

Interests in shares

Directors	2015	2015
	Direct	Indirect
K Anastasiadis	6 967 682	290 966 392
D Sekete	–	500 694
PH Scholtz	–	562 863
TSB Jali	–	500 694
	6 967 682	292 431 392

The register of interests of directors and prescribed officers in shares of the company is available to the shareholders on request.

There have been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

11. DIRECTORS' INTERESTS IN CONTRACTS

During the financial year, Anastasi Construction Close Corporation of which K Anastasiadis is the sole member, undertook construction of the Hyde Park Development and the phase 3 extension of Mall@Carnival. Kinsella Consultants were used for ad hoc repairs and maintenance. Kinsella Consultants is owned by I Anastasiadis' wife, a director of all underlying subsidiaries.

12. PLANT AND EQUIPMENT

At 28 February 2015, the group's investment in plant and equipment amounted to R119 368 619, of which R4 615 371 was added in the current period through additions and R125 627 437 was acquired through the restructuring transaction. Depreciation of R10 874 189 was recorded for the period.

13. BORROWING POWERS

In terms of the memorandum of incorporation, the borrowing powers of the group are unlimited. However, all borrowings by the group are subject to board approval as required by the board delegation of authority.

14. SPECIAL RESOLUTIONS

A general authority was given to the board to repurchase shares in the company subject to the Companies Act requirements. This authority was given in terms of a special resolution on 27 October 2014 by the shareholder before the restructure transaction took place. The authority to repurchase shares expired on 28 February 2015.

15. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material events requiring adjustment or disclosure in these financial statements, which occurred after the reporting date and up to the date of this report which require adjustment or disclosure to interpret these financial statements adequately.

16. GOING CONCERN

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation that may affect the group.

17. LITIGATION STATEMENT

The group becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The group is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a materially adverse effect on the business or its assets.

18. AUDITORS

EY Incorporated continued in office as auditors for the company and its subsidiaries for 2015.

At the AGM, the shareholders will be requested to reappoint EY Incorporated as the independent external auditors of the company for the 2016 financial period.

19. SECRETARY

The company secretary is Mr Michael Reynolds of MWRK Accountants and Auditors Incorporated.

Business address

19 Edward Street
Westdene
Benoni
1501

20. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The consolidated annual financial statements were authorised for issue by the directors on 22 June 2015. No authority has been given to anyone to amend the annual financial statements after the date of issue.

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2015

		Group	Company
	Note(s)	2015 R	2015 R
ASSETS			
Non-current assets			
Investment property	3	3 434 689 962	–
Plant and equipment	4	119 368 619	–
Operating lease asset	5	101 959 225	–
Goodwill	6	625 464 153	–
Prepayments	7	409 661 602	–
Investments in subsidiaries	8	–	3 910 681 357
Investments in associate	9	1 136 021	–
Loans to group companies	10	–	69 449 494
Other financial assets	11	13 324 344	–
		4 705 603 926	3 980 130 851
Current assets			
Operating lease asset	5	11 423 330	–
Loans to group companies	10	1 715 241	–
Loans to shareholders	12	258 812	–
Trade and other receivables	13	11 321 363	–
Cash and cash equivalents	14	16 800 288	1
		41 519 035	1
Non-current assets held for sale	15	87 658 711	–
TOTAL ASSETS		4 834 781 672	3 980 130 852
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of parent			
Share capital	17	3 979 955 592	3 979 955 852
Retained income		40 810 869	–
		4 020 766 461	3 979 955 852
Non-controlling interest		(17 678)	–
		4 020 748 783	3 979 955 852
Liabilities			
Non-current liabilities			
Deferred tax	18	545 141 460	–
Other financial liabilities	19	189 565 363	–
		734 706 823	–
Current liabilities			
Current tax payable		13 086 757	–
Loans from shareholders	12	361 373	–
Other financial liabilities	19	8 746 882	–
Provisions	20	6 108 015	–
Trade and other payables	21	51 023 039	175 000
		79 326 066	175 000
Total liabilities		814 032 889	175 000
TOTAL EQUITY AND LIABILITIES		4 834 781 672	3 980 130 852

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 28 FEBRUARY 2015

	Note(s)	Group	Company
		Three months to 28 February 2015 R	Three months to 28 February 2015 R
Revenue	24	107 423 590	1 326 889
Other income	25	4 604 667	–
Operating expenses		(56 135 158)	(1 326 889)
Operating profit	26	55 893 099	–
Finance income	28	474 200	–
Income from equity accounted investments		160 166	–
Finance costs	29	(3 729 019)	–
Profit before taxation		52 798 446	–
Taxation	30	(12 005 255)	–
Profit for the period		40 793 191	–
Other comprehensive income		–	–
Total comprehensive income for the period		40 793 191	–
Profit attributable to:			
Owners of the parent		40 810 869	–
Non-controlling interest		(17 678)	–
		40 793 191	–
Total comprehensive income attributable to:			
Owners of the parent		40 793 191	–
Earnings per share			
Per share information			
Basic/diluted/headline earnings per share (c)	31	41.33	–

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

STATEMENT OF CHANGES IN EQUITY

	Share capital R	Retained income R	Total attributable to equity holders of the group/ company R	Non-controlling interest R	Total equity R
Group					
Profit for the period	–	40 810 869	40 810 869	(17 678)	40 793 191
Issue of shares	3 979 955 592	–	3 979 955 592	–	3 979 955 592
Balance at 28 February 2015	3 979 955 592	40 810 869	4 020 766 461	(17 678)	4 020 748 783
Note(s)	17				
Company					
Issue of shares	3 979 955 852	–	3 979 955 852	–	3 979 955 852

STATEMENT OF CASH FLOWS

	Note(s)	Group	Company
		Three months to 28 February 2015 R	Three months to 28 February 2015 R
Cash flows from operating activities			
Cash generated from operations	32	55 085 304	–
Finance income	28	474 200	–
Finance costs	29	(3 729 019)	–
Tax paid	33	(20 010 694)	–
Net cash from operating activities		31 819 791	–
Cash flows from investing activities			
Purchase of plant and equipment	4	(4 615 371)	–
Development costs of investment property	3	(20 668 596)	–
Sale of investment property	3	1 221 659	–
Cash acquired with purchase of investments in subsidiaries		13 095 903	–
Increase in financial assets		(4 950 908)	–
Net cash from investing activities		(15 917 313)	–
Cash flows from financing activities			
Proceeds from other financial liabilities		4 347 831	–
Loans received from shareholders	12	361 373	–
Loans advanced or repaid to shareholders		(3 811 394)	–
Net cash from financing activities		897 810	–
Total cash movement for the period		16 800 288	–
Cash at the beginning of the period		–	1
Total cash at the end of the period	14	16 800 288	1

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements were prepared in accordance with International Financial Reporting Standards, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the Companies Act 71 of 2008. The annual financial statements were prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments that are carried at fair value, and incorporate the principal accounting policies set out below. They are presented in South African rand, which is the group's functional and presentational currency.

1.1 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the group and all investees that are controlled by the group.

The group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made to the annual financial statements of subsidiaries when necessary to bring their accounting policies in line with those of the group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised in equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in an accumulated deficit being recognised for the non-controlling interest.

Transactions that result in changes in ownership levels, where the group has control of the subsidiary both before and after the transaction are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity, which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities, which meet the recognition conditions of IFRS 3 Business combinations, are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held for sale in accordance with IFRS 5 non-current assets held for sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRSs.

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

1.1 Consolidation (continued)

Business combinations (continued)

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured at fair value as at acquisition date. The measurement to fair value is included in profit or loss for the period. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised, but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases, the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

Investment in associate

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint venture. 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 those policies.

An investment in an associate is accounted for using the equity method, except when the investment is classified as held for sale in accordance with IFRS 5 non-current assets held for sale and discontinued operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

The aggregate of the group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associates are prepared for the same reporting period as the group. Where necessary, adjustments are made to bring the accounting policies in line with those of the group.

Losses in an associate in excess of the group's interest in that associate are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, and is not tested separately for impairment. However, a gain on acquisition is recognised immediately in profit or loss.

The statement of profit or loss reflects the group's share of the results of the associate's operations. Any change in other comprehensive income of those investees is presented as part of the group's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein.

When the group reduces its level of significant influence or loses significant influence, the group accounts for the amounts previously accumulated in equity through other comprehensive income in the same way as if the investee had directly disposed of the related assets or liabilities.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates, which may be material to the annual financial statements. Significant judgements and estimates include:

Provision for recoverability of trade receivables

The group assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements as to likelihood of recovering rental from tenants.

The impairment of trade receivables is calculated on a line-by-line basis, evaluating the likelihood of arrears rental recovery based on the strength of the surety of each tenant as well as the deposit or guarantee held in favour of each tenant.

If the group determines that no objective evidence of impairment exists for an individually assessed trade receivable, whether significant or not, it includes the trade receivable in a group of trade receivables with similar credit risk characteristics and collectively assesses them for impairment.

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

ACCOUNTING POLICIES (CONTINUED)

1.2 Significant judgements and sources of estimation uncertainty (continued)

Fair value estimation

The group measures investment property at fair value at each reporting date. Also, the fair values of financial instruments measured at amortised cost are disclosed should it be determined that the carrying value of these instruments does not reasonably approximate their fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The group uses discounted cash flow valuation techniques when fair valuing investment property. The fair value of investment property is measured using the assumptions that market participants would use when pricing the investment property, assuming that market participants act in their economic best interest. The fair value measurement of investment property takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. All investment property that is measured and disclosed at fair value in the financial statements is categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the company determines whether transfers have occurred between the levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The group uses discounted cash flow valuation techniques when determining the fair value of investment property.

External valuers are involved for the valuation of investment property. Involvement of external valuers is decided upon annually by the financial director after discussion with and approval by the group's board of directors. The selection criteria of selecting an external valuer, include market knowledge, reputation, independence and whether professional standards are maintained. The financial director decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case if discounted cash flow is not appropriate.

At each reporting date, the financial director analyses the movements in the values of assets and liabilities, which are required to be remeasured or reassessed as per the company's accounting policies. For this analysis, the financial director verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The financial director, in conjunction with the group's external valuers, also compares each of the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an annual basis, the financial director presents the valuation results to the board of directors and the group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

Plant and equipment and the operating lease asset form an integral part of investment property although separately disclosed in notes 4 and 5 of the financial statements. Plant and equipment is disclosed separately to provide additional information regarding the investment property. The value of investment property is therefore the cumulative value of the amount disclosed in notes 3, 4, 5 and 15. Investment property is disclosed at the valuation date as valued by the independent valuer and excludes amounts separately disclosed.

Investment property (note 3), plant and equipment (note 4), operating lease assets (note 5) and non-current assets held for sale (note 15), which cumulatively equal the valuation by the independent valuer from the value of investment property as a whole. Therefore, investment property is valued in terms of the principles of IAS 40 although the disclosure is more comprehensive. This is an accounting policy choice.

Provisions

Provisions were raised based on management determined estimates using information available. Additional disclosure of these estimates of provisions are included in note 20 – Provisions.

Expected manner of realisation for deferred tax

Deferred tax is provided for on the fair value adjustments of investment properties based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability disclosed in note 18. The actual manner of recovery could differ from the expected manner of recovery which could result in significant adjustments being required in future periods.

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

1.2 Significant judgements and sources of estimation uncertainty (continued)

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost and includes plant and equipment and operating lease assets as contained in notes 4 and 5 respectively. Transaction costs are included in the initial measurement.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

There are property interests held under operating leases, which are recognised as investment property as they are subleased to tenants.

1.4 Plant and equipment

Plant and equipment are tangible assets that the group holds for its own use or rental to others and that are expected to be used for more than one period. As plant and equipment forms an integral part of investment property, plant and equipment is included in the fair valuation estimate of investment property as per IAS 40.

The group decided to disclose the plant and equipment with relevant depreciation rates separately in the financials as this enhances the disclosure surrounding the investment property. The investment property value is therefore the cumulative total of note 3, 4, 5 and 15 respectively. Double counting is prevented by reconciling back to the independent valuer's valuation of investment property.

Item	Depreciation method	Average useful life
Leasehold property	Straight-line	Lease period
Plant and machinery	Straight-line	5 – 6 years
Furniture and fixtures	Straight-line	5 – 6 years
Motor vehicles	Straight-line	5 years
Office equipment	Straight-line	5 – 6 years
Computer equipment	Straight-line	3 years
Computer software	Straight-line	3 years

The depreciation charge for each period is recognised in profit or loss and offset in the change in fair valuation adjustment.

The gain or loss arising from the derecognition of an item of plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Plant and equipment forms part of an integral part of investment property. It is disclosed separately to the users of the financial statements to indicate the age of capital assets and the likelihood of replacement. It is also included in the fair valuation of investment property at net book value as at the date of valuation of investment property.

1.5 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

ACCOUNTING POLICIES (CONTINUED)

1.5 Intangible assets (continued)

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided in respect of these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Reassessing the useful life of an intangible asset as having a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired.

1.6 Interests in subsidiaries

Company annual financial statements

In the company's separate annual financial statements, investments in subsidiaries are carried at cost less accumulated impairments.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of acquisition, of assets acquired, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

A cost relating to a business combination that is contingent on future events is included in the cost of the combination (at the fair value on acquisition date) if the future event is probable and the cost can be measured reliably.

1.7 Investments in associates

Company annual financial statements

An investment in an associate is carried at fair value and classified at fair value through profit or loss.

1.8 Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss – held for trading
- Available for sale
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is reassessed on an annual basis.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments that are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss include dividends and interest.

Loans and receivables are subsequently measured at amortised cost, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest rate method.

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

1.8 Financial instruments (continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets will have been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses previously recognised in profit or loss are recognised in profit or loss except for equity investments classified as available for sale in which case the increase in value is taken to other comprehensive income.

Impairment losses are also not subsequently reversed for available-for-sale equity investments, which are held at cost because fair value was not determinable.

Loans to/(from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries and associates, and are recognised initially at fair value plus direct transaction costs and are subsequently measured at amortised cost.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the receivable's carrying amount and the estimated future recoverable amount.

The carrying amount of the asset is reduced by the estimated unrecoverable amount and the reduction is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable the amount is written off against the allowance account, subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and subsequently measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.9 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

ACCOUNTING POLICIES (CONTINUED)

1.9 Tax (continued)

Deferred tax assets and liabilities (continued)

A deferred tax liability is recognised for all taxable temporary differences, except:

- To the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction, which at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised:

- When it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as an income or an expense and is included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- items that are credited or changed, in the same period or a different period, directly in equity then the tax is also recognised in other comprehensive income or charged or credited directly to equity respectively.

Value added tax (VAT)

Expenses and assets are recognised net of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority in which case, the VAT, is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessor

Operating lease income is recognised as income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income from leases is disclosed under revenue in the statement of profit or loss and other comprehensive income.

1.11 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

1.12 Impairment of assets

The group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

1.12 Impairment of assets *(continued)*

Irrespective of whether there is any indication of impairment, the group also tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is first treated as a revaluation decrease to the extent that the decrease reverses an increase previously recognised in other comprehensive income and the remaining decrease is taken to profit and loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss which was recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods, is recognised in profit or loss.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is taken to profit and loss to the extent that the increase is a reversal of an impairment previously recognised in profit or loss and the remaining increase is treated as a revaluation increase.

1.13 Share capital and equity

Ordinary shares are classified as equity.

1.14 Provisions and contingencies

Provisions are recognised when:

- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised, but only disclosed. Contingencies are disclosed in note 36.

1.15 Revenue

Revenue from the letting of investment property comprises gross rental income and recoveries of fixed operating costs, net of value added tax. Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Recoveries of costs from lessees, are separately disclosed under revenue in the "other income" line and the associated costs are disclosed under operating expenditure.

1.16 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any income from the temporary investment of those borrowings.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred; and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current period

In the current period, the group adopted the following standards and interpretations that are effective for the current financial period and are relevant to its operations:

Standard/interpretation	Effective date – years beginning on or after	Impact
• Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities	1 January 2014	The adoption of this standard is not expected to have a material impact on the results of the company, but is expected to result in more disclosure than would have previously been provided in the financial statements.
• Amendments to IAS 36: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014	The impact of the amendment was not material.
• IFRIC 21 Levies	1 January 2014	The impact of the amendment was not material.
• Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities	1 January 2014	The impact of the amendment was not material.

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2015 or later periods:

Standard/interpretation	Effective date – years beginning on or after	Expected impact
• IFRS 9 Financial Instruments	1 January 2018	The adoption of this standard is not expected to have a material impact on the results of the company, but is expected to result in more disclosure than would have previously been provided in the financial statements.
• Amendment to IFRS 3: Business Combinations: Annual improvements project	1 July 2014	The impact of the amendment is not expected to be material.
• Amendment to IFRS 8: Operating Segments: Annual improvements project	1 July 2014	The impact of the amendment is not expected to be material.
• Amendment to IAS 16: Property, Plant and Equipment: Annual improvements project	1 July 2014	The impact of the amendment is not expected to be material.
• Amendment to IAS 24: Related Party Disclosures: Annual improvements project	1 July 2014	The impact of the amendment is not expected to be material.
• Amendment to IAS 38: Intangible Assets: Annual improvements project	1 July 2014	The impact of the amendment is not expected to be material.
• Amendment to IFRS 3: Business Combinations: Annual improvements project	1 July 2014	The impact of the amendment is not expected to be material.
• Amendment to IFRS 13: Fair Value Measurement: Annual improvements project	1 July 2014	The impact of the amendment is not expected to be material.
• Amendment to IAS 40: Investment Property: Annual improvements project	1 July 2014	The impact of the amendment is not expected to be material.
• Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	The impact of the amendment is not expected to be material.
• Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	The impact of the amendment is not expected to be material.

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

3. INVESTMENT PROPERTY

	2015		
	Cost/valuation	Accumulated depreciation	Carrying value
Group			
Investment property	3 434 689 962	–	3 434 689 962

Reconciliation of investment property – Group – 2015

	Opening balance	Additions	Disposals	Classified as held for sale	Total
Investment property	–	3 522 836 743	(897 436)	(87 249 345)	3 434 689 962
Notes				(15)	

Pledged as security

In the case of each individual investment property security has been given in terms of a mortgage bond issued over the property for which the loan was given. These mortgage bonds are in favour of Investec Bank Limited, Nedbank Limited or Absa Bank Limited depending on the financier of the loan.

	Group	Company
	2015 R	2015 R
Details of property		
Holding 8 Simarilo Agricultural		
Measuring 1.908 hectares, including retail mall improvements held in three sectional title properties, namely:		
• 352/99 containing units 1 – 11; excluding units 3 and 4 owned by third parties		
• 497/99 containing units 12 – 19; excluding unit 16 owned by a third party; and		
• 752/28 containing units 20 – 30.		
– Cost of investment property	32 111 882	–

The following parameters, taken from the independent valuer's report, have been applied in determining the fair valuation of this investment property:

	%
Exit capitalisation rate	10.00
Discount rate	15.25
Assumed perpetual vacancy	1.00
Actual vacancy percentage	2.87
Revenue escalation rate	7.00
Expense escalation rate	6.00

	R
For this investment property the following details apply as at the date of acquisition:	
Cost of land	21 051
Cost of building	7 318 640
Fair valuation adjustments	24 772 191

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

3. INVESTMENT PROPERTY (continued)

Details of property (continued)

	Group	Company
	2015 R	2015 R
Moreleta Square		
A shopping mall situated on Erf 6301 & 6302 of Farm Garsfontein 374, Moreleta Park, Extension 32, Pretoria		
– Cost of investment property	132 773 900	–

The following parameters, taken from the independent valuer's report, have been applied in determining the fair valuation of this investment property:

	%
Exit capitalisation rate	10.00
Discount rate	15.25
Assumed perpetual vacancy	2.00
Actual vacancy percentage	8.26
Revenue escalation rate	7.48
Expense escalation rate	6.00

Vacancy at year-end was 0.58%, much closer to the assumed perpetual vacancy rate used in the valuation.

For this investment property the following details apply as at the date of acquisition:	R
Cost of land	2 350 000
Cost of building	11 282 725
Fair valuation adjustments	119 141 175

	Group	Company
	2015 R	2015 R
Mall@Reds		
A shopping mall erected on Erf 1089, Rooihuiskraal, Extension 15 Centurion. Phase 1 – 6 comprises		
– Cost of investment property	751 154 350	–

The following parameters, taken from the independent valuer's report, have been applied in determining the fair valuation of this investment property:

	%
Exit capitalisation rate	10.00
Discount rate	15.50
Assumed perpetual vacancy	2.00
Actual vacancy percentage	7.84
Revenue escalation rate	7.43
Expense escalation rate	6.55

Vacancy at the date of valuation was higher than the assumed perpetual vacancy due to planned tenant relocations. At year-end, the vacancy percentage was at 6.54%.

For this investment property the following details apply as at the date of acquisition:	R
Cost of land	13 110 000
Cost of building	182 815 090
Fair valuation adjustments	555 229 260

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

3. INVESTMENT PROPERTY *(continued)*

Details of property *(continued)*

	Group	Company
	2015	2015
	R	R
Mall@Carnival		
A shopping mall erected on Erf 3080, Dalpark Extension 5, Brakpan		
– Cost of investment property	1 637 175 511	–
– Additions since acquisition (phase 3)	12 612 613	–
	1 649 788 124	–

	Phase 1 and 2	Phase 3
	%	(Development)
		%
The following parameters, taken from the independent valuer's report, have been applied in determining the fair valuation of this investment property:		
Exit capitalisation rate	8.50	8.50
Discount rate	13.75	13.75
Assumed perpetual vacancy	2.25	2.25
Actual vacancy percentage	9.83	5.20
Revenue escalation rate	7.76	7.60
Expense escalation rate	6.53	6.28

At the valuation date, the vacancy was higher than the assumed perpetual vacancy due to the construction of phase 3. Phase 3 will open in September 2015 by which time the actual vacancy level should be in line with the assumed perpetual vacancy. As at year-end the actual vacancy was 5.5%.

For this investment property the following details apply as at the date of acquisition:	R
Cost of land	34 580 181
Cost of building	211 890 786
Fair valuation adjustments	1 390 704 544

	Group	Company
	2015	2015
	R	R
Mall@Emba		
A shopping mall situated on Erf 1/2/3/4/R of 2535, Embalenhle, Extension 7		
– Cost of investment property	408 326 690	–

	%
The following parameters, taken from the independent valuer's report, have been applied in determining the fair valuation of this investment property:	
Exit capitalisation rate	9.50
Discount rate	14.75
Assumed perpetual vacancy	0.25
Actual vacancy percentage	0.60
Revenue escalation rate	7.25
Expense escalation rate	6.00

For this investment property the following details apply as at the date of acquisition	R
Cost of land	1 263 851
Cost of building	109 797 329
Fair valuation adjustments	297 265 107

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

3. INVESTMENT PROPERTY (continued)

Details of property (continued)

	Group	Company
	2015 R	2015 R
Mall@Lebo		
A shopping mall situated on Erf 31, 32 and 33 of Lebokgomo-BA Township district of Thabamooop		
– Cost of investment property	249 574 904	–
	249 574 904	–

The following parameters, taken from the independent valuer's report, have been applied in determining the fair valuation of this investment property:	%
Exit capitalisation rate	9.75
Discount rate	15.00
Assumed perpetual vacancy	1.50
Actual vacancy percentage	0.00
Revenue escalation rate	7.39
Expense escalation rate	6.27

For this investment property the following details apply as at the date of acquisition:	R
Cost of land	1 305 326
Cost of building	80 466 361
Fair valuation adjustments	167 803 217

	Group	Company
	2015 R	2015 R
Mall@Moutsiya		
A shopping centre and affordable housing development situated on the remaining portion 6 of Farm Walkraal, Sekhukhune district, Limpopo		
– Cost of investment property	30 471 311	–
– Additions since acquisition	28 689	–
	30 500 000	–

The following parameters, taken from the independent valuer's report, have been applied in determining the fair valuation of this investment property:	%
Exit capitalisation rate	10.25
Discount rate	15.50
Assumed perpetual vacancy	4.00
Actual vacancy percentage	2.38
Revenue escalation rate	7.19
Expense escalation rate	6.12

For this investment property the following details apply as at the date of acquisition:	R
Cost of land	3 400 183
Cost of building	5 910 166
Fair valuation adjustments	21 160 962

At the time of valuation, the construction of Mall@Moutsiya had not started and the project was valued with the anticipated rentals that would be received. No value has been attributed to the 551 residential units to be developed at this stage. A higher discount rate has been applied to the valuation to compensate for risk.

Development of the shopping mall is to commence in September 2015. Development of residential units has started.

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

3. INVESTMENT PROPERTY *(continued)*

Details of property *(continued)*

	Group	Company
	2015 R	2015 R
Mall@55 and Trade 55		
A development situated on portion 153 and 165 of the farm Brakfontein 399, situated just off the N14 and R55, Monavoni, Gauteng		
– Cost of investment property	179 554 400	–
– Additions since acquisition	45 600	–
	179 600 000	–

The following parameters, taken from the independent valuer's report, have been applied in determining the fair valuation of this investment property:

	%
Exit capitalisation rate	10.25
Discount rate	15.75
Assumed perpetual vacancy	0.00
Actual vacancy percentage	0.00
Revenue escalation rate	7.27
Expense escalation rate	6.16

For this investment property the following details apply as at the date of acquisition:	R
Cost of land	34 385 515
Cost of building	202 495
Fair valuation adjustments	144 966 390

At the time of valuation, the construction of these two shopping malls had not started and the project was valued with the anticipated rentals that would be received.

Development of the shopping mall is to commence in September 2015.

	Group	Company
	2015 R	2015 R
Mall@Mfula		
A retail shopping centre development situated on Portion 100, Piet Retief Town, Cnr R543 and N2, Mpumalanga		
– Cost of investment property	860 112	–

Details of valuation

The effective date of the revaluations was 1 November 2014. Revaluations were performed by an independent valuer, Mr P Parfitt of Quadrant Properties, a professional valuer. Mr Parfitt is not connected to the group and has recent relevant experience in category and location of the investment properties being valued. This investment is carried at cost which approximates fair value.

Basis of valuation

	R
Fair Value Hierarchy Investment Property Level 3	3 755 099 847

The valuation was based on open market value for existing use. For all properties listed, principles of fair value measurement have been applied in the determination of value. This requires that all valuations have been sensitivity tested by way of quantitative analysis by analysing the following major factors:

- Exit capitalisation rate
- Discount rate
- Assumed perpetual vacancy
- Actual vacancy percentage
- Revenue escalation rate
- Expense escalation rate

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

4. PLANT AND EQUIPMENT

	2015		
	Cost or revaluation	Accumulated depreciation	Carrying value
Group			
Leased property installations	75 393 828	(5 037 880)	70 355 948
Plant and machinery	49 217 554	(5 057 895)	44 159 659
Furniture and fixtures	5 302 207	(722 997)	4 579 210
Motor vehicles	50 962	(16 987)	33 975
Computer software	278 257	(38 430)	239 827
Total	130 242 808	(10 874 189)	119 368 619

Reconciliation of plant and equipment – Group – 2015

	Opening balance	Additions	Additions through business combinations	Depreciation	Total
Leased property installations	–	4 472 197	70 921 631	(5 037 880)	70 355 948
Plant and machinery	–	75 778	49 141 776	(5 057 895)	44 159 659
Furniture and fixtures	–	53 356	5 248 851	(722 997)	4 579 210
Motor vehicles	–	–	50 962	(16 987)	33 975
Computer software	–	14 040	264 217	(38 430)	239 827
	–	4 615 371	125 627 437	(10 874 189)	119 368 619

Plant and equipment forms an integral part of investment property and must be added to the valuation of land, buildings and fair valuation adjustments, as contained in note 3. Plant and equipment is disclosed separately to provide information regarding the age and condition of the equipment included in the investment properties' valuations.

Of this plant and equipment, R694 270 belongs to the managing agent and is owner occupied.

5. OPERATING LEASE ASSET

	Group	Company
	2015 R	2015 R
Non-current assets	101 959 225	–
Current assets	11 423 330	–
	113 382 555	–

The operating lease asset forms an integral part of investment property and must be added to the valuation of land, buildings and fair valuation adjustment, as contained in note 3. The operating lease asset is disclosed separately to provide information regarding the extent that it contributes to the revenue disclosure.

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

6. GOODWILL

	2015		
	Cost	Additions through business combinations	Carrying value
Group			
Goodwill	–	625 464 153	625 464 153
	2015		
	Opening balance	Additions through business combinations	Total
Group			
Goodwill	–	625 464 153	625 464 153

As part of the restructure transaction through which Acsion Limited was created, R625 464 098 was paid to the majority shareholder, Iolani Trust, to ensure that all future developments would be included under the Acsion Limited development banner. This amount is classified as goodwill.

7. PREPAYMENTS

The two projects, Acsiopolis and Mall@Maputo, which were identified during the restructure and priced at R210 000 000 and R200 000 000, respectively, have been classified as prepayments given the imminent conclusion of these development projects. Once these projects are development ready, they will be reclassified as investment property. Some costs have been incurred since restructure and the prepayment value is subsequently reduced to R409 661 602.

8. INTERESTS IN SUBSIDIARIES INCLUDING CONSOLIDATED STRUCTURED ENTITIES

The following table lists the entities that are controlled by the group, either directly or indirectly through subsidiaries.

Name of company	Held by	Voting power 2015 %	Holding 2015 %	Carrying amount 2015 R
Company				
Bengavista Proprietary Limited	Acsion Limited	100.00	100.00	28 681 742
DAJM Property Investments Proprietary Limited	Acsion Limited	100.00	100.00	24 839 215
Daybreak Properties 3 Proprietary Limited	Acsion Limited	100.00	100.00	18 131 528
Double Ring Trading 62 Proprietary Limited	Acsion Limited	100.00	100.00	282 593 349
Fortuvox Proprietary Limited	Acsion Limited	100.00	100.00	199 834 928
Golden Falls Trading 125 Proprietary Limited	Acsion Limited	100.00	100.00	1 260 463 405
Lomastep Proprietary Limited	Acsion Limited	100.00	100.00	209 826 674
Nabuvax Proprietary Limited	Acsion Limited	100.00	100.00	290 026 722
Nungu Trading 517 Proprietary Limited	Acsion Limited	100.00	100.00	146 084 100
Proc Corp 160 Proprietary Limited	Acsion Limited	100.00	100.00	571 281 815
Rubensmen Proprietary Limited	Acsion Limited	100.00	100.00	63 467 940
Southern Palace Investments 108 Proprietary Limited	Acsion Limited	100.00	100.00	815 449 884
Zarafusion Proprietary Limited	Acsion Limited	55.00	55.00	55.00
				3 910 681 357

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

9. INVESTMENTS IN ASSOCIATES

The following table lists the sole associate in the group:

Group	Held by	Ownership interest 2015 %	Carrying amount 2015 R
Name of company			
Silver Crest Trading 134 Proprietary Limited	Southern Palace Investments 108 Proprietary Limited	25.00	1 136 021

10. LOANS TO GROUP COMPANIES

	Group	Company
	2015 R	2015 R
Subsidiaries		
Acsion Limited subsidiaries	–	69 449 494
This loan originated from the restructuring transaction that was acquired through the issue of Acsion Limited shares across all loan accounts that was to be capitalised at the choice of the shareholder. The loans bear no interest and have no fixed terms of repayment.		
Associates		
Silver Crest Trading 134 Proprietary Limited	1 715 241	–
This loan originated from the restructuring transaction. It currently bear no interest and has no fixed terms of repayment.		
Fellow subsidiaries		
Non-current assets	–	69 449 494
Current assets	1 715 241	–
	1 715 241	69 449 494

11. OTHER FINANCIAL ASSETS

	Group	Company
	2015 R	2015 R
Loans and receivables		
Guarantees issued	13 324 344	–
Guarantees issued generally relate to utility deposits required by councils. The guarantees are cash deposits held at a financial institution that serves as security for the guarantees issued. Such deposits are generally invested in interest-bearing instruments. The interest earned on these products is generally returned to the company on a quarterly basis.		
Non-current assets		
Loans and receivables	13 324 344	–
The group has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior period.		

12. LOANS TO/(FROM) SHAREHOLDERS

	Group	Company
	2015 R	2015 R
Fortutrax Proprietary Limited	258 812	–
R Dlamini	(361 373)	–
	(102 561)	–
These loans were incidental to the business and incurred while the restructure transaction was bedded down. These loans are currently interest free and have no fixed terms of repayment. The loans will be settled during the 2016 financial year. It is not company policy to provide loans to shareholders:		
Current assets	258 812	–
Current liabilities	(361 373)	–
	(102 561)	–

13. TRADE AND OTHER RECEIVABLES

Trade receivables	5 223 152	–
Prepayments	121 535	–
Statutory receivables	5 457 112	–
Other receivables	519 565	–
	11 321 364	–
Trade receivables bear interest at prime + 200 basis points for all accounts not settled within seven days of invoicing.		
Trade and other receivables past due but not impaired		
Trade and other receivables that are less than three months past due are not considered to be impaired. At 28 February 2015, R5 217 802 was past due but not impaired.		
The ageing of amounts past due but not impaired is as follows:		
Current	2 550 409	–
1 month past due	2 192 992	–
2 months past due	131 678	–
3 months or longer past due	343 073	–
Total	5 223 152	–
Trade and other receivables impaired		
As at 28 February 2015, trade receivables of R1 527 447 were impaired and provided for.		
The ageing of this provision is as follows:		
Current	644 114	–
1 month past due	250 978	–
2 months past due	89 611	–
3 months or longer past due	542 744	–
Total	1 527 447	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

14. CASH AND CASH EQUIVALENTS

	Group	Company
	2015 R	2015 R
Cash and cash equivalents consist of:		
Cash on hand	52 762	1
Bank balances	16 747 526	–
	16 800 288	1

15. NON-CURRENT ASSETS HELD FOR SALE

The non-current assets are to be sold piecemeal.

Assets and liabilities

Non-current assets held for sale

Plant and equipment	409 366	–
Investment property – Hyde Park Terrace	87 249 345	–
	87 658 711	–

The following parameters, taken from the independent valuers report, have been applied in determining the fair valuation of this investment property:

	R
12 completed built units	45 600 000
27 vacant stands for sale	47 520 000
For this investment property the following details apply as at the date of acquisition:	
Cost of land	34 191 297
Cost of building	31 486 074
Fair valuation adjustments	21 571 973

At the time of valuation, five units were practically complete. By the end of the financial period, one completed and one vacant stand were sold and transferred. A further four stands were sold but transfer has not taken place. It is anticipated that all units will be sold by December 2015.

16. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	2015	
	Loans and receivables	Total
Group		
Loans to group companies	1 715 241	1 715 241
Loans to shareholders	258 812	258 812
Other financial assets	13 324 344	13 324 344
Trade and other receivables	11 321 364	11 321 364
Cash and cash equivalents	16 800 288	16 800 288
	43 420 049	43 420 049
Company		
Loans to group companies	69 449 494	69 449 494

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

17. SHARE CAPITAL

	Group	Company
	2015 R	2015 R
Authorised		
10 000 000 000 ordinary shares		
Reconciliation of number of shares issued		
Issue of shares in the current period	394 959 976	–
Issued		
394 959 976 ordinary no par value shares	3 979 955 592	3 979 955 852

18. DEFERRED TAX

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(547 991 814)	–
Deferred tax asset	2 850 354	–
Total net deferred tax liability	(545 141 460)	–
Reconciliation of deferred tax liability		
Temporary differences relating to the fair value of investment property	(515 479 773)	–
Temporary differences relating to deferred rentals	(31 747 115)	–
Temporary differences relating to current liabilities	2 085 428	–
	(545 141 460)	–

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

19. OTHER FINANCIAL LIABILITIES

Held at amortised cost

	Group	Company
	2015 R	2015 R
DAJM Property Investments Proprietary Limited	11 295	–
The facility is with Investec Limited and currently bears interest at prime minus 200 basis points. As part of the restructure agreement, Investec Limited opted to reprice the facility to prime minus 100 basis points as from 3 December 2015.		
As at year-end this facility was prepaid by R4 312 352.		
This facility expires on 1 December 2015.		
Proc Corp 160 Proprietary Limited	35 773 636	–
The facility is with Investec Limited and currently bears interest at prime minus 200 basis points. As part of the restructure agreement, Investec Limited opted to reprice the facility to prime minus 100 basis points as from 3 December 2015.		
As at year-end this facility was prepaid by R77 669 612.		
This facility expires on 4 May 2022.		
Golden Falls Trading 125 Proprietary Limited	100 586 047	–
The facility is with Investec Limited and currently bears interest at prime minus 200 basis points. As part of the restructure agreement, Investec Limited opted to reprice the facility to prime minus 100 basis points as from 3 December 2015.		
As at year-end this facility was prepaid by R42 012 884.		
This facility expires on 7 October 2022.		
Double Ring Trading 62 Proprietary Limited	21 331 198	–
The facility is with Investec Limited and currently bears interest at prime minus 200 basis points. As part of the restructure agreement, Investec Limited opted to reprice the facility to prime minus 100 basis points as from 3 December 2015.		
As at year-end this facility was prepaid by R13 695 846.		
This facility expires on 7 July 2017.		
Nungu Trading 517 Proprietary Limited	40 610 069	–
This facility is with Nedbank Limited and currently bears interest at prime minus 140 basis points.		
As at year-end this facility was prepaid by R9 535 796.		
This facility expires at 1 July 2024.		
	198 312 244	–
Non-current liabilities		
At amortised cost	189 565 363	–
Current liabilities		
At amortised cost	8 746 882	–
	198 312 245	–

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

20. PROVISIONS

Reconciliation of provisions

	2015			
	Opening balance	Additions	Utilised during the year	Total
Group				
Provision for change in legislation	–	2 656 570	–	2 656 570
Provision for audit fees	–	1 703 603	(755 974)	947 629
Provision for leave pay	–	746 684	–	746 684
Provision for marketing fund expenses	–	2 607 664	(850 532)	1 757 132
	–	7 714 521	(1 606 506)	6 108 015

21. TRADE AND OTHER PAYABLES

	Group	Company
	2015 R	2015 R
Trade payables	18 912 619	–
Amounts received in advance	9 498 830	–
Refundable deposits	75 000	–
Accrued expenses	8 918 900	175 000
Lease fees	12 000	–
Tenant deposits received	13 605 690	–
	51 023 039	175 000

Trade payables are generally settled 30 days from statement date unless a specific arrangement was made with suppliers governing the payment relating to their services. Generally trade payables do not bear interest although there are circumstances that interest will be levied at a predetermined rate. The group, as far as possible, avoids incurring interest on trade payables.

22. FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	2015	
	Financial liabilities at amortised cost	Total
Group		
Loans from shareholders	361 373	361 373
Other financial liabilities	198 312 245	198 312 245
Trade and other payables	51 023 039	51 023 039
	249 696 657	249 696 657

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

23. BUSINESS COMBINATION

	Group	Company
	2015 R	2015 R
The restructure transaction that led to the formation of Acsion Limited and ultimately gave 100% control in most of the subsidiaries is illustrated below. The fair value of the identifiable assets and liabilities are as follows:		
Assets		
Investment property	3 737 406 965	–
Investment in associates	975 855	–
Trade and other receivables	429 877 716	–
Cash and cash equivalents	13 095 903	–
Total	4 181 356 439	–
Liabilities		
Deferred tax	546 574 365	–
Other financial liabilities	193 975 108	–
Loans to shareholders	69 274 549	–
Current tax payable	19 031 789	–
Trade and other payables	67 283 424	–
Total	896 139 235	–
Total identifiable net assets at fair value	3 285 217 204	–
Goodwill arising on acquisition	625 464 153	–
Purchase consideration transferred	3 910 681 357	–

The purchase consideration was settled by way of a share issue.

24. REVENUE

Collection commission	42 522	–
Letting commission	–	1 326 889
Rental income	77 572 976	–
Interest received (trading)	1 220 263	–
Deferred rentals adjustment	3 782 186	–
Utility cost recovery	24 805 643	–
	107 423 590	1 326 889
Net utility cost recovery	836 723	–
Revenue based on net utility cost recovery	83 454 670	–

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

25. OTHER INCOME

	Group	Company
	2015 R	2015 R
Administration fees	50 755	–
Early lease cancellation fees	1 219 920	–
Other income	2 432 426	–
Other property rental income	43 338	–
Profit and loss on sale of assets	324 223	–
Recoveries	534 005	–
	4 604 667	–

26. OPERATING PROFIT

Operating profit for the year is stated after accounting for the following:

Operating lease charges

Premises

- Contractual amounts

	6 000	36 538
Profit on sale of investment property	324 223	–
Depreciation on plant and equipment	10 874 189	–
Employee costs	5 788 296	175 000
Cleaning	1 522 830	–
Security	1 810 148	–
Repairs and maintenance general	1 147 995	–

27. AUDITORS' REMUNERATION

Fees	244 087	–
Tax and secretarial services	34 012	5 985
	278 099	5 985

The audit fee for the full financial year of all the underlying subsidiaries was set at R1 085 000 and allocated to all subsidiaries on a pro rata basis over their full financial year.

28. INVESTMENT REVENUE

Interest revenue		
Bank	474 200	–

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

29. FINANCE COSTS

	Group	Company
	2015 R	2015 R
Shareholders	146 338	–
Non-current borrowings	3 422 425	–
Trade and other payables	149 560	–
Bank	10 696	–
	3 729 019	–

30. TAXATION

Major components of the tax expense		
Current		
Local income tax – current period	11 721 701	–
Deferred		
Originating and reversing temporary differences	283 554	–
	12 005 255	–
Reconciliation of the tax expense		
Reconciliation between applicable tax rate and average effective tax rate.	%	%
Applicable tax rate	28.00	28.00
Deferred tax attributable to investment property tax allowance	(5.26)	–
	22.74	28.00

31. EARNINGS PER SHARE

	Cents	Cents
Basic earnings per share		
Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.		
From continuing operations (cents per share)	41.33	–
Basic earnings per share was based on earnings of R40 810 869 and a weighted average number of ordinary shares of 98 739 994.		
Reconciliation of profit or loss for the period to basic earnings	R	R
Profit or loss for the period	40 793 191	–
Earnings/(loss) attributable to non-controlling interest shareholders	17 678	–
	40 810 869	–

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

31. EARNINGS PER SHARE *(continued)*

	Group	Company
	2015 Cents	2015 Cents
Headline earnings and diluted headline earnings per share		
Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted average number of ordinary share outstanding during a period.		
Headline earnings per share was based on earnings of R40 810 869 and a weighted average number of ordinary shares of 98 739 994.		
Headline earnings per share (c)	41.33	–
Diluted headline earnings per share (c)	41.33	–
Reconciliation between earnings and headline earnings	R	R
Basic earnings equal headline earnings	40 810 869	–
Earnings/(loss) attributable to non-controlling interest shareholders	(17 678)	–
	40 793 191	–
Reconciliation between diluted earnings and diluted headline earnings		
Basic earnings equals diluted earnings	40 810 869	–
Earnings/(loss) attributable to non-controlling interest shareholders	(17 678)	–
	40 793 191	–

32. CASH GENERATED FROM OPERATIONS

	Group	Company
	2015 R	2015 R
Profit before taxation	52 798 446	–
Adjustments for:		
Depreciation and amortisation	10 874 189	–
Profit on disposal of investment property	(324 223)	–
Income from equity accounted investments	(160 166)	–
Interest received – investment	(474 200)	–
Finance costs	3 729 019	–
Movements in operating lease assets and accruals	(3 782 185)	–
Movements in provisions	(180 448)	–
Changes in working capital:		
Trade and other receivables	1 390 323	–
Trade and other payables	(8 785 451)	–
	55 085 304	–

33. TAX PAID

Balance at beginning of the period	(20 495 950)	–
Current tax for the period recognised in profit or loss	(11 721 702)	–
Balance at end of the period	13 086 757	–
	(20 010 694)	–

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

34. RELATED PARTIES

		Group	Company
		2015 R	2015 R
Relationships			
Ultimate holding company	Ioleni Trust		
Members of key management	D Thomas		
	I Anastasiadis		
	K Anastasiadis		
Related-party balances			
Loan accounts – owing (to)/by related parties			
Fortutrax Proprietary Limited		258 867	–
R Dlamini		(361 373)	–
Related-party transactions			
Purchases from/(sales to) related parties			
Anastasi Construction Close Corporation		24 299 344	–
Kinsella Consultants		39 786	–
Rent paid to/(received from) related parties			
Acsion Limited to Mall@Reds		–	36 538
Anaprop Property Management to Mall@Reds		285 606	–
Management fee			
Acsion Limited to Mall@Emba		1 326 889	1 326 889

35. CONTINGENCIES

The subsidiaries are involved in litigation with various tenants and former tenants. The directors are satisfied that no liabilities will be incurred in respect of this litigation, which arose in the ordinary course of business.

There is currently a dispute with SARS regarding stamp duties, which the group does not consider to be material. The company's directors are not aware of any other contingent liabilities as at the date of the directors' report.

The various group companies have contingent assets in the form of guarantees provided by tenants that total R16 582 818.

36. RISK MANAGEMENT

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 11, 12 and 19, cash and cash equivalents disclosed in note 14, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the group monitors capital on the basis of the loan to value ratio.

There are no externally imposed capital requirements. The group aims to have a self imposed loan to value ratio of 45%.

Liquidity risk

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the group's financial liabilities and into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group

	Less than 1 year	Between 1 and 2 years	Over 5 years
At 28 February 2015			
Borrowings	11 295	21 331 198	176 969 752

Interest rate risk

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. Group policy is not to fix any of its interest rates on long-term borrowings.

The risk scenarios are run only for liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on post-tax profit of a 1% shift would be a maximum increase or decrease of R1 983 122 depending on the direction of the interest rate change. It is therefore not perceived by the group as a major risk at this point in time. Should the interest-bearing positions increase significantly, the group will consider a change to the current gearing policy.

Credit risk

Credit risk consists mainly of risks arising from cash deposits, cash equivalents and trade debtors. The group only deposits cash with major banks with high-quality credit ratings and limits exposure to any one institution.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating of the customer, taking into account its financial position, past experience and other factors.

Maximum credit exposure at year-end is made up of loans to group companies, loans to shareholders, trade and other receivables and cash and cash equivalents.

37. GOING CONCERN

The annual financial statements were prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subsidiaries will continue to provide it with funding from trading operations.

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *(CONTINUED)*

38. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material events requiring adjustment or disclosure in these financial statements, which occurred after the reporting date and up to the date of this report.

39. SEGMENT REPORTING

Segment reporting as required in terms of IFRS 8 is not applicable at this stage to the Acsion group.

The executive members of the board are considered to be the chief operating decision-making body – (CODM) of the entity. Due to the current investment property portfolio representing 97% of the gross lettable area, the CODM considers the operations to be a single operating segment and as such reviews financial information on this basis. All revenues earned are attributable to South Africa and is derived from the investment property portfolio. No revenue earned from an individual customer exceeds 10%. These conclusions will be reconsidered at each reporting date.

From a geographical perspective, four properties are situated within the borders of Gauteng, one in Limpopo and one in Mpumalanga. All investment properties are within a 350 km radius from one another.

The benefit of segment reporting is therefore not significant at this stage but it is envisaged that by February 2016, a full segment report will be beneficial to the financial statements.

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

NOTICE TO THE ANNUAL GENERAL MEETING

Notice of Annual general meeting of shareholders

Acsion Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2014/182931/06)
JSE share code: ACS
(Approved as a Real Estate Holdings and Development Company by the JSE)
(Acsion or the company)

Notice is hereby given that the annual general meeting of shareholders of Acsion will be held at the Acsion Offices, 1st Floor, Mall@Reds, Cnr Rooihuiskraal and Hendrik Verwoerd Drives, Rooihuiskraal ext 15, Centurion on 31 July 2015 at 9:00 for the purposes of:

- receiving, considering and adopting the directors' report, the annual financial statements, the audit and risk committee report, and the remuneration committee report for the year ended 28 February 2015;
- transacting any other business as may be transacted at an annual general meeting of shareholders of a company including the reappointment of the auditors and re-election of retiring directors
- considering and, if deemed fit, adopting, with or without modification, the shareholder special and ordinary resolutions set out below

IMPORTANT DATES TO NOTE

	Date
Record date for receipt of notice purposes	26 June 2015
Integrated report to be posted on	3 July 2015
Record date for voting purposes (voting record date)	24 July 2015
Last day to lodge forms of proxy for the annual general meeting	29 July 2015
Annual general meeting (Acsion Offices, 1st Floor, Mall@Reds, Cnr Rooihuiskraal and Hendrik Verwoerd drives, Rooihuiskraal ext 15, Centurion at 9:00)	31 July 2015
Results of annual general meeting releases on SENS	3 August 2015

In terms of section 62(3) (e) of the Companies Act, No 71 of 2008 (Companies Act):

A shareholder who is entitled to attend and vote at the annual shareholders' meeting (hereinafter referred to as AGM) is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the meeting in the place of the shareholder, by completing the form of proxy in accordance with the instructions set out therein. A proxy need not be a shareholder of the company.

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. In this regard, all shareholders recorded in the register of the company on the voting record date will be required to provide identification to the chairman of the AGM. Forms of identification include valid identity documents, driving licences and passports.

Quorum

A quorum for the purposes of considering the resolutions above shall consist of at least three shareholders of the company personally present (or represented) and entitled to vote at the AGM and comprise a minimum of 25% of all the voting rights that are entitled to be exercised by a shareholder in respect of each matter to be decided at the AGM.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown 2107), for the purposes of being entitled to attend, participate in and vote at the AGM is 27 July 2015.

Majorities required to pass resolutions

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 to pass the resolution.

In order for special resolutions to be adopted, the support of more than 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass the resolution.

All reference to "votes exercisable" shall mean one vote per share owned by a shareholder. Hence all voting is by poll as set out in paragraph 13.1.2 of The Memorandum of Incorporation.

ORDINARY RESOLUTION 1: ADOPTION OF ANNUAL FINANCIAL STATEMENTS

"Resolved that the annual financial statements of the company for the three months ended 28 February 2015, including the directors' report, be and are hereby received and adopted."

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

NOTICE TO THE ANNUAL GENERAL MEETING *(continued)*

ORDINARY RESOLUTION 2: ADOPTION OF AUDIT AND RISK COMMITTEE REPORT

"Resolved that the report of the audit and risk committee for the three months ended 28 February 2015, be and is hereby received and adopted."

ORDINARY RESOLUTION 3: ADOPTION OF REMUNERATION COMMITTEE REPORT

"Resolved that the report of the remuneration committee for the three months ended 28 February 2015, be and is hereby received and adopted."

ORDINARY RESOLUTION 4: ADOPTION OF SOCIAL AND ETHICS COMMITTEE REPORT

"Resolved that the report of the social and ethics committee for the three months ended 28 February 2015, be and is hereby received and adopted."

ORDINARY RESOLUTION 5: CONFIRMATION OF APPOINTMENT OF DIRECTORS

Nominations from shareholders will be called for and read out to the annual general meeting along with a curriculum vitae of the nominee if the proposer wishes to present such a curriculum vitae. Any such nomination shall be voted on after the nominees for directorship made in this ordinary resolution 2 put forth by consideration by the board of directors has been voted on.

"Resolved that the following directors of the company, who, being eligible, have offered themselves for re-election, are re-elected by separate resolutions, and each by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, in terms of the company's memorandum of incorporation"

- 5.1 Kiriakos Anastasiadis
- 5.2 David Green
- 5.3 Sonja Griesel
- 5.4 Thabani Jali
- 5.5 Pieter Scholtz
- 5.6 David Sekete

A brief curriculum vitae of the directors is set out on page 28 of the integrated annual report.

ORDINARY RESOLUTION 6: RE-APPOINTMENT OF MEMBERS OF THE AUDIT AND RISK COMMITTEE

"Resolved that the members of the company's audit and risk committee set out below be and are hereby reappointed, each by way of a separate vote, with effect from the end of this AGM in terms of section 94(2) of the Companies Act. The membership as proposed by the nominations committee is as follows:

- 6.1 Sonja Griesel
- 6.2 David Green
- 6.3 David Sekete

All nominees are independent non-executive directors."

A brief curriculum vitae of each of the above audit and risk committee members is set out on page 28 of the integrated annual report.

ORDINARY RESOLUTION 7: RE-APPOINTMENT OF AUDITOR

"Resolved that Ernst & Young Inc. of the company, be and are hereby reappointed as the auditors of the company from the conclusion of this AGM until the conclusion of the next AGM."

The audit and risk committee has nominated for appointment Ernst & Young Inc. as auditors of the company pursuant to section 90 of the Companies Act.

ORDINARY RESOLUTION 8: GENERAL AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE AUTHORISED BUT UNISSUED ORDINARY SHARES

"Resolved that, as required by and subject to the memorandum of incorporation and the requirements of the Companies Act and the JSE Listings Requirements, from time to time, the directors are, as a general authority and approval, authorised, as they in their discretion think fit, to allot and issue the unissued ordinary shares of the company, subject to the following:

- The authority shall be valid until the date of the next annual general meeting of the company, provided it shall not extend beyond 15 months from the date of this annual general meeting;
- Issues in terms of this authority will not, in any financial year, in aggregate, exceed 20% of the number of ordinary shares in the company's issued share capital as at 28 February 2015, inclusive of shares issued in terms of special resolution 3."

ORDINARY RESOLUTION 9: APPROVAL OF REMUNERATION OF DIRECTORS AND PRINCIPAL OFFICERS OF THE GROUP

"Resolved that, the remuneration of the directors of the company for their services for the period ended 28 February 2015 as disclosed in the group financial statements and approved by the remuneration committee and board of directors be and is hereby approved."

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

ORDINARY RESOLUTION 10: SPECIFIC AUTHORITY TO ISSUE SHARES PURSUANT TO A REINVESTMENT OF DIVIDENDS

"Resolved that, subject to the provisions of the Companies Act, the company's Memorandum of Incorporation and the JSE Listings Requirements, the directors be and are hereby authorised by way of a specific standing authority to issue ordinary shares of no par value (new shares), as and when they deem appropriate, for the exclusive purpose of affording shareholders opportunities from time to time to elect to reinvest their dividends in new shares of the company pursuant to a reinvestment option."

ORDINARY RESOLUTION 11: SIGNATURE OF DOCUMENTS

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

ADVISORY VOTE 1: ADVISORY ENDORSEMENT OF REMUNERATION POLICY

"To endorse through a non-binding advisory vote the company's remuneration policy (excluding the remuneration of non-executive directors for their services as directors and members of the board committees), as set out in the Remuneration Report contained in the annual financial statements. In accordance with the principles of King III an advisory vote is being put to shareholders for the endorsement of Nedbank's Group Remuneration Policy. As the votes on this resolution are non-binding, the results would not be binding on the board. However, the board will take cognisance of the outcome of the vote when considering its Remuneration Policy in future."

SPECIAL RESOLUTION 1: APPROVAL OF 2016 FEES PAYABLE TO NON-EXECUTIVE DIRECTORS

"Resolved, as a special resolution, that the fees payable by the company to non-executive directors for their services as directors (in terms of section 66 of the Companies Act) be and are hereby approved by the passing of this resolution for the 2016 financial year, as follows:

	Proposed 2016 fee
David Green	R220 000
Sonja Griesel	R150 000
Thabani Jali	R180 000
David Sekete	R150 000

REASON FOR AND EFFECT OF SPECIAL RESOLUTION

The reason for special resolution 1 is to obtain shareholder approval by way of 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 each non-executive directors' services as a non-executive director for the ensuing financial year in the amounts set out under special resolution 1.

SPECIAL RESOLUTION 2: SHARE REPURCHASE

"Resolved that the company or any of its subsidiaries be and are hereby authorised by way of a general approval to acquire ordinary shares issued by the company, in terms of sections 46 and 48 of the Companies Act, and in terms of the JSE Listings Requirements being that:

- Any acquisition of shares shall be implemented through the order book of the JSE and without prior arrangement;
- This general authority shall be valid until the company's next AGM, provided that it shall not extend beyond 15 months from the date of passing this special resolution;
- The company (or any subsidiary) is duly authorised by its Memorandum of Incorporation to do so;
- Acquisition of shares in the aggregate in any one financial year may not exceed 20% (or 10% where the acquisitions are effected by a subsidiary) of the company's issued ordinary share capital as at the date of passing this special resolution;
- In determining the price at which shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% of the weighted average of the market value on the JSE over the five business days immediately preceding the repurchase of such shares;
- At any point in time the company (or any subsidiary) may appoint only one agent to effect repurchase on its behalf;
- Repurchase may not take place during a prohibited period (as defined in paragraph 5.69h of the JSE Listings Requirements) unless a repurchase programme is in place (where dates and quantities of shares to be repurchased during the prohibited period are fixed) and has been submitted to the JSE in writing prior to commencement of the prohibited period;
- An announcement will be published as soon as the company or any of its subsidiaries have acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the acquisition pursuant to which the aforesaid threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions; and
- The board of directors of the company must resolve that the repurchase is authorised, the company and its subsidiaries have passed the solvency and liquidity test, as set out in section 4 of the Companies Act, and since that test was performed, there have been no material changes to the financial position of the group."

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

NOTICE TO THE ANNUAL GENERAL MEETING *(continued)*

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

The directors undertake that, after considering the maximum number of shares that may be repurchased and the price at which the repurchases may take place pursuant to the repurchase general authority, for a period of 12 months after the date of notice of this AGM:

- the company and the group will, in the ordinary course of business, be able to pay its debts;
- the consolidated assets of the company and the group, fairly valued in accordance with International Financial Reporting Standards, will exceed the consolidated liabilities of the company and the group, fairly valued in accordance with International Financial Reporting Standards; and
- the company and group's share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, some of which may appear elsewhere in the integrated report of which this notice forms part, is provided in terms of paragraph 11.26 of the JSE Listings Requirements for purposes of this general authority:

- Major beneficial shareholders – page 25
- Capital structure of the company – pages 54

REASON FOR AND EFFECT OF SPECIAL RESOLUTION

The reason for special resolution 2 is to permit the company or any of its subsidiaries, by way of a general approval to acquire ordinary shares by the company as and when suitable opportunities to do so arise.

DIRECTORS' RESPONSIBILITY STATEMENT AS IT PERTAINS TO THIS RESOLUTION

The directors whose names appear on page 50 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 by the Companies Act and the JSE Listings Requirements.

MATERIAL CHANGE AS IT PERTAINS TO THIS RESOLUTION

Other than the facts and developments reported on in the integrated annual report of which this notice forms part, there have been no material changes in the affairs of or financial position of the company and its subsidiaries since the date of signature of the audit report for the financial year ended 28 February 2015 and up to the date of this notice.

SPECIAL RESOLUTION 3: GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

"Resolved that, subject to the restrictions set out below and subject to the provisions of the Companies Act and the JSE Listings Requirements, the directors of the company be and are hereby authorised until this authority lapses at the next AGM of the company, provided that this authority shall not extend beyond 15 months, to allot and issue shares of the company for cash on the following basis:

- The allotment and issue of shares for cash shall be made only to persons qualifying as 'public shareholders', as defined in the JSE Listings Requirements, and not to 'related parties'.
- The total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 59 243 996 shares, being 15% of the company's issued shares as at the date of notice of this AGM. Accordingly, any shares issued under this authority prior to this it lapsing shall be deducted from the 59 243 996 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 subdivision or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio.
- The maximum discount at which shares may be issued is 10% of the weighted average trade price of such shares measured over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares adjusted for a dividend where the ex div in respect of the dividend occurs during the 30-day period in question.
- After the company has issued shares for cash which represent, on a cumulative basis, within the period that this authority is valid, 5% or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including the number of shares issued, the average discount to the weighted average trade price of the shares over the 30 days prior to the date that the issue is agreed in writing and an explanation, including supporting documentation (if any), of the intended use of the funds."

In terms of the JSE Listing Requirements, in order for this resolution 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.

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

REASON FOR AND EFFECT OF SPECIAL RESOLUTION

The reason for special resolution 3 is to afford the directors of the company (or subsidiary of the company) 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 acquisition of the company's shares on the JSE.

SPECIAL RESOLUTION 4: FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED PARTIES

"Resolved that to the extent required by section 45 of the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company's Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance as contemplated in section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, such authority to endure for two years after the adoption of this special resolution 4 or until its renewal, whichever is the earliest, and further provided that in as much as the company's provision of financial assistance to its subsidiaries will at any and all times be in excess of one-tenth of 1% of the company's net worth, the company hereby undertakes to provide notice to its shareholders of that fact."

REASONS FOR AND EFFECT OF SPECIAL RESOLUTION

The company would like the ability to provide financial assistance in appropriate circumstances and if the need arises, in accordance with section 45 of the Companies Act. This authority is necessary for the company to provide financial assistance in appropriate circumstances. Under the Companies Act, the company will, however, require the special resolution referred to above to be adopted, provided that the board of directors of the company 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. In the circumstances and in order to *inter alia*, ensure that the company's subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from the company (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in special resolution 4. Therefore, the reason for and effect of special resolution 4 is to permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the entities referred to in special resolution 4 above.

It is important to note, however, that the listed company is entitled to provide financial assistance without approval of the shareholders in instances where the financial assistance is provided in the ordinary course of its business in terms of Section 45 (a) (b) (i), which in the case of Acision Limited includes the provision of financial assistance. This resolution only applies to loans not in the ordinary course of business in these circumstances.

NOTICE IN TERMS OF SECTION 45(5) OF THE COMPANIES ACT IN RESPECT OF SPECIAL RESOLUTION 4

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

- By the time that this notice of AGM is delivered to shareholders of the company, the board will have adopted a resolution (section 45 board resolution) authorising the company to provide, at any time and from time to time during the period of 2 (two) years commencing on the date on which the special resolution is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any 1 (one) or more related or inter-related companies or corporations of the company and/or to any 1 (one) or more members of any such related or inter-related company or corporation and/or to any 1 (one) or more persons related to any such company or corporation.
- The section 45 board resolution will be effective only if and to the extent that special resolution 4 is adopted by the shareholders of the company, and the provision of any such direct or indirect financial assistance by the company, pursuant to any such resolution, will always be subject to the board being satisfied that (i) immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the company as referred to in section 45(3)(b)(ii) of the Companies Act.
- In as much as the section 45 board resolution contemplates that such financial assistance will in the aggregate exceed one-tenth of 1% of the company's net worth at the date of adoption of such resolution, the company hereby provides notice of the section 45 board resolution to shareholders of the company.

ELECTRONIC PARTICIPATION

The company has made provision for a shareholder or their proxies to participate electronically in the AGM by way of telephone conferencing. Should you wish to participate in the AGM by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:00 27 July 2015 by submitting by email to the company secretary at michael@mwrk.co.za or by fax +27 11 421 7142, for the attention of Michael Reynolds, relevant contact details, including an email address, cellular number and landline, as well as full details of the Acision shareholders' title to securities issued by the company and proof of identity, in the form of copies of identity documents and share certificate/s (in the case of materialised shares) and (in the case of dematerialised shares) written confirmation from the shareholders' CSDP confirming that shareholders' title to the dematerialised shares. Upon receipt of the required information, the Acision shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the AGM. Shareholders must note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility.

ABOUT THIS REPORT	WHO WE ARE	WHAT WE DO	KEY INFORMATION	OUR VALUES	KEY MILESTONES	OUR DEVELOPMENTS
-------------------	------------	------------	-----------------	------------	----------------	------------------

NOTICE TO THE ANNUAL GENERAL MEETING *(continued)*

Shareholders and their appointed proxies attending by conference call must note that they will not be able to cast their votes during the AGM through this medium. Such shareholders, should they wish to have their vote counted at the AGM, 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.

VOTING AND PROXY

A shareholder of the company entitled to attend and vote at the AGM is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, vote and speak in his/her stead.

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

A form of proxy is attached for the convenience of any shareholder holding certificated shares who cannot attend the AGM but who wishes to be represented there at. Forms of proxy may also be obtained on request from the company's registered office. The completed form of proxy must be deposited at or posted to the office of the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (P O Box 61051, Marshalltown, 2107) to be received not later than 27 July 2015. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the AGM should the shareholder subsequently decide to do so.

Shareholders who have already dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker and who wish to attend the AGM must instruct their CSDP or broker to issue them with the necessary letter of representation to attend.

Dematerialised shareholders, who have elected 'own name' registration in the sub-register through a CSDP and who are unable to attend but who wish to vote at the AGM must complete and return the attached form of proxy' and lodge it with the transfer secretaries, Computershare Investor Services Proprietary Limited, PO Box 61051, Marshalltown, 2107 to be received no later than 10h00 on 29 July 2015.

All beneficial owners whose shares have been dematerialised through a CSDP or broker other than with 'own name' registration, must provide the CSDP or broker with their voting instructions in terms of their custody agreement should they wish to vote at the AGM. Alternatively, they may request the CSDP or broker to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the AGM. Such shareholder must not complete the attached form of proxy.

In terms of section 63(1) meeting participants will be required to provide identification to the reasonable satisfaction of the chairman of the AGM and the chairman must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a proxy for a shareholder) has been satisfied.

Acsion does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the AGM or any business to be conducted thereat.

By order of the board



Michael Reynolds for
MWRK Accountants and Auditors Incorporated
Company secretary

Registered Office
Management Office
Mall@Reds
1st Floor
Corner Rooihuiskraal and Hendrik Verwoerd
Rooihuiskraal ext 15
Centurion
0157

Transfer secretaries
Computershare Investor Services Proprietary Limited
Ground floor
70 Marshall Street
Johannesburg
2001

MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	VALUE CREATION	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM AND NOTES
----------------------------------	--------------------	------------	----------------	-----------------------	-------------------	----------------------

PROXY FORM AND NOTES TO PROXY FORM

Acsion Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2014/182931/06)
JSE share code: ACS
(Approved as a Real Estate Holdings and Development Company by the JSE)
(Acsion or the company)

FORM OF PROXY

Where appropriate and applicable the terms defined in the notice of the annual general meeting to which this form of proxy is attached and forms part of bear the meanings in this form of proxy.

For use by shareholders of the company holding certificated and /or dematerialised shareholders who have elected 'own name' registration, nominee companies of Central Securities Depository Participants (CSDP) and brokers' nominee companies, registered as such at the close of business on 27 July 2015 (the general meeting) or any postponement or adjournment thereof.

If you are a dematerialised shareholder, other than with 'own name' registration, do not use this form. Dematerialised shareholders, other than with 'own name' registration, should provide instruction to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (BLOCK LETTERS PLEASE) _____

Of (ADDRESS) _____

Being the holder/s of _____ Acsion shares 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 attend and speak and to vote me/us and on my/our behalf at the annual general meeting and at any adjournment or postponement thereof for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the annual general meeting and to vote on the resolutions in respect of the ordinary shares registered in my our name(s).

		Number of Votes		
		For*	Against*	Abstain*
Ordinary Resolution 1	Adoption of annual financial statements			
Ordinary Resolution 2	Adoption of audit and risk committee report			
Ordinary Resolution 3	Adoption of remuneration committee report			
Ordinary Resolution 4	Adoption of social and ethics committee report			
Ordinary Resolution 5.1	Confirmation of K. Anastasiadis as director			
Ordinary Resolution 5.2	Confirmation of D. Green as director			
Ordinary Resolution 5.3	Confirmation of S. Griesel as director			
Ordinary Resolution 5.4	Confirmation of T. Jali as director			
Ordinary Resolution 5.5	Confirmation of P. Scholtz as director			
Ordinary Resolution 5.6	Confirmation of D. Sekete as director			
Ordinary Resolution 6.1	Re-appointment of S. Griesel as a member of the audit and risk committee			
Ordinary Resolution 6.2	Re-appointment of D. Green as a member of the audit and risk committee			
Ordinary Resolution 6.3	Re-appointment of D. Sekete as a member of the audit and risk committee			
Ordinary Resolution 7	Re-appointment of auditor			
Ordinary Resolution 8	General authority to directors to allot and issue authorised but unissued ordinary shares			
Ordinary Resolution 9	Approval of remuneration of directors and principal officers of the group			
Ordinary Resolution 10	Specific authority to issue shares pursuant to a reinvestment of dividends			
Ordinary Resolution 11	Signature of documents			
Advisory Vote 1	Advisory endorsement of remuneration policy			
Special Resolution 1	Approval of 2016 fees payable to non-executive directors			
Special Resolution 2	Share repurchase			
Special Resolution 3	General authority to issue shares for cash			
Special Resolution 4	Financial assistance to related and inter-related parties			

* One vote per share held by Acsion shareholders recorded in the register on the voting record.

Mark "for", "against", or "abstain" as required. If no options are marked the proxy will be entitled to vote as he/she thinks fit. Unless otherwise instructed, the proxy may vote or abstain from voting as he/she thinks fit.

Signed this _____ day of _____ 2015

Signature _____

Assisted by me (where applicable) _____

State capacity and full name _____

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a member of the company. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the annual general meeting.

ADMINISTRATION

ACSION LIMITED

(Registration number: 2014/182931/06)
JSE share code: ACS
Mall@Reds, 1st Floor,
Corner Rooihuiskraal and Hendrik Verwoerd Drives,
Rooihuiskraal Ext 15, Centurion 0157
PO Box 569, Wierda Park, 0149
www.acsionsa.co.za
Telephone: +27 12 656 8957
Fax: +27 12 656 8959

AUDITORS

Ernst & Young Inc.
102 Rivonia Road, Sandton 2194, South Africa
Telephone: +27 11 772 3000

COMPANY SECRETARY

Michael Reynolds
MWRK Accountants & Auditors Inc.
19 Edward Street, Westdene,
Benoni 1501
PO Box 131621, Northmead 1511
Telephone: +27 11 421 8944

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg 2001
Telephone: +27 11 370 5000

SPONSOR

Investec Bank Limited
100 Grayston Drive, Sandown, Sandton 2196, South Africa
Telephone: +27 11 286 7000
Fax: +27 11 291 1202

CORPORATE ADVISOR

Investec Bank Limited
100 Grayston Drive, Sandown, Sandton 2196, South Africa
Telephone: +27 11 286 7000
Fax: +27 11 291 1202

GENERAL INFORMATION

Country of incorporation and domicile

South Africa

Nature of business and principal activities

Investment and financing

Directors

DJ Green
K Anastasiadis
D Sekete
PH Scholtz
S Griesel
TSB Jali

Registered office

Acsion Limited
Mall@Reds, 1st Floor
Cnr Hendrik Verwoerd and Rooihuiskraal Drives
Rooihuiskraal ext 15
Centurion
0157

Business address

Acsion Limited
Mall@Reds, 1st Floor
Cnr Hendrik Verwoerd and Rooihuiskraal Drives
Rooihuiskraal ext 15
Centurion
0157

Postal address

PO Box 569
Wierda Park
0149

Auditors

EY Incorporated
Chartered Accountants (SA)
Registered Auditors

Secretary

Michael Reynolds

www.acsionsa.co.za

