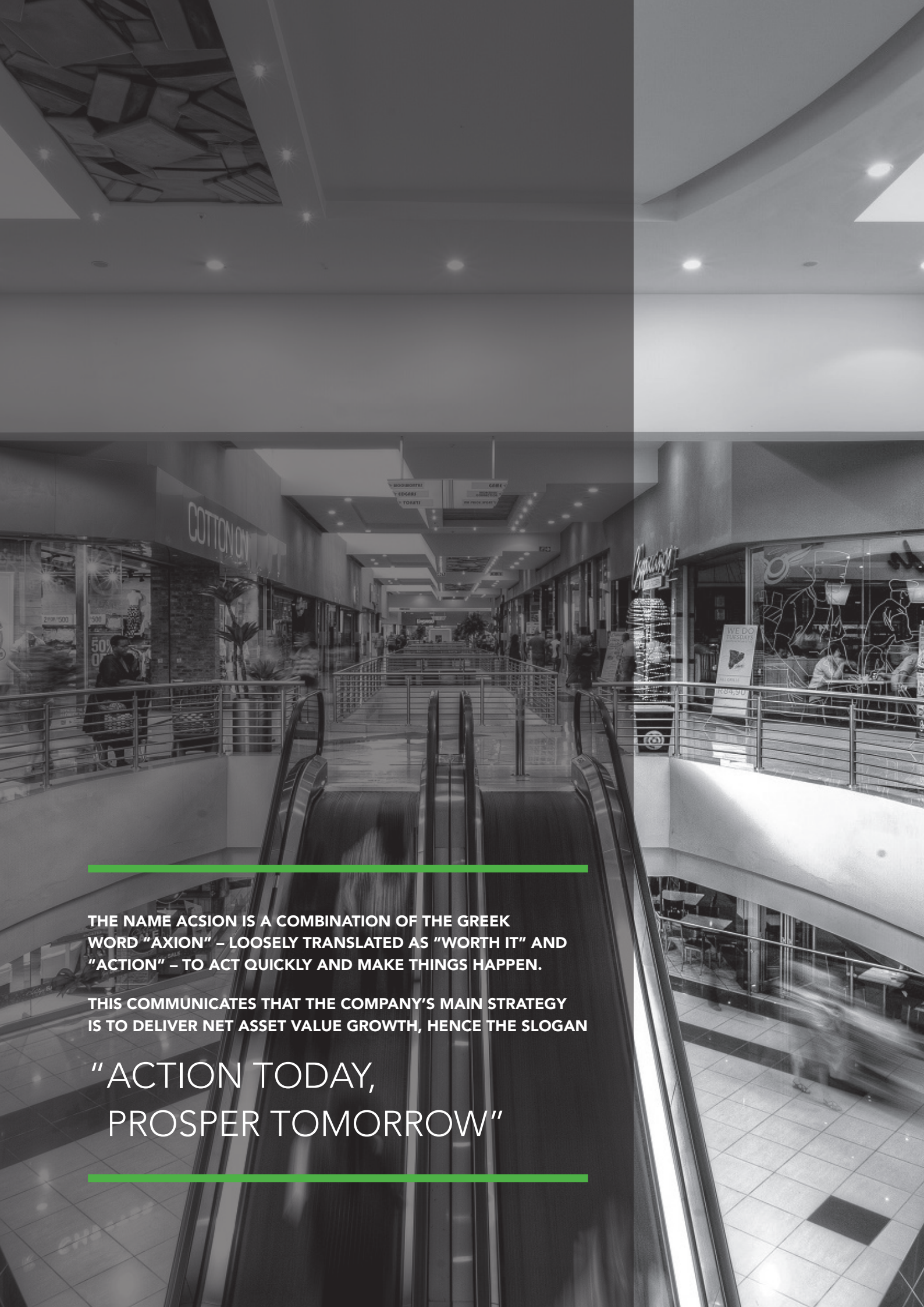




INTEGRATED REPORT

2017





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"

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IBC	ADMINISTRATION				

ABOUT THIS REPORT

This is Acision Limited's ("the Company", "Acision", "the Group") third integrated report as a listed company. The report has been prepared to provide the reader with an overview of the business since the previous financial year. Acision is listed on the Johannesburg Stock Exchange (JSE) in the Real Estate Holdings and Development sector. The share code is "ACS". This report will cover the period from 1 March 2016 to 28 February 2017 during which Acision traded very successfully.

SCOPE AND BOUNDARIES

This report covers the reporting period from 1 March 2016 to 28 February 2017 and provides the reader with an overview of the business since the previous financial year. The report is produced by Acision Limited. All the properties are individually held in separate companies that are subsidiaries and are all managed internally by Southern Palace Investments 108 Proprietary Limited (t/a Anaprop Property Management), one of the subsidiaries of Acision Limited. Refer to page 4 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 Council's (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)

King III describes the development of an integrated report as a journey. This is Acision's third integrated report and a progressive application to the disclosure around the various capitals has been adopted. King IV is only applicable for year ends commencing on or after 1 April 2017 and as such will only be applicable to Acision for the year ended February 2019.

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", "envision" 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 in 2013.

STAKEHOLDER FEEDBACK

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

- Email: info@anaprop.co.za
- Mail: PO Box 569, Wierda Park 0149
- Website: www.acsionsa.co.za

WHO WE ARE

Acscion 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. This is achieved through NAV uplift on completed properties, capital projects on completed developments, new developments, development of properties completed for sale and – to a lesser extent – the purchase of existing properties.

The first of the developments that currently form part of Acscion's portfolio was developed 19 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 Acscion'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 under one holding company called Acscion.

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

WHAT WE DO

This portfolio of eight well-established, strategically located retail properties includes two regional shopping centres. Acscion leverages the stable income stream and balance sheet strength provided by the existing portfolio to obtain funding for the development of its communicated pipeline of high-growth development prospects. Through its development activities, Acscion 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 77% of the current portfolio by revenue, providing a stable income stream and balance sheet strength, which allows Acscion to pursue high-growth development opportunities while maintaining prudent gearing ratios and capital buffers.

At the time of listing, Acscion communicated a defined development pipeline (communicated pipeline) of seven opportunities. To date Acscion has delivered partially on this pipeline by completing the development and opening of Mall@Moutsiya (Walkraal, Limpopo) and Mall@Mfula (Piet Retief, Mpumalanga). The Acscionopolis development is underway and four underground parking levels

have been completed to date. This development will only be completed in 2019. Acscion also commenced with the development of Mall@55 (Monavoni, Gauteng) and it is anticipated that this development will be completed and opened in the last quarter of 2017.

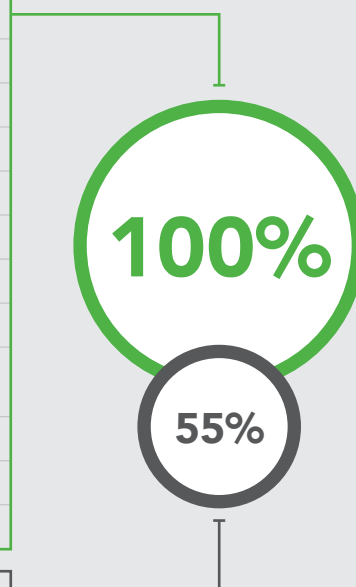
Although there were some delays in the starting of the construction of some of the communicated pipeline developments (Trade 55 and Mall@Maputo), the Company remains optimistic that these development will be completed and opened successfully.

In addition, Acscion is continuously evaluating several development opportunities and are at various stages of commitment. Despite the more challenging economic environment, Acscion remains upbeat as a result of the exciting possibilities that are currently being considered.

KEY INFORMATION

ACSION COMPANY STRUCTURE

Trading as name	Legal name
Acsiopolis	Lomastep Proprietary Limited
Anaprop Property Management	Southern Palace Investments 108 Proprietary Limited
Hyde Park Terrace	Bengavista Proprietary Limited
Mall@55 and Trade 55	Nabuvax Proprietary Limited
Mall@Carnival	Golden Falls Trading 125 Proprietary Limited
Mall@Emba	Double Ring Trading 62 Proprietary Limited
Mall@Lebo	Nungu Trading 517 Proprietary Limited
Mall@Maputo	Fortuvox Proprietary Limited
Mall@Moutsiya and Mamahlodi Gardens	Daybreak Properties 3 Proprietary Limited
Mall@Reds	Proc Corp 160 Proprietary Limited
Moreleta Square	Rubensmen Proprietary Limited
Simarlo Rainbow	DAJM Property Investments Proprietary Limited
Mall@Mfula	Zarafusion Proprietary Limited



For year ended	2015	2016	2017
PROPERTY VALUES SINCE DATE OF LISTING			
All properties at fair value	R 3.755bn	R4.617bn	R5.762bn
Developed property value (*)	R 3.246bn	R4.032bn	R5.105bn
Geographic spread by GLA (▲)	Gauteng: 75% Limpopo: 12% Mpumalanga: 13%	Gauteng: 77% Limpopo: 11% Mpumalanga: 12%	Gauteng: 66% Limpopo: 16% Mpumalanga: 18%
Total GLA (▲)	188 716 m ²	204 454 m ²	237 800 m²
Vacancy rates across developed portfolio	5.05%	4.43%	5.43% (*)
Tenants' average escalations	7.26%	7.17%	7.68%
Market capitalisation	R4.277bn	R3.752bn	R3.215bn

(*) Mall@Moutsiya and Mall@Mfula opened in August 2016 and November 2016 respectively and was not fully let as at year end. Management is focussing on reducing the vacancy percentage of the portfolio to more acceptable levels.

(*) Excludes Hyde Park Terrace as this property is an asset held for sale and does not form part of the property portfolio which is valued.

(▲) Gross and lettable area.

KEY MILESTONES

THE FUTURE

COMPLETION OF COMMUNICATED PIPELINE CONTINUES INTERNATIONAL EXPANSION

2017	Mall@Moutsiya and Mall@Mfula completed and opened Acscion concludes lease of land in Cyprus for first international development Construction of Acscipolis exceeds ground level Extensions at Mall@Carnival and Mall@Lebo commences
2016	Planning of Mall@Carnival phase IV commences
2015	Mall@Carnival phase III opens Construction of Mall@Moutsiya, Mall@Mfula and Acscipolis commences First Acscion integrated report published
2014	Construction of Mall@Carnival phase III and IV commences Construction of Hyde Park Terrace commences Mall@Lebo opens Listing on the JSE
2013	Planning, development and construction of Mall@Lebo commences Mall@Reds phase VI opens
2012	Mall@Emba phase II opens Planning, development and construction of Mall@Reds phase VI commences
2011	Planning, development and construction of Mall@Emba phase II commences Mall@Carnival phase II opens
2010	Planning, development and construction of Mall@Carnival phase II commences
2009	Mall@Reds phase V opens
2008	Planning, development and construction of Mall@Reds phase V commences
2007	Mall@Emba phase I opens Mall@Reds phase IV opens
2006	Planning, development and construction of Mall@Emba phase I and Mall@Reds phase IV commences
2005	Mall@Carnival phase I opens Mall@Reds phase III opens
2004	Planning, development and construction of Mall@Carnival phase I and Mall@Reds phase III commences Anaprop Property Management formed
2003	Mall@Reds phase I and II open
2002	Planning development and construction of Mall@Reds commences
1999	Moreleta Square phase I opens
1997	Acscion opens phase I of Simarilo Rainbow Planning, development and construction of Moreleta Square commences
1995	K Anastasiadis completes first commercial property development

OUR VALUES

ETHICS IS THE CORNERSTONE OF THE COMPANY'S BUSINESS, AND AN UNEQUIVOCAL COMMITMENT TO ETHICAL VALUES, FAIRNESS, TRANSPARENCY AND INTEGRITY UNDERPINS 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 new and maintaining existing 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.

ACSION HAS A HISTORY AND PROVEN TRACK RECORD IN THE PROPERTY SECTOR WITH A FOCUSED STRATEGY TO GENERATE LONG-TERM SUSTAINABLE CAPITAL GROWTH.

OUR DEVELOPMENTS

Acsion's developments can be split into five categories, based on the stage of completion of the relevant developments. These five categories are as follows:

1. **DEVELOPED INVESTMENT PROPERTIES**
2. **PROPERTIES HELD FOR SALE**
3. **LOCAL DEVELOPMENTS UNDER CONSTRUCTION**
4. **LOCAL FUTURE DEVELOPMENT OPPORTUNITIES**
5. **INTERNATIONAL AND DEVELOPMENT OPPORTUNITIES**

These categories in combination drive the value creation for Acsion and results in the superior NAV uplift. Refer to the 'Value Creation' section for the detail on each of these developments.

In the context of Acsion's unique exposure to the Developed Investment Properties, Properties Under Construction and Future Developments and 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.

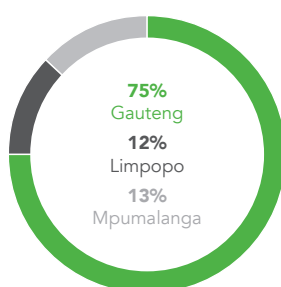


OUR DEVELOPMENTS continued

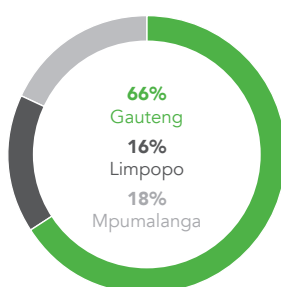
GEOGRAPHIC SUMMARY

CURRENT DEVELOPED PORTFOLIO'S GEOGRAPHIC SUMMARY

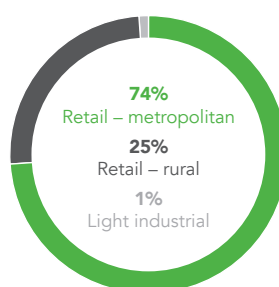
GEOGRAPHIC PROFILE
BY REVENUE



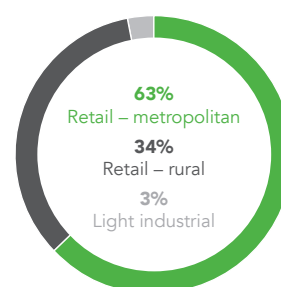
GEOGRAPHIC PROFILE
BY GLA



SECTOR PROFILE
BY REVENUE



SECTOR PROFILE
BY GLA



SOUTH AFRICA

DEVELOPED INVESTMENT PROPERTIES

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

PROPERTIES HELD FOR SALE

01. HYDE PARK TERRACE

LOCAL DEVELOPMENTS UNDER CONSTRUCTION

01. ACSIOPOLIS
02. MALL@55
03. TRADE 55

LOCAL FUTURE DEVELOPMENT OPPORTUNITIES

01. MALL@LEBO – EXTENSION
02. MALL@CARNIVAL – EXTENSION
03. MAMAHLODI GARDENS
04. MALL@FRANKFORT

MOZAMBIQUE

INTERNATIONAL DEVELOPMENT OPPORTUNITY

01. MALL@MAPUTO

ZAMBIA

INTERNATIONAL DEVELOPMENT OPPORTUNITY

01. MALL@LUSAKA

CYPRUS

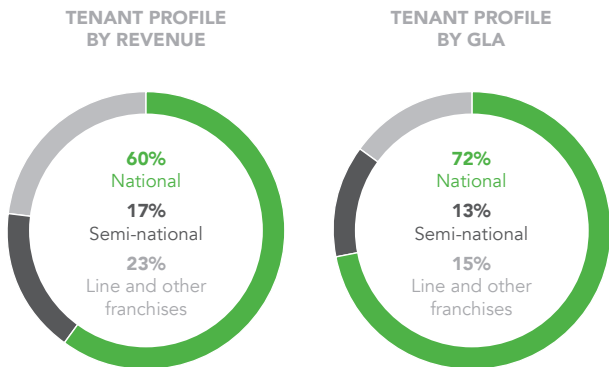
INTERNATIONAL DEVELOPMENT OPPORTUNITY

01. METROPOLIS MALL@LARNAKA

AVERAGE RENTAL/m²

LIGHT INDUSTRIAL	R66
RETAIL	R158

TENANT PROFILE



The tenant profile is separated into national, semi-national and line and other franchises to indicate the exposure Acision has to direct head office leases and individual franchises. The national and semi-national exposure is supported by robust leases and national tenant financial strength, and at 85% based on GLA, is above the retail property industry norm.

When classifying tenants into categories the SAPOA guidelines are followed.

The line and other franchises are carefully vetted by Acision's leasing division to promote maximum dwelling time and footfall in the centre, to ensure trading densities are sustainable over all tenants' lease terms.



VALUE CREATION

MANUFACTURED CAPITAL:

DEVELOPED INVESTMENT PROPERTY PORTFOLIO

(held for ownership)



A NOTE FROM OUR HEAD OF LEASING

DIMITRI THOMAS

There is no denying that the 2017 financial year has seen most South African businesses and industries starting to feel the pinch, with a weak economy, consumers under pressure, and a volatile political landscape.

Retailers showed muted growth, and continued their cost-cutting and efficiency initiatives within their operations, in order to adapt to the challenging trading environment. Research showed that sales recovered in the fourth quarter of 2016, but that the sector remains “fragile” and the outlook remains “sombre” given poor economic growth. Value retailers continued to trade better and we saw some new store growth from both national and semi-national retailers.

Despite the broader economic challenges, our existing portfolio has managed to achieve good growth in its performance metrics, such as footfall, trade densities, and rental during the 2017 financial year, with a few of our larger retail properties achieving growth above the market average, attributed mainly to their dominance and inclusive offering. We have been successful in increasing our rentals on average by 7.68%.

During the year, we successfully opened Mall@Moutsiya and Mall@Mfula, thus adding 33 200 m² of new retail space into our portfolio. With Mall@Moutsiya, we have aimed to make the development the heart of the community, and have included social community initiatives to achieve this. These include large landscaped community areas, including jungle gyms for kids, steel frame gym fixtures for teens and adults, a 5-a-side soccer and netball pitch which is utilized to run community leagues.

Both developments have been well received by the markets they service, and we are optimistic that we shall be able to expand these shopping centers in the future.

We believe that shopping centers that dominate or differentiate within their catchment areas are more resilient, and are focused on adding complimentary categories to our portfolio, including gyms, medical and service-related facilities, which will diversify our income from being purely retail based, and offer a more conclusive mixed-use facility to our customers.

Construction progress on the residential development Acsiopolis, based in Sandton, has been steady, and will service the high demand for residential space in the Sandton business district, whilst providing our group with a resilient diversification into the high-end residential market.

Our development pipeline is progressing well, and we are continually assessing new development opportunities that will provide above-market returns as well as diversification and resilience.

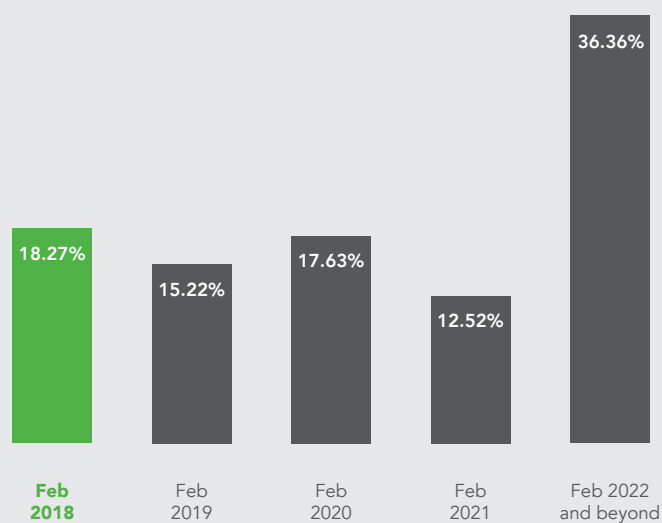
We remain focused on achieving our goals and targeted growth for 2018, and diversifying our portfolio further.



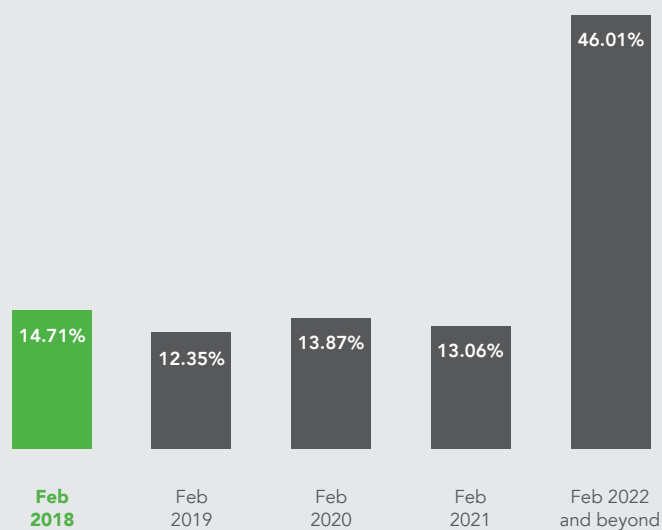
Dimitri Thomas
Head of leasing

LEASE EXPIRY PROFILE

LEASE EXPIRY PROFILE BY GLA



LEASE EXPIRY PROFILE BY RENT



VALUE CREATION continued

ANALYSIS OF THE DEVELOPED INVESTMENT PROPERTIES

Acision's developed investment properties are held at the combined value of R5.105bn which was valued in terms of IFRS partly by an independent valuer and partly by the Directors of the Company for purposes of year-end reporting.



VALUATION

R5 105 million

total developed investment properties

GLA

237 800 m²

of developed investment properties

VALUE/m²

(excluding bulk, where applicable)

R21 468/m²

PERCENTAGE OF TOTAL PORTFOLIO BY VALUE

Mall@Carnival	46.5%
Mall@Reds	23.1%
Mall@Emba	10.2%
Mall@Lebo	8.3%
Mall@Mfula	4.8%
Mall@Moutsiya	3.2%
Moreleta Square	3.2%
Simarilo Rainbow	0.7%

DEVELOPED INVESTMENT PROPERTIES (held for ownership)

R5.105bn

The Developed Investment Properties consists of eight properties with a total GLA (gross lettable area) of 237 800m².

Property name	Directors/ independent (*) valuation Rmil	GLA m ²	Value/m ² (excluding bulk, where applicable) R	Percentage of total portfolio by value %
Mall@Carnival	2 375	87 750	27 066	46.5
Mall@Reds (*)	1 180	54 350	21 711	23.1
Mall@Emba	521	24 500	21 265	10.2
Mall@Lebo (*)	421	23 500	17 915	8.3
Mall@Mfula	244	18 700	13 048	4.8
Mall@Moutsiya	164	14 500	11 310	3.2
Moreleta Square (*)	163	8 500	19 176	3.2
Simarolo Rainbow (*)	37	6 000	6 200	0.7
Total Developed Investment Properties	5 105	237 800	21 468	100.0

RETAIL PROPERTIES

There are eight retail properties, two of which are regional shopping centres that comprise approximately 69.6% of the total value of the Developed Investment Properties portfolio. Acision's flagship asset is the Mall@Carnival shopping centre. Other prominent properties include Mall@Reds, Mall@Emba, Mall@Lebo, Mall@Mfula and Mall@Moutsiya.

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



Mall@Carnival

87 750 m²

super regional shopping centre in Brakpan, Gauteng

- Well located super 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
- Last extension opened in September 2015
- Next extension of approximately 5 000 m² planned for 2018
- Weighted average lease expiry of 3.2 years
- Vacancy at 7.3%



Mall@Reds

54 350 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
- Weighted average lease expiry of 3.6 years
- Vacancy at 4.2%

VALUE CREATION continued



Mall@Emba

24 500 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 with a R20 transport fee
- 1MW solar PV plant operational
- Weighted average lease expiry of 2.0 years
- Vacancy at 0.1%



Mall@Lebo

23 500 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 4.8 years
- Vacancy at 0%



Mall@Mfula

18 700 m²

community centre
in Piet Retief,
Mpumalanga

- Strong underpin by national tenants
- Taxi rank on premises
- Weighted average lease expiry of 3.9 years
- Vacancy at 8.7%



Mall@Moutsiya

14 500 m²

community centre
in Lebowakgomo,
Limpopo

- Strong underpin by national tenants
- Taxi rank on premises
- Weighted average lease expiry of 5.8 years
- Vacancy at 11.3%



Moreleta Square

8 500 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 3.4 years
- Vacancy at 7.5%

TOTAL GLA

237 800 m²

LIGHT INDUSTRIAL/ COMMERCIAL PROPERTY

The light industrial/commercial component of the Developed Investment Properties comprises one property, being Simarlo Rainbow in Hennospark, 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 6 000 m² of GLA. The salient features are set out alongside:



Simarlo Rainbow
6 000 m²
light industrial/
commercial property in
Hennospark, Centurion

- 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 2.2 years
- Vacancy at 5.2%

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

PROPERTIES HELD FOR SALE



Hyde Park Terrace
Originally 12
completed free
standing units
27 land parcels
residential development
in Hyde Park, Gauteng

A residential development comprising 12 completed free standing units and 27 residential land parcels held for sale in Hyde Park, Gauteng. This development was acquired from an estate in liquidation. Much development was needed before marketing of the units could commence. 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 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. Sales, although slow initially, gained traction and by year-end 8 completed house and 12 vacant stands and parcels remained available for sale.

VALUE CREATION continued

MANUFACTURED CAPITAL:

LOCAL DEVELOPMENTS UNDER CONSTRUCTION

(developed for ownership)



A WORD FROM OUR HEAD OF DEVELOPMENTS

YANNI ANASTASIADIS

Despite experiencing downward pressure from the income side (market rentals are suppressed), as well as a perceived stagnated economy, construction costs continue to escalate due to inflation, poor and volatile currency exchange rates and generally a difficult and volatile political environment both at local and national level. We are, however, able to adapt and we are still achieving our initial yield targets and remain optimistic for the foreseeable future.

Mall@Moutsiya and Mall@Mfula were fully completed by the 2017 financial year end and within budget, achieving an initial return of 15.7% and 15.5% respectively. We are about to commence with construction of an Engen petrol station adjacent to the Mall@Moutsiya and expect completion in the last quarter of 2017. This is a welcomed addition which will further strengthen the node.

We have commenced with our Mall@55, a 15 000 m² convenience centre perfectly situated in the ever-expanding Monavoni precinct. We expect completion in September 2017 and we expect to yield initial returns in excess of 15%.

Acsiopolis is progressing well and we are still on track for completion in January 2019. Our total development cost will be approximately R20 000 per square meter (however, not exceeding R20 000 per square meter) which is significantly lower than the average development cost for high rise developments.

We are disappointed that we have not managed to break ground on our Mamahlodi Gardens affordable housing development situated in Walkraal, Limpopo. Various approvals from various public sector departments continue to delay us. We experience similar problems for the planned and long overdue extension to Mall@Lebo, but trust that we can commence with this development during 2017.

Our planned extension to the Mall@Carnival will commence in May 2017 and we anticipate completion by the end of the year. We are continuously looking to expand and improve our flagship mall and are excited by future development opportunities available for this development.

Over the past year we have also managed to rezone the Mall@Reds, our second biggest mall, and have secured our right to increase it from 55 000 m² to 80 000 m². Plans for extensions or re-development are subject to market demand and we remain excited about the prospects for the long-term.

We are also pleased to report that all aspects of sustainable development (economic, social and environmental) are followed in line with the Group's policies and that the quality of our developments remain of a very high standard.

Yanni Anastasiadis
Head of developments

The current Developments Under Construction will significantly increase the portfolio of 237 800 m², once completed. It is envisioned that the completion of the communicated pipeline will not only add scale to Acsion's Developed Investment Properties portfolio, but also provide sectoral diversification into executive residential and affordable housing as well as geographic diversification within South Africa.

Development activities have already begun on a portion of the communicated pipeline, and the full development profits arising from the communicated pipeline are anticipated to be realised by 2019.

The current valuation of these developments are indicative of the significant upside these developments will deliver to shareholders in the near future.



VALUATION

R619 million

total developments under construction

GLA

92 000 m²

total gross lettable area under construction

VALUE/m²

(excluding bulk, where applicable)

R6 730/m²

CURRENT DEVELOPMENTS UNDER CONSTRUCTION

Acsiopolis	62.7%
Mall@55	17.4%
Trade55	19.9%

DEVELOPMENTS UNDER CONSTRUCTION (developed for ownership)

R619 m

VALUE CREATION continued

DETAILS OF DEVELOPMENTS UNDER CONSTRUCTION

Property name	Directors/ independent (*) valuation Rmil	GLA m ²	Value/m ² (excluding bulk, where applicable) R	Anticipated opening
Acsiopolis	388	67 000	5 794	January 2019
Mall@55 (*)	108	15 000	7 180	September 2017
Trade55	123	10 000	12 325	Negotiating
Total Developments Under Construction	619	92 000	6 730	

Developments under construction developed for ownership, comprise the following individual projects:



Acsiopolis

1 hectare

parcel of land in
Benmore, Sandton

This development comprises upmarket residential accommodation and a small component of mixed-use to a total of 67 000 m² (comprising 35 000 m² executive apartments, 26 000 m² short term rental residential, 5 000 m² retail space and 1 000 m² office space) and basement parking of 55 000 m². The development rights have been obtained for 70 000 m² of superstructure above ground. The transfer of the land took place in June 2015 and excavation started 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 Acision's vision of sectoral diversification into residential and mixed-use property. At year end approximately 10% of the total anticipated development cost had been incurred. The company anticipates that the development will be completed in early 2019.





Mall@55

15 000 m²

greenfields convenience retail development in Monavoni, Gauteng

This convenience shopping centre is 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 was delayed initially due to certain access applications but it is anticipated that the development will open in the third quarter of 2017. This development has rights in place to expand by up to 35 000 m² in future.



Trade55

10 000 m²

big-box retail and commercial development in Monavoni, Gauteng

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. This development has been delayed so as to focus first on the Mall@55 development. Leasing of this development commenced in late 2016 and once the project has sufficiently been de-risked the Company will start with the construction. This development has rights in place to expand by up to 30 000 m² in future. The development is done on the same time scale as Mall@55.

TOTAL GLA UNDER CONSTRUCTION

92 000 m²



VALUE CREATION continued

MANUFACTURED CAPITAL:

FUTURE DEVELOPMENTS AND DEVELOPMENT OPPORTUNITIES

Acsion is continuously evaluating a diverse array of new development opportunities and is in advanced discussions in respect of certain development projects to further enhance capital growth for shareholders for financial years 2019 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 future developments and development opportunities amongst others, were under investigation by Acsion, the salient features which include:

DEVELOPMENTS AND DEVELOPMENT OPPORTUNITIES

Offices@Lusaka

6 000 m²

Metropolis Mall@Larnaka

40 000 m²

Mall@Maputo

30 000 m²

Mall@Frankfort

8 000 m²

Mall@Lebo – extension

5 000 m²

Mall@Carnival – extension

5 000 m²

Mamahlodi Gardens

515 units
(land size of 40ha)

FUTURE DEVELOPMENTS AND DEVELOPMENT OPPORTUNITIES

90 000 m² to 95 000 m²



Offices@Lusaka

6 000 m² (phase 1)

office space in Lusaka, Zambia

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 gained traction and the Company anticipates that a transaction can be concluded in the last quarter of 2017. 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.



Metropolis Mall@Larnaka

Approximately 40 000 m²

retail development situated in Larnaka, Cyprus

Acsion's first international development. The company entered into a long term lease (this is a 33 year lease with two options to renew of 33 years each) and is currently in the process of finalising all the required applications before construction commences. Local authorities are in the process of evaluating the traffic and environmental impact studies before the necessary approvals are granted. It is anticipated that construction will commence early in 2018 once the project is sufficiently de-risked.



Mall@Maputo

30 000 m²

shopping centre in Maputo, Mozambique

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 was originally signed with the Mozambican Ministry of Sport to develop a 50 000 m² shopping centre. Subsequently, the Group decided to acquire an alternative land parcel adjacent to the existing land parcels which now requires an additional agreement with the Ministry of Interior to be concluded. The Group has been in constant negotiations with the Ministry of Interior and a final draft contract has been negotiated.



Mall@Frankfort

8 000 m²

shopping centre development in Frankfort, Free State

The Mall@Frankfort was intended to comprise an 8 000 m² shopping centre. However interest from a potential anchor tenant has not been secured to date and the Group has impaired the small carrying value of this potential development until sufficient interest has been obtained.

VALUE CREATION continued



Mall@Lebo

An extension of approximately 5 000 m² is planned for our highly successful development Mall@Lebo. The company is in the process of finalising certain applications whilst the leasing of the proposed extension is finalised. Once sufficiently de-risked, construction will commence.



Mall@Carnival

An extension of approximately 5 000 m² is planned for this super regional shopping centre in Brakpan, Gauteng.



Mamahlodi Gardens

515 units

affordable housing in
Walkraal, Limpopo

An affordable housing development in Walkraal, Limpopo with a total land size of 40 ha. This development will be supplementary to the Mall@Moutsiya development and will be done in phases of approximately 50 houses at a time. 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 completed with all services (water, sewage and electricity) already secured. Plans to build up to 515 residential units for sale are supported by a shortage of affordable housing in the Moutsiya/Siyabuswa/Walkraal area. The market price will be between R300 000 and R350 000 per unit. The development will be demand driven once preapproval has been obtained from all the banks. Specification houses have been built and the township establishment is completed.

NEW INITIATIVES

Acsion installed its first solar solution at Mall@Emba (Embalenhle, Mpumalanga) and commissioned the project in October 2015 at a cost of approximately R16m. The project generates 1MW of electricity which significantly reduces the reliance on power supply from the national grid. The significant success of this project resulted in a 2MW installation at Mall@Reds and a 4MW installation at the Mall@Carnival. Installation of these two additional plants commenced in May 2016 and was commissioned in August 2016. The group experienced significant uplift in NAV resulting from these solar plants, so much so that the Group is planning to install such plants at all developments where it will make commercial sense to do so.



VALUE CREATION continued

HUMAN CAPITAL

OUR TEAM

Southern Palace Investments 108 Proprietary Limited (t/a Anaprop Property Management) is the internal management company that oversees the major areas of Acision's business property management function including leasing, finance, operations and marketing, asset management and developments, with a total employee count of 88 as at year end. 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, at the time of listing, 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. The remuneration policy was finalised and is detailed on page 35.

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 BEE (Black Economic Empowerment) are tools used to redress the employment distortions 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 on an annual basis.

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. The company assists three employees currently studying towards a tertiary education.

There are currently no formal succession plans in place. The remuneration committee has recognised this as an area to improve in and will keep working on potential solutions.

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 communicate 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.acsionsa.co.za) so that any member of the public may ask questions. Acision also has a manned help desk should there be any customer or tenants complaints or queries which is 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 a difference 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 R389 037 worth of space. The company also made financial contributions to some of these organisations, detailed below. In the coming year Acision plans to donate a total of R1 000 000 worth of space across the portfolio.

During the past financial year companies within the Acision group set out to engage with 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 believes in focusing mainly on the care of children and animals as well as cancer patients.

SUPPORTED ORGANISATIONS

- Cupcakes for cancer
- CANSA Shavathon
- Little Cancer Fighters
- Silver Star Wishes
- National Sea Rescue Institution
- One Heart Many Hands
- Santa Shoe Box
- SANBS
- Eventide Old Age Home
- Reahomstwe Centre
- SAPS
- Lions Book Club

The company also focuses on providing space to entrepreneurs to market their startup businesses.

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 ACISION BRAND

It will be part of Acision's aim in the years ahead to build its brand by giving useful timely information to the market so that its stakeholders learn more about its business and understand its differentiators. It is envisaged that quarterly communication will be sent to interested parties informing them of the Group's operations.

The name Acision 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 throughout the portfolio so that customers and tenants can identify with the Group.

The company employs a specialist property software package, MDA Property Management that integrates the accounting, CRM, facilities management and budgeting processes. In this way, they have integrated many of their internal processes to ensure consistency in reporting.

The company undertook a process of documenting all of the financial and operational 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.

ORGANISATIONAL CAPITAL

The company has consistently used the term 'value engineering' which is a methodology of looking at every part of the development life cycle 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' does not 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 Southern Palace Investments 108 Proprietary Limited (t/a Anaprop Property Management), 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 life cycle 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 R5.105bn completed Investment Properties in-house;
- long-standing relationships and support from banks, tenants (major national retailers 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 Properties Under Construction, and the ability to identify and exploit Future Development Opportunities.

NATURAL CAPITAL

The board of directors is 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 has been delegated the responsibility of overseeing and giving guidance in this area.

Utilities have escalated significantly faster than inflation during the last few years. This has put significant pressure on the tenants which has had a direct impact on rentals. As landlords, Acision understand that its tenants expect the company to assist in finding solutions to these escalating costs and keep vacancies as low as possible. As a result, Acision has and is continuing to invest in solar PV panels and efficient lighting solutions, in an effort to address the rising costs of utilities.

Green considerations are always included in the design and construction of new buildings where they make commercial sense. The following things are generally incorporated 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 Acision's impact on the environment.

FINANCIAL CAPITAL

Financial capital, as it relates to the Global Integrated Reporting Council's Framework, covers the 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 not to raise capital that it may not be able to effectively use, immediately.

Acision's current loan to value is 4.94% 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 local capital requirements to be approximately between R600 million and R800 million in the 2018 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 2017

Gearing	4.94%
Fixed portion of debt	0.0%
Self-imposed gearing limit	45%
Prepaid portion of debt	R103m
Outstanding balance of debt at year-end	R301m
Interest cover ratio	14.2 times

VALUE CREATION continued

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

The long-term strategy of Accion 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.

Accion is well positioned to meet these objectives given the quality of the completed Developed Investment Properties and communicated pipeline, 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, franchises, municipalities and land owners. Access to Future Development Opportunities will also contribute to Accion's income and capital growth in the medium term. These opportunities, given its track record, are anticipated to continue to deliver further capital growth to shareholders. At any one time, Accion 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, Accion 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.

Accion offers its shareholders access to superior annual net asset value (NAV).

Accion's strategy to achieve the above objectives is set out below:

- 1. THE ROLL-OUT AND UNLOCKING OF THE COMMUNICATED LISTING PIPELINE OVER A THREE-YEAR PERIOD;**
- 2. SOURCING AND SECURING NEW DEVELOPMENTS THAT FORM PART OF 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' 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 in excess of 15%;
- the ownership, leasing as well as property and asset management of developed properties for rental income;
- the sourcing, assessment and, if commercially viable, acquisition and ownership of strategic land opportunities for further development;
- solar energy supplementation to the four largest buildings, as well as future developments that will allow such technology;
- the further expansion 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 Accion 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. The Developed Investment Properties and the Properties Under Construction (as set out in Note 6 of the Annual Financial Statements) valued in accordance with IFRS, partly by an external independent valuer and the balance by the directors, are valued at R5.695bn as at February 2017.

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.



ASTRINO NICOLOUDAKIS
DEAL ORIGATION AND INNOVATION

NOTE ON EUROPEAN DEAL ORIGATION

It has been an eventful year in the listed property space, with deals emanating out of Europe, which has dominated headlines in weekly global news. It is clear from the amount of foreign listings and revenue sources on the Johannesburg Stock Exchange that South African companies have diversified and created stability in their international valuations. Acision continues to actively be reviewing and engaging in off-market purchasing processes to acquire assets in Europe, with Eastern Europe creating most of the deal flow.

Acision's development mind-set has narrowed the search in Europe to properties that provide a high yielding cash on cash return with development opportunities taking precedent in the ranking of deals focused on. Development opportunities in their nature, require local knowledge to navigate regulatory approvals and tailor-made opportunities, this in turn creates a challenge in isolating investments to deploy capital. The key to partnering in these development relationships is the application of our experience in "value-engineering" and feasible design of our projects.

We welcome all prudent opportunities that have the culture to load the financial benefit in the latter part of the construction and development S-Curve. Acision will keep striving with our objective to exposing our portfolio and shareholders to international real estate and currency exposure to bolster our already robust South African results.

RENEWABLE ENERGY AND INNOVATION

Renewable energy is a highly debatable topic in South Africa at the moment and an innovative avenue that Acision believes to be socially responsible and economically feasible to obtain the companies development hurdle rate, as an accelerated revenue source alternative.

Acision's first grid-tied project was a 1 MWh thin film photovoltaic plant, commissioned in 2015 at the Mall@Emba retail development in Embalehle. This was a pilot project to determine whether the solar technology added up to the hype created by the market. Acision has discovered that the technology has met first year yield expectations and provided an uplift to both the net asset value of the property and the community as a whole. The community directly benefit by allowing the municipality to provide a more consistent supply from the additional electricity capacity.

Following from the successful installation and performance of the Mall@Emba plant, Mall@Reds (2 MWh polycrystalline) and Mall@Carnival (4 MWh polycrystalline) installation were completed in 2016, which are currently delivering above average market returns as a result of a sharp decline in solar panel pricing and improvements in the design of the overall solar plants. Continual monitoring of the solar panel pricing and electricity tariffs will determine the timing of the installation on the newly developed malls in 2017 and 2018.

The rooftop solar market has yet to mature and continual improvements to the operational and maintenance of the plants are areas of development for the sector and its contractors. Notwithstanding this, Acision has applied its "value engineering" ethos to improve both data collection and maintenance of the solar panels and inverters. This has helped yield an additional 25% power output (kWh) from the initial projections on the Mall@Reds site specifically.

Looking to the year ahead, the landscape for energy in South Africa requires clarity from both a parastatal and governmental viewpoint. Acision believes that renewable solar photovoltaic energy is the preferred sustainable technology, for both Acision's existing real estate portfolio and the South African energy sector as a whole. The key driver in the sustainability of the renewable energy space is its ability to deliver clean energy anywhere in our sun-blessed country, at a rate that is sustainable for 20 years and beyond.

Astrino Nicoloudakis
Deal origination and innovation

MATERIAL RISKS AND OPPORTUNITIES

Detail of risk	How the risk is mitigated
Material risk: Pipeline sustainability	
As the market becomes more saturated, finding quality property has become more challenging which could pose a risk to the sustainability of the projected growth of Acision.	• Acision is currently investigating various opportunities in Africa and Europe. • Acision is looking into investments in non-saturated and rural areas to find suitable investments and Acision is diversifying into residential accommodation. • 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.
Material risk: 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.	• Required refurbishments are continuously investigated to ensure that strong tenants are attracted to the centre. • In an effort to pre-empt e-commerce, there is a focus on creating a strong service and community-based slant. • Acision's experienced leasing team have long-standing relationships with national tenants who support their developments through creating a strong tenant mix.
Material risk: Existing portfolio value erosion	
There are multiple factors that affect 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 minimise the increase in municipal costs 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. • 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.
Material risk: 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 affected by changes in interest rates.
Material risk: South African economy	
There is a risk that due to the weaker 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. • In addition, 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.

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. The Chief Financial Officer was appointed as the Risk Officer and he maintains a risk register in this regard. This register is reviewed twice by the audit and risk committee during the year and is of opinion that the risks identified are sufficiently managed and mitigated to the extent that the Company can do so.

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.

LEADERSHIP REPORTS



CHAIRMAN'S REVIEW

DAVID GREEN

The 2017 financial year saw Acision continue on its exciting path towards bedding down its position as a specialist commercial, retail and residential property developer.

The group again delivered an excellent performance against the backdrop of a challenging operating and socio-political landscape. The resilience of Acision's developed investment portfolio, its "value engineering" approach to development and certain initiatives implemented during the year served Acision well to weather the economic conditions.

MANDATE FROM SHAREHOLDERS

Acision is focused on delivering superior net asset value growth through the management and enhancement of existing properties; successful completion of the development pipeline and by securing additional pipeline opportunities for sustained growth.

The group has an ambitious target of an average of 20% – 25% growth over the three year period from listing. This is achievable through Acision's development function and well-entrenched "value engineering" approach to developments which significantly reduces development costs (refer to the CEO report on page 32 to 33 for further details).

Acision made good progress towards the delivery of its objectives and development pipeline communicated at the time of listing and also completed its first new development opportunity, Mall@Mfula, which did not form part of the original defined pipeline.

100% of these development profits are to the benefit of Acision's shareholders which is one of the main benefits of a combined and internalised property management and development company structure.

CHALLENGES

Slowing economic growth and depressed consumer confidence were challenges that Acision faced along with the rest of the Real Estate sector. Whilst some pressure was felt over the period these factors did not have a major impact and the portfolio delivered a robust performance.

Acision's low debt levels meant that the uncertainty experienced around interest rate movements was less of a concern.

THE ACSION GROUP REMAINS FOCUSED ON CREATING LONG TERM VALUE FOR ITS STAKEHOLDERS.

Although prudent, given Acision's exceptionally low gearing, the board's decision not to raise capital at the time of listing has impacted on liquidity of the Acision shares. Improving the liquidity of Acision's shares is a key priority for the board which is considering several initiatives to do so and thereby boost shareholder value.

Acision continues to explore sizeable development opportunities that may necessitate a capital raise at some point in the future which will increase the share capital and may contribute to an improvement in liquidity.

THE REAL ESTATE MARKET AND ECONOMY

The year under review was characterised by a highly challenging economic and business environment. In addition, the market uncertainty was fueled by poor investor confidence, which in turn was exacerbated by both perceived and real political instability. The most notable event relating to political instability in South Africa was the controversial reshuffle in government's finance ministry during December 2015.

Globally the real estate market has been under pressure and particularly emerging markets have taken a back seat due to falling demand for commodities, largely driven by the Chinese economic slowdown.

Domestically, South Africa is facing strong economic headwinds with GDP growth predicted to be around 1% for 2017. Following recent political developments, the country has been downgraded to below investment grade by two ratings agencies which does not bode well for improvements in GDP growth. In addition, potentially increasing interest rates and rising utility costs will put tenants under even more pressure.

The board is mindful that the real effects of low GDP growth, higher interest rates and rising inflation have yet to fully permeate the consumer market and a further slowdown in consumer activity is likely in the year ahead.

Despite the uncertainty that this brings, the board is confident in Acision's ability to capitalise on opportunities that this ever-changing context presents and to continue to deliver value by leveraging its defensive portfolio and development expertise.

Acision is in the fortunate position that its tenants are charged below market rental rates due to the Company's lower development cost. As a result, Acision does not expect significant rental reversions and believes that it will be able to weather a more challenging economic environment with relative ease.

In addition, the implementation of solar and renewable energy infrastructure in two of its major developments has had a direct impact on electricity and other charges which benefit not only tenants but all stakeholders.

STRATEGY

The Acision group remains focused on creating long term value for its stakeholders by leveraging its in-house expertise to successfully develop the current development pipeline while extracting further value from its existing developed assets.

Acision's philosophy has always been to develop during the downturn to benefit from the upturn when it comes. The Board will continue to selectively pursue future development opportunities that will lead to sustainable growth locally and potentially off shore where the focus is currently on Eastern Europe.

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 all streams of income, expanding existing retail centers in line with tenant demand and maintaining strict cost control measures across the entire business.

GOVERNANCE AND BOARD

The board of directors is committed to and subscribes to King III and the JSE Listings Requirements and proactively

takes steps to ensure that Acision is fully compliant with these regulations and recommendations in all material respects as soon as possible.

The board will continuously review and assess the assimilation and entrenchment of governance best practices. More information on a detailed checklist as well as Acision's approach to corporate governance can be found on pages 34 to 41 as well as on the Company's website, www.acsionsa.co.za.

PERFORMANCE

The developed investment portfolio value increased to R5.105 billion owing to the inclusion of Mall@Moutsiya which was completed in August 2016 and Mall@Mfula which was completed in November 2016. Rental income increased slightly in excess of inflation and occupation rates declined slightly. Construction of Acsiopolis progressed according to plan and is on track for completion in early 2019 while construction of Mall@55 commenced in the last quarter of 2016.

The group's focus on delivering its development pipeline, improving income streams, expanding existing retail centres and maintaining cost control measures saw Acision achieve NAV growth of 19.1% for the year.

APPRECIATION

My gratitude goes to my fellow board members for their continued support, wise counsel and valuable contributions during the year as well as to the executive team, management and staff for their unwavering commitment, enthusiasm and hard work in ensuring that Acision delivers against its objectives.



David Green
Board chairperson

30 June 2017

LEADERSHIP REPORTS continued



CHIEF EXECUTIVE OFFICER'S REVIEW

KIRIAKOS ANASTASIADIS

The past twelve months was challenging considering the economic turmoil experienced as a result of the credit downgrade earlier the year. This has put additional pressure on the economy and especially the consumer base supporting the tenants in our developments.

PROPERTY FUNDAMENTALS

Despite the tightening economy, property is performing relatively well. The growth in the South African market is under pressure as consumer spend is not robust and retail development over the past years has caught up with the need for the retail space. Diversification will be key to sustain growth in a property portfolio as well as to mitigate the risk of exposure to any one sector.

We have seen many property companies diversifying their portfolio into European markets. Acision will not only diversify on a geographical basis with Metropolis Mall@Larnaka (Larnaka, Cyprus) but also from a sectoral perspective with Acsiopolis (Benmore, Sandton), a residential development.

The company believes that there are still pockets in South Africa for retail developments but that these developments will have to be well placed and will have to offer significant value to retailers before the development will be successful.

VALUE ENGINEERING, NOT FINANCIAL ENGINEERING

Acision's unique value engineering approach to development starts at the negotiation phase when acquiring land parcels for development and continues throughout the construction and tenancing phase. Significant cost savings are realised through this hands-on and innovative approach while maintaining excellent quality in construction. The group strives to obtain a first year development yield of between 15% and 20% and this is a key consideration prior to commencing with any project.

This has always led to the Company being able to afford its tenants lower rentals when compared to nodal averages.

LEASING PROFILE – DEVELOPED ASSETS

An update on Acision's leasing profile is provided on page 11 of this integrated annual report. The developed investment property portfolio is trading at an annualised operating profit yield of approximately 7.3% (2016: 7.3%). The pricing of the portfolio remains very attractive and the Company believes that there is still great value to unlock with the continued development of the existing portfolio.

Vacancy deteriorated slightly from the previous year mainly due to the opening of Mall@Moutsiya and Mall@Mfula close to the financial year end when they were not fully let. The weighted average vacancy weighted by GLA for the portfolio was 5.4% (2016: 4.4%) and the team is dedicated to reduce this number to more acceptable levels.

DURING THE FINANCIAL YEAR THE GROUP RECORDED REVENUE OF R524.8M (2016: R453.3M) AND A NET PROFIT AFTER TAX OF R812.4M (2016: R569.6M).

PIPELINE DEVELOPMENTS

An overview of future developments and development opportunities is provided on pages 20 to 22 of this integrated annual report.

The company is very excited about its Acsiopolis development. This is the single largest development the Group has undertaken to date and it will also diversify the existing portfolio with some exposure to the residential market. Acsiopolis is situated in Benmore, Sandton and has been designed as a twenty story mixed use development.

The development progressed well and five parking levels have been completed by the end of February 2017. The development now exceeds ground level where the retail section of the development will be constructed and at a later stage, the residential section above that. If the construction continues as well as it does currently, the Company aims to open Acsiopolis in January 2019.

The group has further secured its first international development opportunity in Larnaka, Cyprus. The group intends to develop a 40 000 m² shopping center in this town which will be the only large scale shopping center for its inhabitants. The land was secured through a lease of three 33 year periods and the Group is currently awaiting finalisation of necessary licenses before construction may commence.

FINANCIAL PERFORMANCE

For a detailed overview of Acsion's financial performance, refer to the Chief Financial Officer's report on pages 42 to 43 of this integrated annual report.

During the financial year the Group recorded revenue of R524.8m (2016: R453.3m) and a net profit after tax of R812.4m (2016: R569.6m). Operating expenses were well contained at R205.0m (2016: R210.5m) for the financial year. The decline in operating expenditure despite the opening of two additional shopping centres was largely attributable to the installation of solar plants and continued cost control.

The company installed its first solar solution at Mall@Emba (Embalenhle, Mpumalanga) and commissioned the project in October 2015 at a cost of approximately R16m. The project was so successful that the Company installed and commissioned two additional solar plants at Mall@Reds and Mall@Carnival at a cost of approximately R90m in August 2016. The group now generates in excess of 7MW of electricity for its own developments.

Net profit after tax attributable to ordinary shareholders of R787.8m (2016: R559.1m) equated to basic and diluted weighted earnings per share of 199.5 cents (2016: 141.6 cents) and weighted headline earnings per share of 47.0 cents (2016: 45.9 cents) for the year. The group is however especially pleased with the increase in its net asset value ("NAV") (excluding deferred tax) of 19.1% to 1 620.5 cents per share.

TREASURY SHARE PURCHASE

The group continued to repurchase shares during the current year. To date 726 000 were acquired by the subsidiaries within the Group and they are currently held as treasury shares. The decision to repurchase shares was made as the share price is trading significantly below the reported NAV of the Company. These shares were purchased at approximately 49% below the reported net asset value per share as at 28 February 2017.

As discussed in the Chairman's statement, Acsion is aware that although there is significant interest in its investment case, the current low liquidity presents a major barrier to especially institutional investment. As a result, the board has decided to propose a dividend of 12.5 cents per share (1.53% dividend yield based on share price of 28 February 2017) in order to return some growth to the shareholders.

OFFSHORE STRATEGY

Acsion will continue to explore international opportunities in the year ahead. A number of opportunities in Europe have been explored but did not meet the investment requirements of the Group and as a result, was not pursued further.

Since our focus is on development and growth in net asset value, Acsion is not fixated on distribution growth. For this reason, our international pipeline will include development or redevelopment opportunities and the business case for an acquisition therefore has to make sense beyond the exchange rate and debt margin differentials.

The development opportunities in Africa are still being pursued. African countries' economies are mostly commodities based and with the slowdown in commodities, it has also slowed down our progress with our planned expansion into Africa. The group remains cautiously optimistic, de-risking each opportunity as far as possible before proceeding. We are in constant negotiations with our partners in Africa and the authorities to ensure that make a success of a development once we branch out into Africa.

PROSPECTS

Despite an expected continuation in economic headwinds, we remain confident that Acsion will achieve its growth objectives. We think the cost of borrowing in Europe is expected to remain around current levels which will be a favorable factor considering our offshore strategy. These factors, as well as South Africa's challenge in addressing low domestic growth, will likely result in the South African Reserve Bank maintaining the repo rate for a longer period of time.

APPRECIATION

My thanks goes to the board and my team for their guidance and support during a challenging year under review. Finally, I would like to thank our tenants, customers and shareholders for their commitment and support. We are excited about the future and believe Acsion is on track to deliver according to all stakeholders' expectations.



Kiriakos Anastasiadis
Chief Executive Officer

30 June 2017

GOVERNANCE

THE BOARD OF DIRECTORS

Acsion undertakes 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 these areas.

The board of directors is committed to and subscribes to 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 continuously review 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.

With the introduction of King IV, the board will during the year ahead, evaluate the changes and implement procedures where necessary to ensure compliance with the new governance guidelines.

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 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 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.

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

The board strongly condemns and discourages any form of bribery and corruption and does not allow its integrity to be compromised in order to obtain new development opportunities.

DUTIES OF THE BOARD

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

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 COMMITTEE

Thabani Jali, an independent non-executive director, chairs the remuneration committee. 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 Chief Executive Officer contributed in the discussions about the remuneration of the executives during the current year and gave guidance to the non-executive directors regarding the remuneration of the executives in accordance with his role as the Chief Executive Officer of the Company.

ROLE OF THE COMMITTEE

The nomination committee is responsible for:

- Making recommendations to the board in respect of remuneration of the executive directors and executive committee members;
- Making recommendations on non-executive directors' fees;
- Serving as communication channel between the board and management regarding remuneration matters;
- Setting the remuneration policy for basic salaries, performance bonuses and long term incentives and adoption of the benchmarking methodology;
- Reviewing the standard conditions of service benefits; and
- Ensuring that the annual remuneration report, forming part of the integrated report (and including the remuneration policy), provides sufficient level of disclosure as required in terms of King III.

ACTIVITIES OF THE COMMITTEE DURING THE YEAR

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

The group believes people are at the heart of its 'value engineering' mission. Remuneration is key to attracting and retaining people who are committed to this mission.

The Group's first policy goal is to attract and retain talented people to lead the group supported by dedicated employees. Once good staff members are hired, the policy is focused on retaining the best, creating an appropriate staff turnover amongst the balance so as to prevent stagnation and infuse new ideas and motivating employees to create value as part of a disciplined team.

The tools used to achieve the goals include performance linked remuneration, structured direction from directors and senior managers, allowing differences to be expressed in appropriate forums and supporting employees in their personal career and academic goals, which several pursue part-time at company cost.

Policy implementation is varied between two groups of employees, the leaders and those who support the leaders in implementing the policy.

These employees, who are the foundation of the Group's 'value engineering' process, are paid a salary, inclusive of an annual bonus.

Performance remuneration for these employees is linked to the achievement of key performance indicators (KPI) and internally benchmarked pay as determined by the remuneration committee, after taking into account the views of the Chief Executive Officer of the group.

The most important element of remuneration for directors and senior executive committee members is the opportunity to participate in investment opportunities. Key people are invited to buy minority shares in group subsidiaries for particular developments upon their commencement. Once the development is completed, Acision acquires these minority shares in exchange for Acision shares. This opportunity drives wealth creation by the leaders of the Group.

Other employees are paid market related salaries to attract and retain the core staff complement who support the senior staff in their mission to drive the Company's value engineering process. Basic remuneration is determined at the time of hire by reference to their salary negotiations and thereafter by market benchmarks. Annual reviews are

carried out on the anniversary date of employment.

Performance remuneration, paid to reward staff members for work above and beyond what is expected from them for their monthly remuneration, is based on a bonus ranging from 10% of monthly remuneration to 120% depending on performance assessments. These performance assessments are linked to key performance indicators (KPI) with effect from the 2016 calendar year.

The group has a pool of shares set aside for award to good performers in the employ of the Group. The basis of allocating these shares is under consideration by the remuneration committee in consultation with the Chief Executive Officer of the Group.



Thabani Jali
Chairperson of the remuneration committee

30 June 2017

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 are subject to restraints of trade not to compete directly with the Company. Refer to note 34 in the Notes to the Annual Financial Statements for the 2017 and 2016 remuneration received by directors and prescribed officers of the Group.

DIRECTORS' INTERESTS DIRECTORS' INTERESTS IN SHARES

As at 28 February 2017, the Directors and prescribed officers (and their related parties) held a certain percentage of the shares in the Company. Refer to the Directors' Report point 9 for the Directors' interest in shares.

Kiriakos Anastasiadis, through Ioleni Trust and in his personal capacity, directly and indirectly owns 75.44% 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.

Refer to note 40 in the Notes to the Annual Financial Statements for the Shareholder information.

DIRECTORS' INTERESTS IN TRANSACTIONS

During the financial year, Anastasi Construction Close Corporation of which Mr K Anastasiadis is the sole shareholder, undertook construction of Mall@Moutsiya, Mall@55 and certain aspects of Acsiopolis. Mr I Anastasiadis is a director of all underlying companies and his wife owns Kinsella Consultants Proprietary Limited who were used for ad hoc repairs and maintenance. Refer to note 33 in the Notes to the Annual Financial Statements for the Related Party transactions for the year ended 28 February 2017.

NOMINATIONS COMMITTEE

This committee is chaired by the Group Chairman David Green. The other members are from the remunerations committee being David Sekete, Sonja Griesel and Thabani Jali.

The nominations committee applies its gender diversity policy in conjunction with the broader principles of BEE, whenever a vacancy arises either on board or within the Group. The policy dictates that candidates of all backgrounds be considered for the position. The best candidate considered for the position is appointed on merit.

ROLE OF THE COMMITTEE

The 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;
- Assessing the appropriateness of the split between executive and non-executive directors and independent directors;
- 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;
- Conducting annual performance reviews of the board and various board committees. The nominations committee applies its gender diversity policy in conjunction with the broader principles of BEE, whenever a vacancy exists either on board or within the Group.

ACTIVITIES OF THE COMMITTEE DURING THE YEAR

With the resignation of David Sekete from the audit committee, the nominations committee have met with several individuals to fill the vacancy. An appointment has not been made to date, but the committee is hopeful that an appointment will be made in the near future.



D Green
Chairperson of the nominations committee

30 June 2017

AUDIT AND RISK COMMITTEE REPORT

Refer to the Annual Financial Statements for the Audit and Risk Committee report.

INVESTMENT COMMITTEE

Acision 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.

Two investment committees meetings were held during the year. The development in Cyprus has been discussed and approved. Subsequent to this meeting, a lease agreement for land has been entered into subject to the due diligence and the necessary regulatory approval being obtained. The Group intends to develop a retail shopping centre of approximately 40 000 m². This will be the first development undertaken by the Group outside of South Africa. The committee is of opinion that this development will yield very good returns and is also a very good opportunity to start the geographical diversification of the Group.

The committee also approved, in principle, the acquisition of land in one of South Africa's prime business districts. It is envisaged that should the transaction be concluded, it will contribute to the Groups' sectoral diversification away from retail. This development is likely to be a mixed use development in excess of 200 000 m². This development will, however, be phased, but the actual planning regarding the specifics of this development has not commenced.

Investment committee meetings are scheduled as and when needed throughout the year.



D Green
Chairperson of the investment committee

30 June 2017

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

Since listing, Acsion endeavoured to address all of the requirements of regulation 43 of the Companies Act 71 of 2008 (as amended). The Group recognises that this is a journey and has not yet been able to focus on each item, although headway was made during the period.

During the year under review, the social and ethics committee met twice 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. For the year ended 28 February 2017 the Group awarded free exhibition space valued at R389 037 to worthy causes. The group sets itself a target of R1 000 000 each financial year for this cause.

For the first time ever, the Group also awarded bursaries to underprivileged individuals to obtain a degree at one of the leading universities in South Africa in a field that would add value to Acsion. On successfully obtaining the degree, the individual will have the choice to start their career with Acsion. The group awarded five bursaries of R40 000 each to individuals from areas surrounding Mall@Emba, Mall@Mfula, Mall@Lebo and Mall@Moutsiya and in such a way also gives back to the local community. The group also supports its own employees through providing study funding to the employees to enrol and complete degrees that would add value to Acsion. The study funding is not repayable if the employee passes the degree.

The group deployed solar technology at some of its developments in an effort to curb energy usage from burning of fossil fuels. In this way the Group illustrates its commitments to the environment in a way that also makes financial sense to shareholders. The solar initiative also aids municipalities to provide much needed electricity to the communities that the Group operates in by lowering the electricity demand that the Company requires for its developments.

Various other charitable organisations are supported throughout the year by way of financial contribution. Some of these organisations include CANSA, SANBS, Santa Shoe Box and Cupcakes for cancer to name but a few.

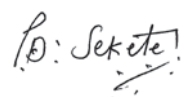
The group provides support to the communities in which it operates through providing employment to the community members as well as providing support to local schools and other charitable organisations through donations of cash

and equipment. The following list highlights some of the support provided by the Group to the community:

- Supporting the local sports teams through sponsorship of sports gear for local tournaments as well as through the donation of trophies and medals. The group also provides soccer fields for the community to utilise for practice and tournaments.
- Supporting the local businesses through the purchasing of their goods or services for events held by the malls.
- Supporting a special needs school by repainting the walls of the schools.
- Supporting the community through providing soup kitchens.

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 Broad-Based Black Economic Empowerment ("B-BBEE"). The group currently promotes BEE empowerment through engaging with local businesses and entrepreneurs as partners at local level (at Mall@Emba, Mall@Lebo, Mall@Mfula and Mall@Moutsiya).

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



David Sekete
Chairperson of the social and ethics committee

30 June 2017

DIRECTORS' ATTENDANCE AT MEETINGS

	Board		Audit committee		Investment committee		Remuneration and nominations committee		Social and ethics committee	
	Total meetings	Meetings attended	Total meetings	Meetings attended	Total meetings	Meetings attended	Total meetings	Meetings attended	Total meetings	Meetings attended
K Anastasiadis	4	4	4 ^Δ	3 ^Δ	2	2	2 ^Δ	2 ^Δ	2	2
D Green	4	4	4	4	2	2	–	–	–	–
S Griesel	4	4	4	4	–	–	2	2	–	–
T Jali	4	3	4	1	–	–	2	2	2	2
D Sekete	4	4	–	–	2	–	2	2	2	2
P Scholtz	4	4	4 ^Δ	4 ^Δ	2	2	–	–	2 ^Δ	2 ^Δ

^Δ Invitee to the committee meeting

GOVERNANCE continued



DAVID GREEN



KIRIAKOS ANASTASIADIS



PIETER SCHOLTZ



DAVID SEKETE



THABANI JALI



SONJA GRIESEL



MICHAEL REYNOLDS

BOARD OF DIRECTORS

ADV. DAVID GREEN (55)

Independent non-executive chairman
BA, LLB

Chairperson of the board
Chairperson: Investment committee

David is a director of ProAfrica Property Services Proprietary Limited 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 Proprietary Limited, executive director of Marriott Property Group Proprietary Limited, head of the fund and asset management divisions of JHI Property Services Proprietary Limited and management of the Capital and City Centre Listed property funds at JHI Property Services Proprietary Limited. He was previously chairman of the SA Listed Property Association and a board member of SAPOA.

MR KIRIAKOS ANASTASIADIS (64)

Chief executive officer
PR Eng MSc Eng (Structural)

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

MR PIETER SCHOLTZ (41)

Chief financial officer
BCom Honours (Accounting),
CA(SA), MCom (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. In addition to his responsibilities as Chief Financial Officer, he is also overseeing the operational side of the business until such a time that a suitable portfolio manager is appointed. Pieter is a registered member of the South African Institute of Chartered Accountants as a CA(SA).

DR DAVID SEKETE (63)

Independent non-executive director
BSc, MBChB, MSc Med

Chairperson: Social and ethics committee

Dr PD Sekete is a Medical Practitioner with thirty-two years' experience in this field. He has held various directorships at subsidiary level of the listed entity over the past nine years and prior to this, he was a director at several companies including Meditech (nine years), Buhle Waste (eighteen years), Liseko Healthtek (ten years) and Razorite Healthcare (RH) and Rehabilitation Fund managing R2.5 billion developing hospitals (two years). Dr PD Sekete is a member of HPCSA (Health Professional Council of SA) and SAMA (South African Medical Association).

MR THABANI JALI (58)

Independent non-executive director
LLB, LLM

Chairperson: Remuneration and nominations committee

Thabani has over twenty-one years' 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 (56)

Independent non-executive director
CA(SA) BCompt (Hons),
MCom (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-seven-year period. 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 (56)

Company secretary
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 thirteen years.

GOVERNANCE continued

EXECUTIVE COMMITTEE

The overall direction, supervision and management of Acision 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 Leasing), Jeanette Nel (National Development Leasing Manager), Sandy van Staden (National Portfolio Leasing Manager), Nicolas Christodoulou (Portfolio Facilities and Operations Manager) and Marce Valster (Group Financial Manager).

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.



YANNI ANASTASIADIS



DIMITRI THOMAS



JEANETTE NEL



SANDY VAN STADEN



NICOLAS CHRISTODOULOU



ASTRINO NICOLOUDAKIS



MARCE VALSTER

MR YANNI ANASTASIADIS (35)

Director of subsidiaries and 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 feasibility, 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 153 200m² of new retail space.

MR DIMITRI THOMAS (41)

Director of subsidiaries and 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 (55)

National development 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 thirty 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.

MS SANDY VAN STADEN (40)

National Portfolio Leasing Manager

Sales and Marketing Diploma

Sandy manages the leasing function on the existing portfolio which currently consists of eight retail properties. She is responsible for increasing income on the existing portfolio. This mainly includes reducing vacancies, managing tenant mix, negotiating lease renewals and identifying growth and opportunities within the market.

Her work experience includes nineteen years in property management which included commercial, retail and residential portfolios. Sandy started her career with Monex Development Company on a retail portfolio in the Eastern Cape. After six years with Monex, she re-located to Gauteng. Her property career in Gauteng started with City Property, where she worked for ten years. For the last four years at City Property, she was appointed as General Manager. She then moved on to JHI as Portfolio Executive for two years where she assisted in starting up their residential division, before she moved to Acsion.

MR NICOLAS CHRISTODOULOU (38)

Portfolio Facilities and Operations Manager

Facilities Management (University of the Free State)

Nicolas joined the Group in 2015 and heads the Portfolio's Facilities and Operations management functions. He has fourteen years experience in property management both in Europe and South Africa. With a hands-on approach and structured preventative plan, optimal results are being achieved.

MR ASTRINO NICOLOUDAKIS (37)

Deal origination and innovation

CA(SA)

Astrino Nicoloudakis joined Acsion in 2015. He has been tasked with new deal origination across Europe and Africa, revenue enhancement innovations, photovoltaic rooftop solar installations and Acsiopolis concept design. He qualified as a CA(SA) in 2005 and has a strong exposure to exponential growth ventures and deal origination.

MS MARCE VALSTER (27)

Group financial manager

BCom Honours (Accounting), CA(SA)

Marce completed her BCom (Accounting Sciences) and BCom Honours (Accounting Sciences) at the University of Pretoria. She went on to complete her articles at Deloitte in the Pretoria office in 2015 and audited clients in the financial services, manufacturing, retail, mining, medical devices and solar power technology industries. She qualified as CA(SA) in January 2016. After completing her articles she was seconded to the Deloitte San Francisco office in the USA where she serviced clients in the financial services industry. Marce subsequently joined the Group in 2016 as Group Financial Manager.

FINANCIAL PERFORMANCE



CHIEF FINANCIAL OFFICER'S REPORT

PIETER SCHOLTZ

Action performed well during the year under review and successfully opened two additional shopping centers despite the challenging economic environment. Mall@Moutsiya (Walkraal, Limpopo) opened in August 2016 and Mall@Mfula (Piet Retief, Mpumalanga) opened in November 2016 adding an additional 33 200 m² to the portfolio. The total retail portfolio is now approximately 237 800 m². The developed portfolio, with its strong cash generating capability, serves as an underpin for the Group's growth aspirations.

The group's largest single phase development to date, Acsiopolis (Benmore, Sandton) is progressing well and we are excited about the various opportunities that it presents. This development will also be the Group's first significant diversification from its defensive retail portfolio as it will introduce approximately 59 000 m² of residential space. We anticipate that once the development opens in the first quarter of 2019, the Group will have a total residential exposure of approximately 20% based on Gross Lettable Area ("GLA").

The group also managed to secure its first international retail development opportunity in Larnaka, Cyprus. We anticipate developing approximately 40 000 m² retail space once all the licenses and approvals have been obtained. This development will diversify the Group's retail square meterage geographically to approximately 13% of GLA once completed.

Locally, the Group aims to open its Mall@55 (Monavoni, Gauteng) in the last quarter of 2017 which will add approximately 15 000 m² to the retail portfolio. Maintaining and enhancing its developed portfolio will remain a key focus for the Group to maintain its reported vacancy percentages in some developments and to improve this percentage in others. The group aims to have portfolio vacancy of approximately 4.5% of GLA.

The opening of the two additional retail centers aided in the revenue growth to R524.8m (2016: R453.3m). Operating costs declined to R205.0m (2016: R210.5m) despite the opening of the two retail centers during the financial year. The largest contribution to this decline was the benefit derived from the solar plants. These solar plants lower the dependency of the Group on the local municipalities for the generating of electricity. The group currently generates approximately 7.8MW of electricity for its own use from these developments which was installed at a cost of approximately R113.0m. The group reported a direct property cost to income ratio of 8.6% (2016: 10.4%) for the year ended 28 February 2017. Operating profit rose as a result of these factors to R327.2m (2016: R253.5m).

THE OPENING OF TWO ADDITIONAL RETAIL CENTERS AIDED IN REVENUE GROWTH TO R524.8M (2016: R453.3M) OPERATING COSTS DECLINED TO R205.0M (2016: R210.5M) DESPITE THE OPENING OF TWO RETAIL CENTERS DURING THE FINANCIAL YEAR.

Net finance costs increased marginally to R20.3m (2016: R16.6m) and as a result the Group remains very lowly geared at 4.9% (2016: 4.1%). The group, however, anticipate that the gearing will increase during the 2018 financial year given its development pipeline.

Fair valuation of the investment properties contributed R804.2m (2016: R633.2m) during the year. The group kept the pricing of the portfolio very attractive given the quality of the assets. The operating yield of the portfolio is currently 7.3% (2016: 7.3%). The challenging economic environment may require the Group to grant some rental reversions in extraordinary circumstances, but considering that the Group's rental rates are generally lower than its competitors in the applicable nodes, rental reversions are not expected to have a significant impact on the value of investment properties. The group currently carries it property at R5.762bn (2016: R 4.617bn). Net asset value ('NAV'), excluding deferred tax, increased by 19.1% for the year to R16.21 per share.

Funding requirements for the development pipeline as mentioned above, will be done by raising external debt so as to make use of the ample head room that the Group has to increase its gearing.

The share price performance remains disappointing but the Group is aware that this is much more a function of liquidity of the share than it is related to the quality of earnings and performance of the Group. As the share was trading at a significant discount to the reported net asset value excluding deferred tax, the Company acquired some of its own shares in the market. Once the external debt resources have been better utilized, it is management's intention to raise capital which will address the liquidity concerns surrounding the share.

The group remains optimistic and very excited about the year ahead and will continue to strive to return superior NAV growth to its shareholders by completing

is development pipeline whilst seeking additional investment opportunities both locally and abroad.

I would like to thank all of the Group's staff members for their unwavering dedication and effort. The group will not be able to deliver its sterling results without them.



Pieter Scholtz
Chief Financial Officer

30 June 2017



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NOTICE TO THE ANNUAL GENERAL MEETING

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PROXY FORM

Attached

These Annual Financial Statements were prepared by:

P.H. Scholtz CA(SA), MCom (Tax)
Chief Financial Officer of the Group

These consolidated and separate Annual Financial Statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Issued 30 June 2017

AUDIT AND RISK COMMITTEE REPORT

The Group's Audit and Risk Committee ("the Committee") is a committee of the Board of Directors ("the Board"). The activities of the Committee are determined by its terms of reference as approved by the Board and its statutory responsibilities as per the South African Companies Act 71 of 2008 ("the Companies Act").

The purpose of the Committee is to provide the Board and the shareholders with sufficient assurance that their interests are protected in respect of internal controls, financial reporting and risk identification and management. The Committee therefore has a responsibility to ensure that the Group has effective systems in place to ensure adherence to good governance principles as defined in the King Report on Governance for South Africa 2009 ("King III"); that effective mechanisms are in place to ensure that risks are being identified and managed and that the Group is aware of its legal and regulatory commitments.

One of the key roles of the Committee is to ensure that systems and processes are in place to ensure that assets and liabilities are recorded accurately and fairly in accordance with International Reporting Standards ("IFRS"). The Group has implemented an internal control framework, an internal control function, regular interaction with the external auditor and regular reporting against budgets and prior year results, to comply with this responsibility.

The governance of risk is a key priority for the Board, the Committee and management. The Board who is ultimately responsible for managing risk, has delegated oversight responsibility for risk management to the Committee. Management is responsible for the identification, implementation and management of risks.

The Board elected to consider a change of auditors and called for submissions from a number of leading firms, including the then current auditors. A selection was then made based on key performance indicators deemed important to the Board and Deloitte & Touche ("Deloitte") was duly appointed.

The Committee is satisfied that the Chief Financial Officer of the Group, Pieter Scholtz, has the necessary expertise and experience to carry out his duties and to meet his responsibilities.

The Committee has recommended to the Board the approval of the Annual Financial Statements for the year ended 28 February 2017.

In accordance with the Audit and Risk Committee Charter, the Board delegated certain duties, responsibilities and authority to the Committee. The matters reviewed and managed by the Committee remains the responsibility of the Board as a whole with the Committee acting on behalf of the Board.

ROLE OF THE COMMITTEE

The specific roles and responsibilities of the Committee include, but are not limited to:

- reviewing legal and regulatory requirements and adherence thereto;
- ensuring good standards of governance, reporting and compliance are in operation, including the monitoring of adherence to applicable legislation, included but not limited to the Companies Act, the Income Tax Act, 1952, the Value-added-tax Act 1991 and other applicable legislation;
- the appointment of internal and external auditors and the independence thereof;
- overseeing the internal audit function;
- overseeing the relationship with the external auditor;
- overseeing the effective functioning of the Combined Assurance process;
- providing the Board with additional assurance regarding the efficiency and reliability of the financial information used by the Directors to assist them in discharging of their duties;
- reviewing the expertise, qualifications and performance of the finance function;
- overseeing management's implementation and adherence to accounting policies, reporting and record-keeping standards;
- assessment of the Key Audit Matters;
- reviewing interim and Annual Financial Statements including the Integrated Report;
- reviewing the ability of the Group and Company to continue as a going concern including its solvency and liquidity;
- ensure that significant business, financial and other risks have been identified and are being suitably managed; and
- effective and timely implementation of corrective actions to address any risk management deficiencies.

MEMBERSHIP OF THE COMMITTEE

After the resignation of one of the three members of the Committee during the year ended 29 February 2016, Thabani Jali, an existing Non-Executive Director of the Board, was appointed on 20 May 2016 to serve on the Committee until another suitable candidate could be appointed. The nomination process to appoint another non-executive director to the Committee is underway, but has not yet been completed due to the difficulty in finding a suitable candidate, taking into consideration changes required by the JSE regarding gender diversity.

The Committee comprises three independent Non-Executive Directors at date of approval of this report. All members of the Committee are suitably skilled and experienced in:

- financial and sustainability reporting;
- internal financial controls;
- internal audit processes;
- external audit processes;
- risk management;
- corporate law;
- information technology governance in relation to integrated reporting; and
- governance processes within the Group.

Members and attendance of the Committee are included in the table below:

Member	Status	Attendance
Sonja Griesel	Independent Non-Executive Director	4/4
David Green	Independent Non-Executive Director	4/4
Thabani Jali	Independent Non-Executive Director	1/3

ACTIVITIES OF THE COMMITTEE DURING THE YEAR

The Committee has an annual work plan, developed from its terms of reference and statutory responsibilities. During the 2016/2017 financial year, the Committee focused on the following three principle areas:

Risk and internal controls	External and internal audit	Accounting, tax and financial reporting
Participated in the annual risk assessment process	Considered and approved the extension of the contract with the outsourced internal auditors	Reviewed and approved the interim and Annual Financial Statements and significant reporting judgements
Considered reports from internal auditors on their assessment of the Group's internal control	Considered and approved the annual risk-based internal audit scope and budget	Considered the solvency and liquidity of the Group for the basis of recommending the Group's interim and annual results to the Board for approval
Considered reports from external auditors on their assessment of the Group's internal control	Considered the level of alignment between the Group's key risks and the internal audit programme	Reviewed the related disclosures in the Annual Financial Statements
Considered risk matrices from the risk assessment process as identified and assessed by management and members of the Committee	Considered and recommended the appointment of new external auditors for the 2016/2017 financial year	Considered capital management and gearing ratios
Considered risk management reports on risk management activities and improvement of the residual risk ratings	Considered and approved the audit approach and scope of audit work to be undertaken by the external auditor and the external auditor's compliance with International Standards on Auditing	Reviewed and approved disclosures in the Integrated Report in relation to controls, principal risks and uncertainties and the work of the Committee
Assessed the effectiveness of the Group's internal control environment	Considered the independence of the external auditor and their effectiveness as well as considered and approved the audit fees proposed	Considered the outcome of the JSE's proactive monitoring of the annual financial statements in 2016
Considered the Group's regulatory compliance requirements		
Reviewed and recommended for approval the improvement of the risk management policy and framework		

AUDIT AND RISK COMMITTEE REPORT (CONTINUED)

SIGNIFICANT MATTERS IDENTIFIED AND CONSIDERED BY THE COMMITTEE

After discussions with management and the external auditor, the Committee determined that the key audit matters and primary risks of misstatements of the Group's financial statements related to:

- valuation of investment properties;
- impairment assessment of the prepayment for the Mall@Maputo;
- valuation and impairment of goodwill; and
- treatment of timing and permanent tax differences pertaining to investment property.

The matters were discussed continuously during the year and treatments agreed with management, the internal auditors and the external auditor.

VALUATION OF INVESTMENT PROPERTIES

There is significant judgement by the Directors in determining the fair value of investment properties. The judgement applied is supported by independent valuations by an experienced valuer. To ensure that the methods used in valuing properties are in line with industry standards, the Committee considered the competence, qualifications, capabilities and objectivity of the independent valuer.

The external auditor made use of their own expert for a selection of properties to evaluate the Directors' and their valuer's judgements. They found that the models used for the various property categories were appropriate and the discount and reversionary cap rates were comparable to the market. Refer to the Annual Financial Statements note 3 where the inputs with the most significant impact on valuations are outlined.

IMPAIRMENT ASSESSMENT OF THE PREPAYMENT FOR THE MALL@MAPUTO

The inputs and assumptions applied by the Directors in the impairment calculation were tested entailing the discounting of the potential future income streams of Mall@Maputo at an applicable discount rate, considering rental projections, future construction costs and total costs to turnover ratios. As the value in use of the prepayment exceeded the carrying amount, we concur that no impairment was deemed necessary.

Refer to the Annual Financial Statements note 8 on prepayments.

VALUATION AND IMPAIRMENT OF GOODWILL

Goodwill arose as a result of acquisitions by the Group. It is annually assessed for impairment. The Committee considered the goodwill and determined that the assumptions, judgements and disclosure are appropriate with no goodwill being impaired during the 2016/2017 financial year.

Refer to the Annual Financial Statements note 7 on goodwill.

TREATMENT OF TIMING AND PERMANENT TAX DIFFERENCES PERTAINING TO INVESTMENT PROPERTY

Deferred taxation requires subjective input in regard to the rates to be applied to calculate deferred tax in respect of investment properties, having regard to the estimated manner in which timing differences will be realised.

The Committee supported the view of management in regard to the manner in which timing differences will be realised and the rate at which deferred tax is calculated.

Refer to the Annual Financial Statements note 18 on deferred tax.

ASSESSMENT OF THE ACCOUNTING TREATMENT OF SIGNIFICANT TRANSACTIONS

During the year under review Acision entered a lease agreement in Cyprus whereby Acision will lease land for a period of 33 years, with two renewal options of 33 years each. It is the Group's intention to develop a retail shopping centre on the land. Acision is currently awaiting various approvals from the local authorities and the lease is therefore not accounted for as a financial liability, but rather as a contingent liability. The Committee concurs with this treatment. Refer note 32 in the financial statements for more details.

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

The Committee is satisfied that the Annual Financial Statements appropriately address the critical judgements and key estimates pertaining to the above matters, in respect of both amounts and disclosures, after reviewing the presentations and reports from management and consulting with the external auditor, where necessary. The Committee is also satisfied that the significant assumptions used for determining the value of investment properties, goodwill, prepayments and other assets and liabilities have been appropriately examined, questioned and challenged. No material unadjusted errors in the consolidated and separate Annual Financial statements were noted by the Committee.

GOING CONCERN

The Committee considered and assessed the Group and Company's status as a going concern operation in the preparation of the Annual Financial Statements. The Committee and Board are satisfied that the Group and Company have access to adequate resources to continue in operational existence for the next 12 months after a review of the Group's cash flow forecast for the 12 months ending 28 February 2018 and the current financial position. The consolidated and separate Annual Financial Statements have been prepared on the going concern basis.

INTERNAL AUDIT

Acsion maintains internal controls and systems designed to provide reasonable assurance regarding the reliability of the Annual Financial Statements and to protect, verify and maintain accountability for its assets. These controls are implemented by trained individuals with segregated duties and responsibilities.

The internal audit function has been outsourced to Certified Master Auditors Incorporated, a professional service provider, ensuring that an independent function exists. The function is responsible for preparing and implementing the internal audit plan over a three-year rolling period. The Committee reviewed and approved the plan, incorporating the field work for the ensuing year. The internal audit function operates under the direction of the Committee with approval of the scope of work to be performed. Findings are reported to the Committee on a regular basis and corrective action is taken to address internal control deficiencies identified in the execution of work.

EXTERNAL AUDIT

The Group changed auditors during the year as it was deemed that a different approach to the audit would be beneficial to the Group. Deloitte is the external auditor of Acsion and its subsidiaries. The engagement partner on the audit is Zuleka Jasper. Deloitte provided one non-audit service during the year under review for which the fee was not considered to be material.

The audit committee is satisfied with the audit services provided by Deloitte, and will finalise the fees payable in respect of this financial year as well as consider the proposal for the year 2017/2018 during the next committee meeting

INTERNAL CONTROLS

The Group maintains financial, legal compliance and operational systems of internal control to meet the Group's responsibility to provide reliable information. The controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, are properly authorised and recorded and that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal. The systems include a documented organisational structure and division of responsibility, established policies and procedures and the training and development of people.

RISK MANAGEMENT

Effective risk management is an integral part in ensuring that the Group's strategic intent and growth targets are met. A risk management policy has been implemented which are reviewed, assessed and amended, where applicable, by the Committee on a regular basis. The risk management charter outline and prescribe the risk management process and is applicable across the Group and its subsidiaries.

The Board takes ultimate responsibility for risk management and has delegated oversight responsibility to the Committee. Management reports on a regular basis to the Committee to confirm that all potential and emerging risk mitigations have been identified and recorded and furthermore that appropriate action has been taken to mitigate the risk to acceptable levels.

Acsion's risk management is a continuous process and aims to:

- set risk governance structures, roles and responsibilities using a combined assurance approach;
- provide an overview of all risk management procedures;
- clarify the risk management organisational structure, related roles and responsibilities;
- provide guidance related to the key components of an effective risk management initiative;
- provide a bespoke, yet consistent approach to the application of risk management across the Group; and
- ensure that the risk management function is integrated with the business planning processes.

AUDIT AND RISK COMMITTEE REPORT (CONTINUED)

REGULATORY COMPLIANCE

The Committee oversees compliance with accounting standards, financial reporting requirements and legal statutory compliance. The Board receives regular feedback from the Chairpersons of the Committee, the Social and Ethics Committee as well as the Remuneration and Nominations Committee.

A formal process is in place ensuring a mandatory authorisation process for dealings in Acsion shares, disclosure of conflicts of interest, as well as formal levels of authority and delegated signing authorities for business transactions.

Acsion has had no material incidents of non-compliance, penalties or fines issued relating to non-compliance with legal and regulatory requirements. An independent whistle-blowing hotline directly to the Committee is available to all employees.

On behalf of the Audit and Risk committee



S. Griesel

Audit and Risk Committee Chairman

30 June 2017

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Directors are required in terms of the Companies Act 71 of 2008 ("the Companies Act") to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate Annual Financial Statements fairly present the state of affairs of Acision Limited ("Acision") and its subsidiaries ("the Group" and "Company") as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board.

The consolidated and separate Annual Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The Directors have reviewed the Group and Company's cash flow forecast for the year to 28 February 2018 and, in the light of this review and the current financial position, they are satisfied that the Group and Company has access to adequate resources to continue in operational existence for the foreseeable future. The consolidated and separate Financial Statements have been prepared on the going concern basis.

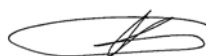
The external auditors are responsible for independently auditing and reporting on the Group's consolidated and separate Financial Statements. The consolidated and separate Financial Statements have been examined by the Group's external auditors and their report is presented on pages 53 to 57.

The consolidated and separate Annual Financial Statements and the notes, comprising a summary of significant accounting policies and other explanatory information set out on pages 62 – 108, which have been prepared on the going concern basis, were approved by the Board on 30 June 2017 and were signed on its behalf by:

APPROVAL OF FINANCIAL STATEMENTS



D.J. Green (Chairman)
30 June 2017



K. Anastasiadis (CEO)

GROUP SECRETARY'S CERTIFICATION

DECLARATION BY THE GROUP SECRETARY IN RESPECT OF SECTION 88(2)(E) OF THE COMPANIES ACT 71 OF 2008

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 Companies and Intellectual Properties Commission (CIPC) 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
30 June 2017

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ACSION LIMITED AND ITS SUBSIDIARIES

OPINION

We have audited the consolidated and separate financial statements of Acision Limited (the Group) set out on pages 62 to 108, which comprise the statements of financial position as at 28 February 2017, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at 28 February 2017, 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 (IFRS) and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

The consolidated and separate financial statements of Acision Limited for the year ended 29 February 2016, were audited by another auditor who expressed an unmodified opinion on those statements on 30 June 2016.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report with regard to the audit of the separate financial statements of the Company for the current period.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Valuation of Investment Property As disclosed in Note 6, investment property amounted to R5.7 billion (2016: R4.5 billion) and the fair value adjustment recorded in profit for the year was R804.2 million (2016: R633.2 million). The Group's investment property comprised mainly completed developments and developments under construction. Furthermore, the property portfolio included properties in different sectors, being retail, light industrial/commercial and residential properties. The key inputs and assumptions applied in the fair value computations for each property vary as a result of the nature of and use of the respective properties. The Group uses an independent external valuer to determine the fair values for a selection of properties on an annual basis. The remaining properties are valued by the Directors.	We assessed the competence, capabilities and objectivity of the Directors' independent valuer, and verified his qualifications. In addition, we discussed the scope of his work with management and reviewed the terms of engagement to determine that there were no matters that affected his independence and objectivity or imposed scope limitations upon him. We confirmed that the approaches the valuer used were in compliance with IFRS and consistent with industry norms. We assessed the experience, competence and capability of the Director who performed the other investment property valuations, the oversight of the Board of Directors over these valuations, and the risk of potential management bias. We made use of our independent external expert to evaluate a selection of valuations performed by the Directors' external valuer and the Director. We, and our independent external valuer, paid particular attention to the valuation models used, the inputs into those models, and the significant assumptions applied.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF ACSION LIMITED AND ITS SUBSIDIARIES

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Valuation of Investment Property The valuation of investment properties is dependent on significant assumptions and judgements, such as vacancy rates, expenditure rates, discount rates and reversionary cap rates, which in turn are calculated with reference to future revenue streams, quality of anchor tenants, period of leases, location of properties, quality of balance of tenants, quality of the building, etc. Changing any of these assumptions and judgements will significantly affect the valuation of the investment property. For the purpose of the audit we identified the valuation of investment property as a key audit matter due to the significance of the balance to the financial statements as a whole and the judgements associated with determining the fair value.	We also performed an assessment of the relevant controls that the Group has in place pertaining to the valuation of its investment property. An important element of our procedures included a sensitivity analyses on the significant assumptions to evaluate the extent of the impact on the fair values and assessed the appropriateness of the Group's disclosures relating to these sensitivities. We found that the valuation models, assumptions and input information to be materially correct; adjustments were made for incorrect input information noted through our audit procedures. The disclosures pertaining the investment property were found to be appropriate and comprehensive in the consolidated financial statements.
Impairment assessment of goodwill As disclosed in Note 7, the carrying value of goodwill amounted to R625.5 million (2016: R625.5 million). Goodwill arose as a result of the restructuring of the Group in 2015 and was attributable to the expected future growth as a result of the Group's current and future developments. In terms of IAS 36: <i>Impairment of Assets</i> (IAS 36), goodwill should be assessed for impairment annually. In order to establish whether an impairment exists, fair value less costs to sell or the value in use should be determined and compared to the net book value of the goodwill. The determination of an impairment is highly subjective as significant judgements are required by the Directors in determining the appropriate cash-generating unit (CGU), future cash flows, and the growth and discount rates. Accordingly, due to the high estimation uncertainty, the impairment assessment of goodwill is considered to be a key audit matter.	Our audit procedures included: • Critically evaluating the determination of the CGU; • Evaluating whether the model used by management to calculate the fair value less costs to sell and value in use of the CGU complies with the requirements of IAS 36; • Validating the assumptions applied and inputs used in the respective models; • Performing sensitivity analyses on the growth and discount rates; and • Considering the relevant disclosures in the financial statements. The Directors determined Acision Group to be the CGU. They further concluded that no impairment is required. We concurred with their assessments. We considered the disclosure of the assumptions applied in the goodwill impairment disclosures and found those to be appropriate.

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
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Impairment assessment of the prepayment for Mall@Maputo

As disclosed in Note 8, the total carrying value of prepayments amounted to R350.7 million (2016: R366.6 million) and comprise, amongst others, a payment of R200 million made to obtain the future development rights to construct Mall@Maputo. Subsequent to the recognition of this prepayment, a contract was entered with the Mozambican government.

The Directors wished to include an alternative parcel of land in the contract with the Mozambican government and is about to sign a new contract. This resulted in a delay in the commencement of construction of the project.

Due to the fact that the new contract has not yet been signed by the Mozambican government and that no construction has yet taken place on this project, uncertainty arose on whether the prepayment should be impaired in the financial statements. IAS 36 requires that an entity assesses at the end of each reporting period whether there is any indication that an asset may be impaired.

This assessment of whether an asset still existed at year end and the need for any potential impairment was fairly complex.

Due to the significance of this balance and the high estimation uncertainty associated with it, the impairment assessment of this asset was considered to be a key audit matter.

Considering the potential impairment of the assets, we have included, amongst others, the following procedures:

- Considering whether the prepayment still meets the definition of an asset;
- Evaluating whether the model used by management to calculate the fair value less costs to sell and value in use of the prepayment complied with the requirements of IAS36;
- Validation of the assumptions applied and inputs in the respective models; and
- Performing sensitivity analyses on the growth and discount rates.

We concur with the Directors' assessment that the prepayment of R200 million met the definition of an asset. We also concur with the Directors' assessment that no impairment is required.

The disclosures in the consolidated financial statements pertaining the judgements and assumptions applied by the Directors were found to be sufficient.

Treatment of timing and permanent tax differences pertaining investment property

As disclosed in Note 18, the carrying value of the deferred tax liability amounted to R1.0 billion (2016: R797.8 million).

There are various complexities relating to the treatment and recognition of deferred taxation, in particular the rate at which deferred taxation is calculated in respect of the temporary differences and what tax allowances pertaining to investment property should be treated as permanent differences.

Accordingly, for the purposes of our audit, we identified the treatment of timing and permanent tax differences pertaining to investment property, and the rate at which the temporary differences should be accounted for as a key audit matter.

Our procedures focused on the following with our internal tax specialists:

- Evaluating the Directors' determination of the estimated manner in which the timing differences would be realised; and
- Evaluating which tax allowances relevant to investment property have to be treated as timing or permanent differences.

We have identified the incorrect treatment of one of the tax allowances which resulted in the understatement of the deferred tax liabilities in prior years. However, since the total difference was not considered to be material, the Directors have elected to adjust for the total difference in the current financial period. We concur with the Directors' treatment of the above.

We assessed the presentation and disclosure in respect of tax-related balances in the consolidated financial statements and found those to be adequate.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE SHAREHOLDERS OF ACSION LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certification as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Annual Report, which was made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Risk Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Risk Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Risk Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Acsion Limited for one year.

Deloitte + Touche

Deloitte & Touche

Registered Auditor

Per: Zuleka Jasper

Partner

30 June 2017

Buildings 1 and 2, Deloitte Place
The Woodlands
Woodlands Drive
Woodmead, Sandton

National Executive: *LL Bam Chief Executive Officer *TMM Jordan Deputy Chief Executive Officer *MJ Jarvis Chief Operating Officer
*AF Mackie Audit & Assurance *N Sing Risk Advisory *NB Kader Tax TP Pillay Consulting S Gwala BPS *K Black Client & Industries
*JK Mazzocco Talent & Transformation MG Dicks Risk Independence & Legal *TJ Brown Chairman of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 2 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

DIRECTORS' REPORT

The Directors have the pleasure in submitting their report on the consolidated and separate Annual Financial Statements of Acision Limited Group for the year ended 28 February 2017.

1. NATURE OF BUSINESS

Acision Limited is an investment entity incorporated in South Africa with interests in the property holding and development industry. The Company does not trade, and all of its activities are undertaken through its principal subsidiaries and associates. The Group operates in South Africa and Europe and is exploring potential opportunities in the rest of Africa.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated and separate Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act 71 of 2008.

Revenue for the Group for 2017 was R524.8 million (2016: R453.3 million). The increase was mainly due to the expected increase in rentals as well as the opening of two additional retail shopping centres, Mall@Moutsiya and Mall@Mfula. Other income supplemented rental revenue by R7.4 million (2016: R10.6 million).

Operating expenses were well controlled and despite the opening of two additional retail centres the Group posted a decrease of 2.6% year on year. The largest contributor was the benefit obtained from the solar plants installed at Mall@Reds and Mall@Carnival which decreased the electricity obligation towards the respective councils.

Finance costs increased due to the continued development plan that the Group is focussed on. The increase in finance costs from R18.5 million in 2016 to R23.0 million in 2017 can mainly be attributed to the opening of the two new retail centres, the two solar plants installed and commissioned during the year, as well as the continued development of Acsiopolis situated in Benmore and Mall@55 situated in Monavoni. The Group continues to aggressively manage its cash resources.

The financial position of the Group remains very strong. Investment property is carried at R5.695 billion (2016: R4.529 billion) (note 6). Non-current assets held for sale is carried at R66.6 million. (2016: R87.9 million). Total property under control of the Group therefore increased by a respectable 24.8% year on year.

Prepayments consist of two developments acquired during the formation of the Group, known as Acsiopolis and Mall@Maputo. Details of these projects can be found in note 8. Whilst the construction of Acsiopolis is continuing well after initial delays, the Group has experienced some more delays regarding Mall@Maputo. These delays are in management's opinion welcomed to some extent as the economy in Mozambique is not as strong as what management would have liked it to be. Management however continues to work on this project to bring it to finalisation as it firmly believes that this development meets the investment criteria for the Group. Acsiopolis remains the Group's main focus at this stage and opening of this development is set for early 2019.

Goodwill equates to R625.5 million (2016: R625.5 million) and as at year end required no impairment considering the extent of the development pipeline.

Net asset value per share (excluding deferred tax) for year ended 28 February 2017 equated to 1620.5c (2016: 1361.0c) representing a 19.1% growth year on year.

3. SHARE CAPITAL

			2017 Number of shares '000	2016 Number of shares '000
Authorised				
Ordinary no par value shares			10 000 000	10 000 000
Issued				
	2017 R'000	2016 R'000	2017 Number of shares '000	2016 Number of shares '000
Ordinary no par value shares	3 979 956	3 979 956	394 960	394 960
Treasury shares	(6 231)	(4 474)	(726)	(493)
	3 973 725	3 975 482	394 234	394 467

Refer to note 17 for details of the movement in issued share capital.

4. AUTHORITY TO BUY BACK SHARES

At the last Annual General Meeting ("AGM") held on 29 July 2016, shareholders gave 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. As this general approval remains valid only until the next AGM, the shareholders will be asked at that meeting to consider a special resolution to renew this general authority until the next AGM.

A total of 233 329 (2016: 492 870) shares were repurchased during the current year in terms of this authority bringing the total treasury shares held to 726 199.

5. 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 71 of 2008. 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.

6. PROPOSED DIVIDEND

The Company's policy in the past was 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 revisited this decision taking into consideration the capital funding required for the development pipeline in the foreseeable future as well as the required solvency and liquidity concerns. The Board will propose a dividend, the details of which are as follows:

A final dividend of 12.5 cents per share that shall be proposed to the Board on 04 July 2017 in respect of the year ended 28 February 2017. The proposed dividend payment date is 31 July 2017 to shareholders recorded in the register of the Company at close of business on 21 July 2017.

7. 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 program, 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.

8. DIRECTORATE

The Directors and prescribed officers in office at the date of this report are as follows:

Directors	Office	Designation	Nationality
D.J. Green	Chairperson and Nominations Committee Chair	Non-executive Independent	South African
K. Anastasiadis	Chief Executive Officer	Executive	Greek
P.D. Sekete	Director– Social and Ethics Committee Chair	Non-executive Independent	South African
P.H. Scholtz	Chief Financial Officer	Executive	South African
S. Griesel	Director - Audit Committee Chair	Non-executive Independent	South African
T.S.B. Jali	Director - Remuneration Committee Chair	Non-executive Independent	South African
Prescribed officers	Office	Designation	Nationality
Y. Anastasiadis	Head of Developments	Prescribed Officer	South African
D. Thomas	Head of Leasing	Prescribed Officer	South African

DIRECTORS' REPORT (CONTINUED)

9. DIRECTORS' INTERESTS IN SHARES

As at 28 February 2017, the Directors of the Company held direct and indirect beneficial interests in 75.44% (2016: 75.40%) of its issued ordinary shares, as set out below.

	2017 Direct number of shares	2016 Direct number of shares	2017 Indirect number of shares	2016 Indirect number of shares
K. Anastasiadis	7 124 429	6 970 482	290 867 136	290 867 136
P.D. Sekete	–	–	523 995	523 995
P.H. Scholtz	–	–	515 995	522 767
T.S.B. Jali	–	–	523 056	500 694
Y. Anastasiadis	1 233 496	1 233 496	523 056	562 863
D. Thomas	10 494 758	10 494 758	639 136	639 136
	18 852 683	18 698 736	293 592 374	293 616 591

Between year-end and the approval of the integrated report, Mr K Anastasiadis has acquired 10 000 Accion shares at R7.00 per share and Mr. PH Scholtz sold 48 878 Accion shares at R7.20 per share (on the open market).

10. DIRECTORS' INTERESTS IN CONTRACTS

During the financial year, Anastasi Construction Close Corporation of which K. Anastasiadis is the sole member, completed construction of the Hyde Park Development as well as the Mall@Moutsiya development. Kinsella consultants were used for *ad hoc* repairs and maintenance. Kinsella consultants is owned by I. Anastasiadis' wife. I Anastasiadis is a director of all underlying subsidiaries. During the 2016 financial year Anastasi Construction Close Corporation had undertaken construction of the development of phase III and IV extensions of Mall@Carnival. Refer to Note 33 in the Annual Financial Statements for further detail regarding the transactions with related parties.

11. INVESTMENT PROPERTY AND PLANT AND EQUIPMENT

At 28 February 2017, the Group's additional investment in investment property and plant and equipment amounted to R389.9 million (2016: R264.6 million). Depreciation on plant and equipment of R27.7 million (2016: R47.4 million) was recorded for the period.

12. 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.

13. SPECIAL RESOLUTIONS

A general authority was given to the Board to repurchase shares in the Company subject to the requirements of the Companies Act 71 of 2008. This authority was given in terms of a special resolution passed at the AGM held on 29 July 2016.

Other special resolutions passed at the last Annual General Meeting included:

- The approval of non-executive directors' remuneration in terms of section 66 of the Companies Act.
The non-executive directors' fees were approved.
- The approval of financial assistance to related and inter-related parties in accordance with section 45 of the Companies Act.
The special resolution was approved. Financial assistance was granted only to Group companies throughout the year either to complete construction of investment properties, enhancing of investment properties or the managing of cash resources across the Group. There was no financial assistance to any Director of the Group during the financial year.
- The granting of authority to Directors to issue shares to Directors who elect dividend reinvestment in shares of the company.

The resolution was approved but there were no dividends declared during the year and as such no shares were issued.

14. EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any material events requiring adjustment or disclosure in these consolidated and separate Annual Financial Statements, which occurred after the reporting date and up to the date of this report which require adjustment or disclosure to interpret these consolidated and separate Annual Financial Statements adequately.

The Directors would however like to focus the reader's attention on the proposed dividend declaration as mentioned earlier in this report as it could, should the dividend be approved at the Annual General Meeting, influence the reader's decision-making regarding potential investment in the shares of the Company.

15. GOING CONCERN

Due to the Group's cash management policy, mortgage bonds have been paid in advance by approximately R103.0 million (2016: R162.0 million) for the year ended 28 February 2017. These funds can be withdrawn when needed and should be included in any assessment of working capital adequacy. When current assets, adjusted for prepayment of mortgage bonds, exceeds current liabilities, the Group is satisfied with its liquidity.

The Directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate 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 which may affect the Group.

16. 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 material adverse effect on the business or its assets.

17. AUDITORS

Deloitte & Touche was appointed as auditor for the Group for 2017.

At the AGM, the shareholders will be requested to reappoint Deloitte & Touche as the independent external auditor of the Group and to confirm Zuleka Jasper as the designated lead audit partner for the 2018 financial year.

18. SECRETARY

The company secretary is Mr Michael Reynolds of CMA Incorporated.

Business address:

19 Edward Street
Westdene
Benoni
1501

19. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The consolidated and separate Annual Financial Statements have been authorised for issue by the Directors on 30 June 2017. No authority has been given to anyone to amend the consolidated and separate Annual Financial Statements after the date of issue.

STATEMENTS OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2017

		GROUP		COMPANY	
	Note(s)	2017 R'000	2016 R'000	2017 R'000	2016 R'000
ASSETS					
Non-Current Assets					
Investment property	3	5 508 737	4 311 974	–	–
Plant and equipment	4	75 915	92 322	–	–
Operating lease asset	5	137 894	119 235	–	–
Goodwill	7	625 464	625 464	–	–
Prepayments	8	350 744	366 610	–	–
Investments in subsidiaries	9	–	–	3 910 682	3 910 682
Investment in associate	10	1 150	917	–	–
Other financial assets	11	12 855	13 324	–	–
Loans to group companies	12	–	–	–	70 468
Deferred taxation	18	10 210	–	235	302
		6 722 969	5 529 846	3 910 917	3 981 452
Current Assets					
Operating lease asset	5	2 128	5 315	–	–
Current taxation receivable		331	640	–	–
Other financial assets	11	–	13	–	–
Loans to group companies	12	963	1 661	214 811	–
Trade and other receivables	14	24 814	14 724	4 560	–
Cash and cash equivalents	15	16 527	16 288	232	2
		44 763	38 641	219 603	2
Non-current assets held for sale	16	66 639	87 931	–	–
TOTAL ASSETS		6 834 371	5 656 418	4 130 520	3 981 454
EQUITY AND LIABILITIES					
Equity					
Equity Attributable to Equity Holders of Parent					
Share capital	17	3 973 725	3 975 482	3 979 956	3 979 956
Retained income (loss)		1 386 711	599 905	2 511	(777)
		5 360 436	4 575 387	3 982 467	3 979 179
Non-controlling interest		36 015	10 446	–	–
		5 396 451	4 585 833	3 982 467	3 979 179
Liabilities					
Non-Current Liabilities					
Deferred taxation	18	1 038 331	792 810	–	–
Other financial liabilities	19	287 599	190 073	145 251	–
		1 325 930	982 883	145 251	–
Current Liabilities					
Operating lease liability	5	13	–	–	–
Loans from shareholders	13	506	506	–	–
Other financial liabilities	19	13 451	16 729	–	–
Provisions	20	3 218	4 254	840	1 080
Trade and other payables	21	83 609	61 706	751	1 195
Current taxation payable		11 193	4 507	1 211	–
		111 990	87 702	2 802	2 275
Total Liabilities		1 437 920	1 070 585	148 053	2 275
TOTAL EQUITY AND LIABILITIES		6 834 371	5 656 418	4 130 520	3 981 454

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 28 FEBRUARY 2017

	Note(s)	GROUP		COMPANY	
		2017 R'000	2016 R'000	2017 R'000	2016 R'000
Revenue	22	524 792	453 343	–	–
Other operating income	23	7 410	10 625	12 504	9 419
Other operating expenses		(204 995)	(210 509)	(9 528)	(10 498)
Operating profit (loss)	24	327 207	253 459	2 976	(1 079)
Investment income	25	2 729	1 974	5 177	–
Finance costs	26	(23 026)	(18 530)	(3 587)	–
Profit (loss) from associate		232	(219)	–	–
Profit on sale of non-current assets held for sale		1 180	4 963	–	–
Fair value adjustments	27	804 224	633 227	–	–
Profit (loss) before taxation		1 112 546	874 874	4 566	(1 079)
Taxation	28	(300 171)	(305 316)	(1 278)	302
Profit (loss) for the year		812 375	569 558	3 288	(777)
Other comprehensive income		–	–	–	–
Total comprehensive income (loss) for the year		812 375	569 558	3 288	(777)
Profit (loss) attributable to:					
Owners of the parent		786 806	559 094	3 288	(777)
Non-controlling interest		25 569	10 464	–	–
		812 375	569 558	3 288	(777)
Total comprehensive income (loss) attributable to:					
Owners of the parent		786 806	559 094	3 288	(777)
Non-controlling interest		25 569	10 464	–	–
		812 375	569 558	3 288	(777)
Earnings per share					
Basic and diluted earnings per share (cents)	29	199.51	141.60	–	–
The following information does not form part of the Statement of Profit or Loss and Other Comprehensive Income or the Statement of Financial Position:					
Headline earnings per share (cents)	29	47.01	45.90	–	–
Proposed dividend per share (cents)	29	12.50	–	–	–
Net asset value per share (cents)	29	1 620.50	1 361.00	–	–

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 2017

	Share capital R'000	Treasury shares R'000	Total share capital R'000	Retained income (loss) R'000	Total attributable to equity holders of the group/ company R'000	Non- controlling interest R'000	Total equity R'000
Group							
Balance at 01 March 2015	3 979 956	–	3 979 956	40 811	4 020 767	(18)	4 020 749
Profit for the year	–	–	–	559 094	559 094	10 464	569 558
Purchase of treasury shares	–	(4 474)	(4 474)	–	(4 474)	–	(4 474)
Balance at 29 February 2016	3 979 956	(4 474)	3 975 482	599 905	4 575 387	10 446	4 585 833
Profit for the year	–	–	–	786 806	786 806	25 569	812 375
Purchase of treasury shares	–	(1 757)	(1 757)	–	(1 757)	–	(1 757)
Balance at 28 February 2017	3 979 956	(6 231)	3 973 725	1 386 711	5 360 436	36 015	5 396 451
Note(s)	17	17	17				
Company							
Balance at 01 March 2015	3 979 956	–	3 979 956	–	3 979 956	–	3 979 956
Loss for the year	–	–	–	(777)	(777)	–	(777)
Total comprehensive loss for the year	–	–	–	(777)	(777)	–	(777)
Balance at 29 February 2016	3 979 956	–	3 979 956	(777)	3 979 179	–	3 979 179
Profit for the year	–	–	–	3 288	3 288	–	3 288
Balance at 28 February 2017	3 979 956	–	3 979 956	2 511	3 982 467	–	3 982 467
Note(s)	17	17	17				

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2017

	Note(s)	GROUP		COMPANY	
		2017 R'000	2016 R'000	2017 R'000	2016 R'000
Cash flows from operating activities					
Cash generated from (used in) operations	30	346 000	342 521	(2 268)	1 021
Investment income received		2 729	1 974	5 177	–
Finance costs paid		(23 026)	(18 530)	(3 587)	–
Taxation paid		(57 868)	(66 116)	–	–
Net cash from (used in) operating activities		267 835	259 849	(678)	1 021
Cash flows from investing activities					
Purchase of plant and equipment	4	(11 294)	(20 496)	–	–
Proceeds on sale of plant and equipment		4	–	–	–
Development costs relating to investment property	3	(378 644)	(244 054)	–	–
Decrease (increase) of financial assets		482	(13)	–	–
Proceeds on sale on non-current assets held for sale		30 324	(272)	–	–
Additions to non-current assets held for sale		(1 656)	–	–	–
Net cash used in investing activities		(360 784)	(264 835)	–	–
Cash flows from financing activities					
Purchase of treasury shares	17	(1 757)	(4 474)	–	–
Increase in other financial liabilities		125	8 490	145 251	–
Proceeds from other financial liabilities		94 123	–	–	–
Proceeds of loans from shareholders		–	145	–	–
Proceeds of loans to shareholders		–	259	–	–
Proceeds of loans to group companies		697	54	–	–
Advance of loans to group companies		–	–	(144 343)	(1 019)
Net cash from financing activities		93 188	4 474	908	(1 019)
Total cash movement for the year		239	(512)	230	2
Cash at the beginning of the year		16 288	16 800	2	–
Total cash at end of the year	15	16 527	16 288	232	2

ACCOUNTING POLICIES

CORPORATE INFORMATION

Acsion Limited and its subsidiaries is a public company incorporated and domiciled in South Africa.

The consolidated and separate Annual Financial Statements for the year ended 28 February 2017 were authorised for issue in accordance with a resolution of the Directors on 30 June 2017.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate Annual Financial Statements are set out below.

1.1 Statement of compliance

The consolidated and separate Annual Financial Statements as at and for the year ended 28 February 2017, have been prepared by PH Scholtz CA(SA), Chief Financial Officer ("CFO") of Acsion Limited ("Acsion"). The principal accounting policies of Acsion and its subsidiaries ("the Group") as well as the disclosures made in the consolidated and separate Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the Companies Act, 71 of 2008 ("Companies Act") applicable to companies reporting under IFRS and the JSE Listings Requirements.

1.2 Basis of measurement

The consolidated and separate Annual Financial Statements have been prepared on the historical cost basis except for the revaluation to fair value of investment property as well as financial instruments measured at amortised cost. The consolidated and separate Annual Financial Statements are presented in South African Rands which is the Group and Company's functional and presentation currency.

The consolidated and separate Annual Financial Statements have been prepared on the going concern basis.

The preparation of the consolidated and separate Annual Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated and separate Annual Financial Statements are disclosed in note 1.6.

These accounting policies are consistent with the previous period.

1.3 Consolidation

Basis of consolidation

The consolidated Annual Financial Statements incorporate the financial results of the Company and all subsidiaries and associates up to 28 February 2017.

Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

Non-controlling interest is measured at the proportionate share of the interest in the subsidiary.

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 Company.

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. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate joint venture or financial asset. In addition any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Goodwill

Goodwill is determined as the fair value of consideration paid plus the fair value of any shareholding held prior to obtaining control plus non-controlling interest less the fair value of the identifiable assets and liabilities of the acquiree. If in the case of a bargain purchase the result of this formula is negative then the difference is recognised directly in profit or loss.

Goodwill is subsequently measured at cost less accumulated impairment losses. For the purposes of impairment testing goodwill acquired in a business combination is allocated to a cash-generating unit ("CGU") that is expected to benefit from the synergies of the combination. Each unit to which the goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes.

Goodwill is not amortised but is tested on an annual basis for impairment or more frequently if events or changes in circumstances indicate a potential impairment. If goodwill is assessed to be impaired that impairment is not subsequently reversed.

1.4 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are entities (including structured entities) which are controlled by the Group. The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated Annual Financial Statements from the effective date of acquisition to the effective date of disposal.

All inter-company transactions balances and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost with the change in carrying amount recognised in other comprehensive income. In addition any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities.

1.5 Investment in associate

The Group assesses its shareholding and voting powers in terms of IAS28: Investments in associates and Joint Ventures and IFRS10: Consolidated Financial Statements. Based on this assessment the Group the Group has concluded that Silvercrest Trading 134 Proprietary Limited shall be classified as an associate based on its shareholding of 25%.

Investments in associates are 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 Statements 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 Group's share of post-acquisition profit or loss is recognised in profit or loss and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. The cumulative post-acquisition movements in profit/loss and other comprehensive income are adjusted against the carrying amount of the investment in the consolidated Group financial statements.

Profits or losses on transactions between the Group and an associate are eliminated to the extent of the Group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group reduces its level of significant influence or loses significant influence the Group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases if an investment remains that investment is measured to fair value with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

ACCOUNTING POLICIES (CONTINUED)

1.6 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate Annual Financial Statements in conformity with IFRS requires management from time to time to make judgements estimates and assumptions that affect the application of policies and reported amounts of assets liabilities income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by the Directors in applying accounting policies apart from those involving estimations that have the most significant effect on the amounts recognised in the financial statements are outlined as follows:

Expected manner of realisation for deferred tax

Deferred taxation 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 taxation liability.

The deferred taxation rate applied to the fair value adjustments of investment property is determined by the expected manner of recovery. Where the expected recovery of the investment property is through sale the Capital Gains Tax ("CGT") rate is applied.

The applicable tax rates on timing differences are based on management's best estimate of the manner in which these timing differences will realise. Gains in the fair value of investment property give rise to taxable timing differences being the difference between the original cost price and the market value as determined annually by internal or external valuers.

Market value of investment properties represents the best estimate of value to be realised in the open market between a willing buyer and a willing seller. Thus disposal of investment properties will primarily give rise to CGT.

Based on the business model of the portfolio the Directors applied their judgement and concluded that the investment property carrying value will be recovered through sale rather than through continued use.

Consequently:

- net fair value gains on investment properties are included at capital gains tax rates;
- straight-line rentals are included at normal tax rates; and
- future recoupment of wear and tear allowances on individual depreciable components of investment properties are included at the normal tax rates.

Key sources of estimation uncertainty

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 whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

The impairment of trade receivables is calculated on a line by line basis evaluating the likelihood of arrear 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 company 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.

Investment property fair value estimation

The investment property is not traded in an active market and as such the fair value is determined by using valuation techniques. The Group uses a number of methods and makes assumptions based on existing market conditions at reporting year end.

The fair values of the investment properties were determined partially by an independent external valuer and partially by the Directors. Management is therefore of the opinion that any risk relating to estimation uncertainty regarding the fair valuation of the investment properties is mitigated. Refer to accounting policy 1.7 and note 3 investment property for a summary of valuation techniques applied.

Impairment testing of goodwill

The Group reviews and tests the carrying value of goodwill annually for impairment. Assessing whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the CGU and a appropriate discount rate in order to calculate present value.

VALUE CREATION	MATERIAL RISKS AND OPPORTUNITIES	LEADERSHIP REPORTS	GOVERNANCE	FINANCIAL PERFORMANCE	NOTICE TO THE AGM	PROXY FORM
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Value in use is calculated as the net present value of future cash flows derived from assets using cash flow projections which have been discounted at appropriate discount rates. To calculate the net present value of the future cash flows assumptions need to be made regarding uncertain matters. This includes the Directors' expectation of the future cash flows used as an input in the discounted cash flow valuation a long term growth rate and the appropriate growth rate that would reflect the risks involved. Refer to note 7 for the parameters used in the determination of the appropriate discount rate.

Recognition and impairment of prepayments

Prepayments are initially recognised at cost and subsequently measured at fair value. Prepayments are tested for impairment annually or when there are indicators that the prepayments may be impaired. Prepayments originated during the forming of the Group.

The prepayments are assessed for impairment by fair valuing the cash flows of the developments it relates to. The cash flows are determined based on the Directors' best estimate of rental income that will be obtained and assumptions regarding the operating costs associated with the development with reference to the Group's existing developments. Discount rates are adjusted accordingly to compensate for risk associated with the uncompleted development. When the fair value is higher than the carrying amount of the prepayment the prepayment is amortised to investment property based on the development cost incurred during the year as a proportion of the entire expected development cost. This amortisation of the prepayment reduces the fair valuation adjustment of such a development and reduces the fair valuation adjustment accounted for in profit and loss. If the fair valuation of the development is lower than the carrying amount of the prepayment the prepayment is impaired to the fair valuation estimate of the development and it is accounted for in profit and loss.

Refer to note 8 for the parameters used in the determination of the appropriate discount rate.

Recognition of Cyprus lease

The Group is party to leasing arrangements both as a lessee and as a lessor. During the financial year the Group entered into a lease for the rental of land in Cyprus as the lessee. The Group plans to construct a mall on the land in the lease agreement. In this type of lease agreement the Group would usually be required to recognise a finance lease liability in terms of IAS 17: Leases due to the lease period being for the major economic useful life of the asset. However there is uncertainty to the amount of the lease rentals as a result of certain conditions in the lease agreement regarding the initial preparatory period as well as the construction period and as such the finance lease liability cannot be reliably measured.

Based on the Directors' judgement this lease has not been recognised in the financial statements due to the amount of the liability not being reliably measurable even though this is a present obligation. The liability can not be reliably measured as the starting date is dependent on receipt of the necessary approvals and the cash flows relating to this lease are subject to milestones to be reached which are dependent on including but not limited to the starting date of the lease as well as the time associated with the actual construction period which has not commenced at this stage. As such there is uncertainty in the amount of the lease liability which would need to be recognised in terms of IAS 17. As a result a contingent liability and asset have been disclosed in the financial statements per note 33 in terms of IAS 37 Provisions Contingent Liabilities and Contingent Assets.

Further it is noted that should the entity not be able to obtain the relevant permits to construct on the land the lease agreement shall be effectively cancelled. The entity has a twelve month 'initial preparatory period' to obtain this permit. In the next financial year the entity will either have obtained the permit and thus be able to recognise the lease or the lease shall be cancelled should the entity not have obtained the permit.

Non-current assets held for sale fair value estimation

A non-current asset is classified as held for sale in terms of IFRS 5: Non-Current Assets Held for Sale if it is expected that its carrying amount will be recovered principally through sale rather than through continuing use. These assets will be recovered through sale as the assets are available for immediate sale in its present condition and the sale is highly probable to occur within one year. For the sale to be highly probable the appropriate level of management must be committed to a plan to sell the asset. The Group's non-current assets held for sale comprise residential units and vacant land parcels.

The non-current assets classified as held for sale in terms of IFRS 5 are measured in terms of IAS 40: Investment Property as these assets were initially recognised and measured for in accordance with the fair value model in terms of IAS 40.

These non-current assets held for sale are measured at fair value and movement in the fair value of the non-current assets held for sale are recognised in profit or loss. Assets classified as held for sale are not depreciated or amortised. The fair value of these assets are determined by reference to the most recent sales prices achieved for similar assets or in the absence of such numbers a fair valuation is determined by a sales agent active in the housing market.

Non-current assets held for sale are presented separately from other assets and liabilities in the statement of financial position.

1.7 Fair value measurement

The Group measures investment properties at fair value at each reporting date.

ACCOUNTING POLICIES (CONTINUED))

1.7 Fair value measurement (continued)

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 fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset 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.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on the above basis except for leasing transactions that are within the scope of IAS 17: Leases and the measurements that have some similarities to fair value but are not fair value such as value in use in IAS 36: Impairment of Assets.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are 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; or
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- 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 Group determines whether transfers have occurred between the Levels in the hierarchy by re-assessing 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.

1.8 Investment property

Investment properties are properties held to earn rentals and for capital appreciation and developments under construction.

Initial measurement

Investment property is initially recognised at cost and includes investment property related to plant and equipment ("i.e. leased property installations") and operating lease assets as contained in notes 4 and 5 respectively. Transaction costs are included in the initial measurement.

Transfers to or from investment property shall be made when and only when there is a change in use evidenced by:

- commencement of owner-occupation for a transfer from investment property to owner-occupied property;
- commencement of development with a view to sale for a transfer from investment property to inventories;
- end of owner-occupation for a transfer from owner-occupied property to investment property; or
- commencement of an operating lease to another party for a transfer from inventories to investment property.

Subsequent measurement

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.

For completed investment property the Group measures investment property at 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.

For investment property under construction for which cash flows cannot be reliably estimated as at financial year end alternative factors that are deemed appropriate by management is taken into consideration when performing the valuation. Management is opinion that these valuation inputs will only be considered when the development is less than 25% constructed and more than a year away from opening. Properties falling into this category is generally valued at a market value of land plus any development cost incurred to date. As soon as the quantum and timing of cash flows related to the development can reasonably be determined a discounted cash flow valuation is performed.

The Group uses discounted cash flow valuation techniques when fair valuing all other investment property.

An external valuer is involved for the valuation of a selection of investment property. Involvement of the external valuer 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 after discussions with the company's external valuer assesses the reasonableness of the inputs used in the discounted cash flow model for each of the investment properties.

Investment property (note 3) plant and equipment relating to leased property installations (note 4) and operating lease assets (note 5) which cumulatively equals the valuation by the internal or independent valuer forms the value of investment property as a whole as plant and equipment relating to leased tenant installations and operating lease asset forms an integral part of investment property although separately disclosed. The value of investment property is therefore the cumulative value of the amount disclosed in notes 3, 4 and 5 as disclosed in note 6.

Plant and equipment relating to leased property installations (note 4) is generally depreciated over the shorter of the lease term or usable value. Such installations generally relates to shop fit-outs or an allowance paid to the tenant towards shop fit-outs to make the development more attractive to its customer base.

Derecognition

An investment property shall be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in profit or loss in the period of the retirement or disposal.

1.9 Plant and equipment

Plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

Plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset including the capitalisation of borrowing costs on qualifying assets where appropriate.

Expenditure incurred subsequently for major services additions to or replacements of parts of plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Leased property installations	Straight line	3 - 10 years (Lease period)
Plant and equipment	Straight line	5-6 years
Furniture and fixtures (including office equipment)	Straight line	5-6 years
Motor vehicles	Straight line	5 years
IT equipment	Straight line	3 years
Computer software	Straight line	3 years

The residual value useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates the change is accounted for prospectively as a change in accounting estimate.

ACCOUNTING POLICIES (CONTINUED)

1.9 Plant and equipment *(continued)*

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of plant and equipment is assessed to be higher than the estimated recoverable amount an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of plant and equipment determined as the difference between the net disposal proceeds if any and the carrying amount of the item is included in profit or loss when the item is derecognised.

1.10 Financial instruments **Classification**

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

- Loans and receivables at amortised cost
- Financial assets and 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 re-assessed 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.

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

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost using the effective interest rate method less accumulated impairment losses.

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

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 to determine whether there is objective evidence that a financial asset or Group of financial assets has 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.

Loans to (from) group companies

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

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

Loans to (from) 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 using the effective interest rate method. 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 are 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 at fair value and subsequently recorded at amortised cost.

Off setting of financial instruments

Financial assets and financial liabilities are off set and the net amount presented in the Statement of Financial Position when and only when the Group has a legal enforceable right to off set the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.11 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 balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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 which 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 re-assessed 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.

ACCOUNTING POLICIES (CONTINUED)

1.11 Tax (continued)

Deferred tax assets and liabilities (continued)

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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax on investment property at fair value model are presumed to recover through the sale of the investment properties.

Income 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 charged 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.

1.12 Leases

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the Statements of Financial Position at amounts equal to the fair value of the leased property or if lower the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statements of Financial Position as a finance lease obligation.

Refer to Accounting policy note 1.6 for further detail of the lease in Cyprus.

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.

1.13 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount 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 their carrying amount and fair value less costs to sell.

A non-current asset is not depreciated while it is classified as held for sale or while it is part of a disposal Group classified as such.

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

1.14 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.

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 loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss 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.

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.

1.15 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.

Provision for legal fees

Legal fees are provided for only when there is a present obligation for fees to legal council preparing for litigation. The provision is utilised as and when the costs are incurred by council.

Provision for audit fees

Audit fees are provided for on an annual basis in line with the engagement letter signed with the auditors. The provision is utilised as and when the auditors complete their duties.

Provision for marketing fund fees

The Group has an obligation to appropriate funds received from generally non-national tenants in accordance their lease agreements towards marketing expenses. Contributions are received from tenants on a monthly basis and is not included in the Group's income. The Group through its managing agent employs marketing staff who is responsible for the marketing and event management of each investment property. These employees will incur marketing expenses and the funds received from the tenants are appropriated towards these marketing events. Funds not spent during the financial year is kept to be spent in the next financial year.

Should funds received from tenants not be sufficient to cover the marketing expenses the Group may consider to make a contribution for the benefit of the investment property. Such a contribution is not provided for but accounted for in profit and loss in the year. Marketing employees' salaries are covered by the Group and not by the marketing fund contributions received from tenants.

Contingent assets and contingent liabilities are not recognised but only disclosed. Contingencies are disclosed in note 32.

1.16 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 "utility cost recovery" line and the associated costs are disclosed under operating expenditure.

Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment and excluding taxes or duty.

Interest is recognised in profit or loss using the effective interest rate method.

Other income consists mainly of administration fees and early lease cancellation fee as well as certain cost recoveries. Other income is recognised in profit and loss. Other income is recognised in terms of the lease agreements which states that administration fees can be charged to the tenant immediately when payment of rental is overdue and early lease cancellations fees can be charged to the tenant upon early cancellation.

ACCOUNTING POLICIES (CONTINUED)

1.17 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits includes salaries and bonuses and other payments which will be paid within 12 months. The cost of the employee benefits are recognised in the period the employee rendered the services.

Employee benefits are recognised at cost. The accrual of annual leave represents the liability the Group has to pay as at year end for unclaimed benefits accrued to the employee.

1.18 Treasury shares

Treasury shares are held as other financial assets and is initially recognised at cost and subsequently measured at fair value. Treasury shares are acquired by the managing agent of the group and cancelled on consolidation to reflect the shares in issue held by external shareholders.

Fair value measurement takes place at the end of each reporting period and is based on the closing share price.

1.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of investment property are capitalised as part of the cost of that asset until such time as the investment property 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 the investment property less any income from the temporary investment of those borrowings.

The capitalisation of borrowing costs commences when:

- expenditures for the investment property have occurred;
- borrowing costs have been incurred and
- activities that are necessary to prepare the investment property for its intended use.

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

Capitalisation ceases when substantially all the activities necessary to prepare the investment property for its intended use are complete.

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

1.20 Operating segments

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 exposure being heavily weighted to retail (97% of the gross lettable area) and all within a 450 km radius within the borders of South Africa 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2017

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	The impact of the amendment is not 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 material.
Amendment to IAS 27: Equity Method in Separate Financial Statements	1 January 2016	The impact of the amendment is not material.
IFRS 14 Regulatory Deferral Accounts	1 January 2016	The impact of the amendment is not material.
Amendments to IFRS 10, 12 and IAS 28: Investment Entities. Applying the consolidation exemption	1 January 2016	The impact of the amendment is not material.
Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants	1 January 2016	The impact of the amendment is not material.
Amendment to IFRS 5: Non-current Assets Held for Sale and Discontinued Operations: Annual Improvements project	1 January 2016	The impact of the amendment is not material.
Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project	1 January 2016	The impact of the amendment is not material.
Amendment to IAS 19: Employee Benefits: Annual Improvements project	1 January 2016	The impact of the amendment is not material.
Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	1 January 2016	The impact of the amendment is not material.
Amendment to IAS 34: Interim Financial Reporting. Annual Improvements project	1 January 2016	The impact of the amendment is 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 2017 or later periods.

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
IAS 40 Investment Property: Clarifications regarding the requirements on transfer to or from investment property	1 January 2019	Not expected to impact results but may result in additional disclosure
IFRS 16 Leases	1 January 2019	Unlikely there will be a material impact
IFRS 9 Financial Instruments	1 January 2018	Unlikely there will be a material impact
IFRS 15 Revenue from Contracts with Customers	1 January 2018	Unlikely there will be a material impact
Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	1 January 2018	Unlikely there will be a material impact
Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018	Unlikely there will be a material impact
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018	Unlikely there will be a material impact
Amendments to IAS 7: Disclosure initiative	1 January 2017	Unlikely there will be a material impact
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017	Unlikely there will be a material impact

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

3. INVESTMENT PROPERTY

	GROUP	
	2017 R'000	2016 R'000
Investment property at fair value	5 508 737	4 311 974

Reconciliation of investment property -Group – 2017

	Opening balance R'000	Additions R'000	Transfers R'000	Impairments R'000	Fair value adjustments R'000	Total R'000
Investment property	4 311 974	378 644	15 865	(108)	802 362	5 508 737

Reconciliation of investment property – Group – 2016

	Opening balance R'000	Additions R'000	Fair value adjustments R'000	Total R'000
Investment property	3 434 690	244 054	633 230	4 311 974

Properties are fair valued annually. Properties are valued externally on a rotational basis. At least one third of the properties are valued externally and the balance of the properties are valued by the Directors. For the year ended 28 February 2017 the property valuations performed were done as follow:

Independent valuation

Simarlo Rainbow (DAJM Property Investment Proprietary Limited)
Moreleta Square (Rubensmen Proprietary Limited)
Mall@Reds (Proc Corp 160 Proprietary Limited)
Mall@55 (Nabuvax Proprietary Limited)
Mall@Lebo (Nungu Trading 517 Proprietary Limited)

Directors' valuation

Mall@Carnival (Golden Falls Trading 125 Proprietary Limited)
Mall@Emba (Double Ring Trading 62 Proprietary Limited)
Mall@Moutsiya (Daybreak Properties 3 Proprietary Limited)
Mall@Mfula (Zarafusion Proprietary Limited)
Acsiopolis (Lomastep Proprietary Limited)
Trade55 (Nabuvax Proprietary Limited)

The effective date of the revaluation for the year ended was 28 February 2017 (2016: 29 February 2016).

Independent valuer

The Group has employed the services of Mr. P. Parfitt of Quadrant Properties. Mr. Parfitt, a professional valuer registered in accordance section 20(2)(a) of the Property Valuers Professional Act 47 of 2000, is not connected to the Group and has recent experience in location and category of the investment property being valued. He holds a Dip. Val. MIV(SA) qualification. Registration number 27/2.

Valuation techniques

The revaluations were performed in line with the methods documented in the accounting policies. Cash flows are determined by the signed lease agreements in place. Should a signed lease agreement not be in place at the date of valuation the Directors allow for a 3 month vacancy before estimating cash flows for a vacant unit based on rental mandates for each property. All investments properties for the Group is Level 3 hierarchy investment properties. There were no transfers between Levels 1, 2 and 3 during the year.

Completed developments

Completed developments were valued as at 28 February 2017 (2016: 29 February 2016) using the discounted cash flow of future income streams method by the internal or the independent external valuer. This is in line with the prior year.

Developments under construction

The effective date of the valuation of developments under construction was 28 February 2017 (2016: 29 February 2016). The value of developments under construction was determined by reference to the bulk rate per square meter, adjusted for construction costs to date if the development was less than 25% complete or more than one year away from being completed (2016: Bulk rate per square meter). If the development under construction was to be completed within one year of financial year end, the discounted cash flow of anticipated future income streams method was followed.

3. INVESTMENT PROPERTY (continued)

Details of property

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Simarilo Rainbow				
– Acquisition cost of investment property	32 112	32 112	–	–
– Accumulated fair value adjustments since acquisition	4 853	(769)	–	–
	36 965	31 343	–	–

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.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2017 Independent valuation	2016 Directors' valuation
Exit capitalisation rate:	10.75%	11.30%
Discount Rate:	15.50%	14.50%
Assumed perpetual vacancy:	4.00%	15.00%
Actual vacancy:	5.17%	15.20%
Revenue escalation rate:	7.81%	7.20%
Expense escalation rate:	6.90%	8.37%

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Moreleta Square				
– Acquisition cost of investment property	132 774	132 774	–	–
– Accumulated fair value adjustments since acquisition	25 100	16 828	–	–
	157 874	149 602	–	–

A shopping mall situated on Erf 6301 & 6302 of Farm Garsfontein 374, Moreleta Park, Extension 32, Pretoria.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2017 Independent valuation	2016 Directors' valuation
Exit capitalisation rate:	10.50%	11.20%
Discount rate:	15.00%	13.70%
Assumed perpetual vacancy:	4.00%	3.00%
Actual vacancy:	7.52%	3.30%
Revenue escalation rate:	8.78%	8.29%
Expense escalation rate:	7.67%	7.80%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

3. INVESTMENT PROPERTY (continued)

Details of property (continued)

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Mall@Reds				
– Acquisition cost of investment property	751 154	751 154	–	–
– Capital cost since acquisition	37 248	5 930	–	–
– Accumulated fair value adjustments since acquisition	326 045	152 923	–	–
	1 114 447	910 007	–	–

A shopping mall erected on Erf 1089, Rooihuiskraal, Extension 15, Centurion.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2017 Independent valuation	2016 Directors' valuation
Exit capitalisation rate:	9.75%	10.00%
Discount rate:	15.00%	15.00%
Assumed perpetual vacancy:	3.00%	3.00%
Revenue escalation rate:	8.17%	7.43%
Expense escalation rate:	8.57%	6.55%

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Mall@Carnival				
– Acquisition cost of investment property	1 637 175	1 637 175	–	–
– Capital cost since acquisition	159 739	97 369	–	–
– Accumulated fair value adjustments since acquisition	512 789	195 550	–	–
	2 309 703	1 930 094	–	–

A shopping mall erected on Erf 3080, Dalpark Extension 5, Brakpan.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2017 Independent valuation	2016 Directors' valuation
Exit capitalisation rate:	8.42%	8.05%
Discount rate:	12.92%	12.55%
Actual vacancy percentage:	7.29%	6.50%
Revenue escalation rate:	6.28%	7.17%
Expense escalation rate:	7.19%	6.47%

Mall@Carnival has been pledged as security for the Nedbank mortgage bond.

3. INVESTMENT PROPERTY (continued)

Details of property (continued)

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Mall@Emba				
– Acquisition cost of investment property	408 327	408 327	–	–
– Capital cost since acquisition	5 482	2 485	–	–
– Accumulated fair value adjustments since acquisition	97 310	64 601	–	–
	511 119	475 413	–	–

A shopping mall situated on Erf 1/2/3/4/R of 2535, Embalenhle, Extension 7.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2017 Independent valuation	2016 Directors' valuation
Exit capitalisation rate:	9.20%	10.00%
Discount rate:	13.20%	14.75%
Actual vacancy:	0.11%	0.00%
Revenue escalation rate:	5.56%	7.25%
Expense escalation rate:	7.31%	6.00%

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Mall@Lebo				
– Acquisition cost of investment property	249 575	249 575	–	–
– Capital cost since acquisition	866	921	–	–
– Accumulated fair value adjustments since acquisition	117 183	68 360	–	–
	367 624	318 856	–	–

A shopping mall situated on Erf 31, 32 and 33 of Lebokgomo-BA Township district of Thabamopo.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2017 Independent valuation	2016 Directors' valuation
Exit capitalisation rate:	9.50%	9.10%
Discount rate:	14.50%	13.60%
Actual vacancy:	0.00%	0.00%
Revenue escalation rate:	8.17%	7.60%
Expense escalation rate:	7.46%	9.14%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

3. INVESTMENT PROPERTY (continued)

Details of property (continued)

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Mall@Moutsiya				
– Acquisition cost of investment property	30 471	30 471	–	–
– Capital cost since acquisition	80 925	13 144	–	–
– Accumulated fair value adjustments since acquisition	47 587	249	–	–
	158 983	43 864	–	–

A shopping centre and affordable housing development situated on the remaining portion 6 of Farm Walkraal, Sekhukhune district, Limpopo.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2017 Independent valuation	2016 Directors' valuation
Exit capitalisation rate:	9.50%	10.75%
Discount rate:	14.00%	15.50%
Revenue escalation rate:	5.75%	7.20%
Expense escalation rate:	7.25%	6.12%

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Mall@55 and Trade55				
– Acquisition cost of investment property	179 554	179 554	–	–
– Capital cost since acquisition	34 138	14 969	–	–
– Accumulated fair value adjustments since acquisition	17 262	(39 748)	–	–
	230 954	154 775	–	–

A development situated on portion 153 and 165 of the farm Brakfontein 399, situated just off the N14 and R55, Monivoni, Gauteng.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2017 Independent valuation	2016 Directors' valuation
Exit capitalisation rate:	10.50%	10.90%
Discount rate:	15.50%	13.90%
Assumed perpetual vacancy:	4.00%	4.00%
Revenue escalation rate:	8.64%	7.50%
Expense escalation rate:	7.90%	3.67%

3. INVESTMENT PROPERTY (continued)

Details of property (continued)

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Mall@Mfula				
– Cost of investment property	860	860	–	–
– Capital cost since acquisition	131 650	12 297	–	–
– Accumulated fair value adjustments since acquisition	100 431	30 153	–	–
	232 941	43 310	–	–

A retail shopping centre development situated on Portion 100, Piet Retief Town, Cnr R543 and N2, Mpumalanga.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2017 Independent valuation	2016 Directors' valuation
Exit capitalisation rate:	9.50%	10.00%
Discount rate:	14.00%	15.00%
Actual vacancy:	8.73%	4.00%
Revenue escalation rate:	5.75%	7.84%
Expense escalation rate:	7.25%	7.97%

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Acsiopolis				
– Cost of investment property	42 519	42 992	–	–
– Capital cost since acquisition	138 377	62 192	–	–
– Accumulated fair value adjustments since acquisition	191 365	149 416	–	–
– Transfers	15 866	–	–	–
	388 127	254 600	–	–

A mixed use development situated on Portion 1 of Erf 226 Benmore Gardens Township, 5 Benmore Road, Gauteng.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2017 Independent valuation	2016 Directors' valuation
Rate per bulk square meter:	R4 180	R3 800
Development size (sqm):	67 000	67 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

3. INVESTMENT PROPERTY (continued)

Details of property (continued)

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Mall@Frankfort				
– Cost of building	107	107	–	–
– Impairment	(107)	–	–	–
	–	107	–	–

Erf 713, Frankfort, Extension 6, township.

The Directors decided to impair this potential development during the year until such a stage that firm interest is received from a potential tenant. In 2016, this development was held at cost.

Sensitivity analysis

The estimated impact of a change in the following significant unobservable inputs would result in a change in the fair value estimate as follows:

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
An increase of 50 basis points in the discount rate:	99 213	(178 633)	–	–
A decrease of 50 basis points in the discount rate:	101 677	184 822	–	–
An increase of 50 basis points in the capitalisation rate:	(191 704)	(161 623)	–	–
A decrease of 50 basis points in the capitalisation rate:	214 182	180 778	–	–

4. PLANT AND EQUIPMENT

	2017			2016		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Leased property installations	87 155	(40 676)	46 479	78 545	(25 050)	35 495
Plant and equipment	66 822	(40 370)	26 452	65 150	(29 914)	35 236
Furniture and fixtures	7 344	(4 376)	2 968	6 549	(3 159)	3 390
Computer software	569	(553)	16	443	(242)	201
Total	161 890	(85 975)	75 915	150 687	(58 365)	92 322

Reconciliation of plant and equipment – Group – 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Leased property installations	53 495	8 610	–	(15 626)	46 479
Plant and equipment	35 236	1 719	–	(10 503)	26 452
Furniture and fixtures	3 390	839	(7)	(1 254)	2 968
Computer software	201	126	–	(311)	16
	92 322	11 294	(7)	(27 694)	75 915

Reconciliation of plant and equipment – Group – 2016

	Opening balance	Additions	Scrapping and disposal	Classified as held for sale	Depreciation	Total
Leased property installations	70 356	3 151	(5)	(54)	(19 953)	53 495
Plant and equipment	44 160	15 933	(116)	–	(24 741)	35 236
Furniture and fixtures	4 579	1 247	–	(11)	(2 425)	3 390
Motor vehicles	34	–	–	–	(34)	–
Computer software	240	165	(1)	–	(203)	201
	119 369	20 496	(122)	(65)	(47 356)	92 322

Leased property installations included in plant and equipment forms and integral part of investment property as set out in note 6.

5. OPERATING LEASE ASSET

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Non-current assets	137 894	119 235	–	–
Current assets	2 128	5 315	–	–
Current liabilities	(13)	–	–	–
	140 009	124 550	–	–

The operating lease asset forms an integral part of investment property as set out in note 6.

6. COMPONENTS OF INVESTMENT PROPERTY TO THE VALUATION PERFORMED

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Note 3 – Investment property at fair value	5 508 737	4 311 973	–	–
Note 4 – Leased property installations	46 479	92 322	–	–
Note 5 – Operating lease asset	140 009	124 550	–	–
Valuation amount	5 695 225	4 528 845	–	–

7. GOODWILL

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Carrying value of goodwill	625 464	625 464	–	–

Goodwill originated during the formation of the Acision Limited Group and is not amortised but tested for impairment at the end of each financial year or when there are indications that the goodwill may be impaired. The impairment test of goodwill makes assumptions regarding certain pipeline developments in order to anticipate the impact it will have on the future growth of the Group. Should future projects not yield a return in excess of the carrying amount of goodwill, the goodwill will be impaired.

Some of the parameters used in the determination of the value in use of goodwill, which were applied to various potential development projects includes the following:

	South African developments	International developments
Discount rate:	12.0%	4.2%
Revenue escalations	5.5% – 6.5%	0.1% – 1.0%
Operating margins (escalating at inflation):	32.5% – 37.5%	17.5% – 22.5%
Probability:	40.0% – 60.0%	80.0% – 90.0%

The impairment test of goodwill confirmed that no impairment was required as at the end of February 2017.

During the valuation process certain judgements were applied. These judgements were as follows:

- The value in use was considered to be the most appropriate model to assess any potential impairment for the goodwill;
- The Acision Limited Group was considered to be the smallest cash generating unit; and
- The cash flows were determined for future projects not yet commenced.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

8. PREPAYMENTS

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Reconciliation of prepayments - Group				
Opening balance	366 610	409 662	–	–
Transferred to investment property	(15 866)	(43 052)	–	–
Closing balance	350 744	366 610	–	–

During the formation of the Acsion Limited Group two projects, Acsiopolis and Mall@Maputo, were identified and paid for by way of share issue during the restructure. They were priced at R209 million and R200 million respectively. As these projects were still in the planning phase, they were disclosed as prepayments. As the actual construction costs are incurred, prepayments are amortised into investment property.

For the current year, R15.9 million (2016: R43.1 million) was amortised from prepayments to investment property. In total R151.0 million remains to be amortised on the Acsiopolis development which will be amortised over the next two years.

The balance of R200.0 million relating to the Mall@Maputo remains as a prepayment and will be systematically transferred to investment property as soon as the development commences.

The prepayments are tested for impairment at the end of each financial year or when there are indications that the prepayment may be impaired.

The prepayments relating to Acsiopolis did not display indications that it should be impaired for the year ended 28 February 2017.

The prepayment relating to Mall@Maputo was assessed for impairment during the current year.

Some of the parameters used in the determination of the value in use of Mall@Maputo, which were applied to various potential development projects includes the following:

	International developments
Average exchange rate to the dollar:	R13.00
Expected discount rate:	11.00%
Total cost to income ratio	17.24%
Expected Rental per sqm:	\$15.15
Expected increase in revenue (\$ based):	4.68%
Expected increase in expenses (\$ based):	3.50%
Expected growth rate (\$ based):	0.01%

The impairment test of Mall@Maputo confirmed that no impairment was required as at the end of February 2017. A memorandum of understanding was originally signed with the Mozambican Ministry of Sport to develop a 50 000 m² shopping centre. Subsequently, the Group decided to acquire an alternative land parcel adjacent to the existing land parcels which now requires an additional agreement with the Ministry of Interior to be concluded. The Group has been in constant negotiations with the Ministry of Interior and a final draft contract has been negotiated.

During the valuation process certain judgements were applied. These judgements were as follows:

- The value in use was considered to be the most appropriate model to assess any potential impairment for the prepayment;
- The Fortuvox Proprietary Limited was considered to be the smallest cash generating unit;
- The cash flows were determined which the Group believes it can obtain through performing research on the expected rentals that could be obtained in the market as well as the expected costs; and
- Operational cost was determined with reference to the Group's existing developments and it was adjusted for risk.

9. INVESTMENTS IN SUBSIDIARIES

The following table lists the entities which are controlled by the group.

Name of company	Held by	% holding and voting power		Carrying amount	
		2017 %	2016 %	2017 %	2016 %
Company					
Bengavista Proprietary Limited	Acsion Limited	100.00	100.00	14 341	14 341
DAJM Proprietary Limited	Acsion Limited	100.00	100.00	28 673	28 673
Daybreak Properties 3 Proprietary Limited	Acsion Limited	100.00	100.00	18 132	18 132
Double Ring Trading 62 Proprietary Limited	Acsion Limited	100.00	100.00	316 850	316 850
Fortuvox Proprietary Limited	Acsion Limited	100.00	100.00	199 835	199 835
Golden Falls Trading 125 Proprietary Limited	Acsion Limited	100.00	100.00	1 298 863	1 298 863
Lomastep Proprietary Limited	Acsion Limited	100.00	100.00	209 827	209 827
Nabuvax Proprietary Limited	Acsion Limited	100.00	100.00	145 013	145 013
Nungu Trading 517 Proprietary Limited	Acsion Limited	100.00	100.00	146 084	146 084
Proc Corp 160 Proprietary Limited	Acsion Limited	100.00	100.00	604 428	604 428
Rubensmen Proprietary Limited	Acsion Limited	100.00	100.00	113 186	113 186
Southern Palace Investments 108 Proprietary Limited	Acsion Limited	100.00	100.00	815 450	815 450
Zarafusion Proprietary Limited	Acsion Limited	55.00	55.00	–	–
Bengavox Proprietary Limited	Acsion Limited	100.00	100.00	–	–
Zudolex Proprietary Limited	Acsion Limited	100.00	100.00	–	–
Zudonetix Proprietary Limited	Acsion Limited	100.00	100.00	–	–
Ioleni Holdings Proprietary Limited	Acsion Limited	100.00	100.00	–	–
				3 910 682	3 910 682

Refer to note 39 for detail on the non-controlling interest.

The principle place of business for all the above Companies is in South Africa except for Zudolex which shall be in Cyprus.

10. INVESTMENT IN ASSOCIATE

Name of associate	Held by	% ownership interest		Carrying amount	
		2017	2016	2017 R'000	2016 R'000
Silver Crest Trading 134 Proprietary Limited	Southern Palace Investments 108 Proprietary Limited	25.00	25.00	1 150	917
Aggregate information of associate					
Carrying value of investments				1 150	917
Share of profit or loss from continuing operations				232	(219)
Share of ordinary comprehensive income				–	–
Share of total comprehensive income				232	(219)

Management does not assess this associate to be material to the Group.

The principle place of business for the above Company is in South Africa.

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11. OTHER FINANCIAL ASSETS

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Loans and receivables				
Guarantees issued	12 855	13 324	–	–
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 to relevant councils. 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.				
Gardenia Centre	–	13	–	–
This loan was incidental to the business and did not bear interest. The loan was repaid in March 2016.				
	12 855	13 324	–	–
Non-current assets				
Loans and receivables	12 855	13 324	–	–
Current assets				
Loans and receivables	–	13	–	–
	12 855	13 337	–	–

Fair value information

The loans and receivables are level 3 fair values in terms of IFRS 13 Fair value measurement.

The fair value of financial assets classified as loans and receivables are deemed to be the same as cost.

12. LOANS TO GROUP COMPANIES

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Subsidiaries				
Acsion Limited subsidiaries	–	–	–	70 468
Southern Palace Investments 108 Proprietary Limited	–	–	79 696	–
Golden Falls 125 Proprietary Limited	–	–	8 424	–
Nungu Trading 517 Proprietary Limited	–	–	102 784	–
Daybreak Properties 3 Proprietary Limited	–	–	11 438	–
Zudolex Proprietary Limited	–	–	2 329	–
Lomastep Proprietary Limited	–	–	10 140	–
	–	–	214 811	70 468
Associates				
Silvercrest Trading 134 Proprietary Limited	963	1 661	–	–

The loans to subsidiaries and associate are interest free with no fixed terms of repayment for the 2017 financial year. In the 2017 financial year all the loans to group companies have been disclosed as current per the International Financial Reporting Standards for loans with no fixed terms of payment.

In the 2016 financial year the Company had no intention to call in the loans to subsidiaries and as such the loans to subsidiaries were disclosed as non-current. The Directors of the Company passed a resolution which stipulated that the loans to subsidiaries would not be recalled within the next 12 months (i.e. before the end of the 2017 financial year).

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Non-current assets	–	–	–	70 468
Current assets	963	1 661	214 811	–
	963	(506)	214 811	70 468

13. LOANS FROM SHAREHOLDERS

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
R.A. Dlamini	(506)	(506)	–	–

This loan relates to the minority shareholder in Zarafusion Proprietary Limited (Mall@Mfula) who contributes towards the development in terms of an agreement the Group has with him. The agreement requires the minority shareholder to provide 45% of the funding of the Mall@Mfula development. Should the funding contributions not be made in the same ratio as the shareholding ratio, interest will be paid at prime plus 100 basis points to the shareholder that contributed more towards the development.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

14. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Trade receivables	9 322	3 822	–	–
Prepayments	2 536	2 626	–	–
VAT	11 911	8 219	–	–
Other receivables	1 045	57	4 560	–
	24 814	14 724	4 560	–

The fair value of trade and other receivables are deemed to approximate the carrying value.

Trade receivables bear interest at prime plus 200 basis points for all accounts not settled within 7 days of invoicing. This same policy was followed during the 2016 financial year.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 28 February 2017 R9.3 million (2016: R3.8 million) were past due but not impaired.

The ageing of this impairment is as follows:

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Current	4 492	2 377	–	–
1 month past due	1 376	615	–	–
2 months past due	1 235	405	–	–
3 months or longer past due	2 218	425	–	–
	9 321	3 822	–	–

Trade and other receivables impaired

As of 28 February 2017, trade and other receivables of R0.4 million (2016: R5.4 million) were impaired and provided for.

The ageing of this impairment is as follows:

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Current	109	1 067	–	–
1 month past due	156	742	–	–
2 months past due	55	509	–	–
3 months or longer past due	50	3 087	–	–
	370	5 405	–	–

Reconciliation of provision for impairment of trade and other receivables

Opening balance	5 404	1 527	–	–
Provision for impairment	1 554	7 231	–	–
Amounts written off as uncollectable	(6 588)	(3 354)	–	–
	370	5 404	–	–

The creation and release of the provision for impaired receivables have been included in other operating expenses in the Statement of Comprehensive Income.

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
15. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consist of:				
Cash on hand	63	98	–	–
Bank balances	16 464	16 190	232	2
	16 527	16 288	232	2

16. NON-CURRENT ASSETS HELD FOR SALE

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Investment property	66 639	87 931	–	–

Hyde Park Terrace, a high end residential development of units ranging from 350 m² to 540 m² under roof, is situated in Hyde Park, Sandton, approximately 500m away from Hyde Park shopping centre. The development comprised of 12 completed free standing units and 27 residential land parcels. This development was acquired from an estate in liquidation. The development is nearly sold out with eight completed houses (2016: nine) and twelve vacant stands still available for sale (2016: 0). The sale of the units have slowed since the start of the development as a result of the weaker economy but the Group anticipates that all remaining units should be sold in the next financial year.

The Directors of the company have revalued the assets for this financial year in line with recent sales concluded on properties sold on the open market. This lead to a fair value adjustment increase of R6.2million on remaining units included in "Other operating gains" in the Statement of Comprehensive Income.

17. SHARE CAPITAL

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Authorised				
Ordinary shares of no par value	10 000 000	10 000 000	10 000 000	10 000 000
Issued				
Ordinary no par value shares	3 979 956	3 979 956	3 979 956	3 979 956
Shares purchased by subsidiaries	(6 231)	(4 474)	–	–
	3 973 725	3 975 482	3 979 956	3 979 956
	Number of shares '000	'000	Number of shares '000	'000
Reconciliation of number of shares issued:				
Balance at beginning of the year	394 467	394 960	394 960	394 960
Shares purchased by subsidiaries	(223)	(493)	–	–
	394 234	394 467	394 960	394 960
	R'000	R'000	R'000	R'000
Reconciliation of Rand value of shares issued:				
Balance at beginning of the year	3 975 482	3 979 956	3 979 956	3 979 956
Shares purchased by subsidiaries	(1 757)	(4 474)	–	–
	3 973 725	3 975 482	3 979 956	3 979 956

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

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18. DEFERRED TAX

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Deferred tax liability				
Revaluation of investment properties	(943 005)	(636 610)	–	–
Accelerated capital allowances	(56 100)	–	–	–
Straight-line lease rentals	(39 226)	(34 873)	–	–
Current liabilities	–	(126 271)	–	302
Total deferred tax liability	(1 038 331)	(797 754)	–	302
Deferred tax asset				
Income received in advance, available for sale and straight-line assets	1 976	–	–	–
Trade receivables	313	1 842	235	–
Trade payables	200	1 377	–	–
Deferred tax balance from temporary differences other than unused tax losses	2 489	3 219	235	–
Tax losses available for set off against future taxable income	7 721	1 725	–	–
Total deferred tax asset	10 210	4 944	235	–
The Group recognised the deferred tax asset as the future taxable profits are deemed sufficient to offset tax losses. The recognition is based on the future taxable profits derived from approved budgets and cash flow forecasts.				
Deferred tax liability	(1 038 331)	(797 754)	–	302
Deferred tax asset	10 210	4 944	235	–
Total net deferred tax (liability) asset	(1 028 121)	(792 810)	235	302
Reconciliation of deferred tax liability				
At beginning of year	(792 810)	(545 142)	302	–
Increase in tax due to CGT rate change	–	(127 322)	–	–
Derecognition of deferred tax relating to assets	–	871	–	–
Originating temporary differences on tangible assets	(23 092)	–	–	–
Originating temporary differences relating to the fair value of investment property	(179 080)	(119 011)	–	–
Originating temporary differences relating to straight-line rentals	(4 330)	(3 127)	–	–
Originating temporary differences relating to trade payables	47	1 750	(67)	302
Prior year (under) over provision	(31 893)	381	–	–
Reversing and originating temporary differences from assessed loss created (utilised) in the current year	4 842	(1 210)	–	–
Reversing temporary differences relating to assessed loss not recognised in prior years	1	–	–	–
Reversing temporary differences relating to income received in advance and available for sale assets	(443)	–	–	–
Originating temporary differences relating to trade receivables	(1 363)	–	–	–
	(1 028 121)	(792 810)	235	302

19. OTHER FINANCIAL LIABILITIES

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Held at amortised cost				
Proc Corp 160 Proprietary Limited The loan is with Investec Limited and currently bears interest at prime minus 100 basis points. As at year end this loan was prepaid by R96million. This loan expires on 4 May 2022. The loan is repaid monthly through payments of capital and interest.	2 912	64 673	–	–
Golden Falls Trading 125 Proprietary Limited This loan with Investec Bank Limited was settled during the year. The loan was repaid monthly through payments of capital and interest.	–	3	–	–
Double Ring Trading 62 Proprietary Limited The loan is with Investec Limited and currently bears interest at prime minus 100 basis points. As at year end this loan was prepaid by R4million. This loan expires on 7 July 2017. The loan is repaid monthly through payments of capital and interest.	1	11 328	–	–
Nungu Trading 517 Proprietary Limited This loan is with Nedbank Limited and currently bears interest at prime minus 140 basis points. As at year end this loan was prepaid by R2.1million. This loan expires on 1 July 2024. The loan is repaid monthly through payments of capital and interest.	139 780	121 541	–	–
Southern Palace Investments 108 Proprietary Limited The loan is with K Anastasi Proprietary Limited and bears interest at prime minus 125 basis points and has no fixed terms of repayment. This sister company of the Group deposits is excess cash with Acsion Limited and Acsion has obtained a favourable investment rate. The funds can be withdrawn on demand.	13 106	9 257	–	–
Acsion Limited A new funding facility was secured with Nedbank Limited for R1billion. Only interest is serviced on this facility. The loan is priced at prime less 133 basis points and will need to be renegotiated by 2 November 2020. As at year end, this loan was prepaid by R1million. The loan is repaid monthly through payments of interest.	145 251	–	145 251	–
	301 050	206 802	145 251	–
Non-current liabilities				
At amortised cost	287 599	190 073	145 251	–
Current liabilities				
At amortised cost	13 451	16 729	–	–
	301 050	206 802	145 251	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

20. PROVISIONS

Reconciliation of provisions - Group - 2017

	Opening balance	Additions	Utilised during the year	Total
Provision for legal fees	1 602	–	(1 602)	–
Provision for audit fees	1 080	1 200	(1 440)	840
Provision for marketing fund	1 572	2 438	(1 632)	2 378
	4 254	3 638	(4 674)	3 218

Reconciliation of provisions - Group - 2016

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for change in legislation	2 656	–	–	(2 656)	–
Provision for legal fees	–	1 602	–	–	1 602
Provision for audit fees	947	2 290	(2 157)	–	1 080
Provision for marketing fund	1 757	3 422	(3 607)	–	1 572
	5 360	7 314	(5 764)	(2 656)	4 254

Reconciliation of provisions - Company - 2017

	Opening balance	Additions	Utilised during the year	Total
Provision for audit fees	1 080	1 200	(1 440)	840

Reconciliation of provisions - Company - 2016

	Opening balance	Additions	Total
Provision for audit fee	–	1 080	1 080

Refer to Accounting policy note 1.15 for a description of the nature of the obligations of the provisions and the expected timing of the resulting outflows of economic benefits.

21. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Trade payables	42 088	21 771	62	8
Amounts received in advance	6 635	8 773	–	–
VAT	5 618	5 168	522	488
Unallocated receipts	340	–	–	–
Accrued leave pay	882	583	167	–
Accrued expenses	5 492	7 193	–	699
Tenant deposits received	22 533	18 208	–	–
Lease fees	21	10	–	–
	83 609	61 706	751	1 195

The fair value of trade and other payables are deemed to approximate the carrying value.

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 and other 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. REVENUE

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Collection commission	218	149	-	-
Rental income on investment property	387 758	331 939	-	-
Interest received (trading)	-	626	-	-
Utility cost recovery	121 356	109 462	-	-
Operating lease- straight line rental	15 460	11 167	-	-
	524 792	453 343	-	-

Utility cost recovery income included in revenue above consists of:

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Electricity	90 893	81 772	-	-
Rates	21 661	19 386	-	-
Refuse	3 066	3 240	-	-
Sewerage	1 482	1 325	-	-
Water	4 192	3 739	-	-
Gas	62	-	-	-
	121 356	109 462	-	-

23. OTHER OPERATING INCOME

	2017	2016	2017	2016
	R'000	R'000	R'000	R'000
Administration fees	243	249	12 504	9 419
Early lease cancellation fees	1 040	1 699	-	-
Legal fee recovery	2 803	488	-	-
Bad debts recovered	934	807	-	-
Other operational recoveries	1 741	2 226	-	-
Other income	649	5 152	-	-
Profit on sale of assets	-	4	-	-
	7 410	10 625	12 504	9 419

24. OPERATING PROFIT (LOSS)

Operating profit (loss) for the year is stated after inclusion of the following:

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Auditor's remuneration - external				
Audit fees	1 333	2 290	1 335	3 057
Tax and secretarial services	3	-	-	-
	1 336	2 290	1 335	3 057
Auditor's remuneration - internal	183	-	-	-
Employee costs				
Salaries, wages, bonuses and other benefits	24 305	19 983	5 146	4 800
Study fees	10	5	-	-
Staff welfare	-	11	-	-
	24 315	19 999	5 146	4 800
Depreciation				
Depreciation of plant and equipment	27 694	47 356	-	-

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25. INVESTMENT INCOME

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Bank and other cash	1 604	1 973	617	–
Trade and other receivables	927	1	4 560	–
Other financial assets	198	–	–	–
	2 729	1 974	5 177	–
26. FINANCE COSTS				
Mortgage bonds	21 747	14 660	3 587	–
Trade and other payables	17	3 441	–	–
South African Revenue Services	57	429	–	–
Related parties	1 205	–	–	–
	23 026	18 530	3 587	–
27. FAIR VALUE ADJUSTMENTS				
Investment property	802 362	633 227	–	–
Fair value gain on non-current assets held for sale	6 196	–	–	–
Other fair value losses	(4 334)	–	–	–
	804 224	633 227	–	–
28. TAXATION				
Major components of the tax expense				
Current				
Local income tax - current period	63 582	55 905	1 211	–
Local income tax - recognised in current tax for prior periods	4	992	–	–
	63 586	56 897	1 211	–
Deferred				
Originating and reversing temporary differences	208 402	143 214	67	(302)
Changes in CGT rate	–	104 491	–	–
Arising from previously unrecognised tax loss / tax credit / temporary difference	(1)	–	–	–
Assessed loss utilised	(4 842)	1 220	–	–
Arising from prior period adjustments	33 026	(506)	–	–
	236 585	248 419	67	(302)
	300 171	305 316	1 278	(302)
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and average effective tax rate.				
Applicable tax rate	28.00%	28.00%	28.00%	28.00%
Increase in capital gains tax inclusion rate	–	11.94%	–	–
Capital gains tax exemption	(3.80)%	(4.09)%	–	–
Recognition of previously unrecognised tax loss	–	(0.01)%	–	–
Profit (Loss) from associate	(0.01)%	(0.95)%	–	–
Tax paid in another entity	–	0.01%	–	–
Prior period under provision	2.97%	–	–	–
Other permanent differences	(0.18)%	–	–	–
	26.98%	34.90%	28.00%	28.00%

29. EARNINGS, HEADLINE EARNINGS, NET ASSET VALUE AND PROPOSED DIVIDEND PER SHARE

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Basic earnings and diluted 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 year.				
Basic earnings per share				
From continuing operations (c per share)	199.51	141.60	–	–
Basic earnings per share was based on earnings of R786 806 (2016: R599 094) and a weighted average number of ordinary shares of 394 373 (2016: 394 805).				
Reconciliation of profit for the year to basic earnings				
Profit or loss for the year	812 375	569 558	–	–
Adjusted for:				
Earnings attributable to non-controlling interest shareholders	(25 569)	(10 464)	–	–
Headline profit for the purposes of basic and diluted earnings per share	786 806	559 094	–	–

Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.

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.

The calculation of headline earnings per share has been performed in accordance with circular 2/2013.

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Headline earnings per share (cents)	47.01	45.90	–	–
Diluted headline earnings per share (cents)	47.01	45.90	–	–
Reconciliation between earnings and headline earnings				
Basic earnings	786 806	559 094	–	–
Adjusted for:				
Fair valuation adjustment	(625 143)	(491 384)	–	–
Non-controlling interest relating to fair value adjustment	24 541	12 995	–	–
Impairment of investment property	84	–	–	–
Gain on non-current assets held for sale	(916)	(4 037)	–	–
Profit on sale of plant and equipment	4	40	–	–
Deferred tax as result of rate change	–	104 491	–	–
Headline profit for the purposes of basic and diluted headline earnings per share	185 376	181 199	–	–

Diluted headline earnings per share is equal to headline earnings per share because there are no dilutive potential ordinary shares in issue.

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29. EARNINGS, HEADLINE EARNINGS, NET ASSET VALUE AND PROPOSED DIVIDEND PER SHARE (continued)

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Proposed dividend per share				
Final (cents)	12.50	–	–	–
A final dividend of 12.5 cents per share that shall be proposed to the Board on 4 July 2017 in respect of the year ended 28 February 2017.				
Net asset value per share and net asset value per share excluding deferred taxation				
Net asset value per share (cents)	1 359.71	1 160.08	–	–
Net asset value per share excluding deferred taxation (cents)	1 620.50	1 361.10	–	–

30. CASH GENERATED FROM (USED IN) OPERATIONS

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Profit (loss) before taxation	1 112 546	874 874	4 566	(1 079)
Adjustments for:				
Depreciation	27 694	47 356	–	–
Losses on disposals, scrappings and settlements of assets and liabilities	6	55	–	–
Gains on foreign exchange	–	(4 963)	–	–
Loss (Income) from equity accounted investments	(232)	219	–	–
Investment income	(2 729)	(1 974)	(5 177)	–
Finance costs	23 026	18 530	3 587	–
Fair value gains	(804 224)	(633 227)	–	–
Impairment losses	108	–	–	–
Movements in operating lease assets and accruals	(15 459)	(11 166)	–	–
Movements in provisions	(1 036)	(1 106)	(240)	1 080
Profit on sale of non-current assets held for sale	(1 180)	–	–	–
Decrease in costs of plant and equipment	–	(134)	–	–
Treasury shares	–	4 474	–	–
Other non-cash items	(4 333)	–	–	–
Changes in working capital:				
Trade and other receivables	(10 090)	(3 403)	(4 560)	–
Prepayments	–	43 052	–	–
Trade and other payables	21 903	9 934	(444)	1 020
	346 000	342 521	(2 268)	1 021

31. CATEGORIES OF FINANCIAL INSTRUMENTS

		GROUP				
	Note(s)	Loans and receivables at amortised cost R'000	Financial assets and liabilities at amortised cost R'000	Cash R'000	Non financial assets and liabilities R'000	Total R'000
2017						
Categories of financial instruments						
Non-Current Assets						
Investment property	3	–	–	–	5 508 737	5 508 737
Property, plant and equipment	4	–	–	–	75 915	75 915
Operating lease asset	5	–	–	–	137 894	137 894
Goodwill	7	–	–	–	625 464	625 464
Prepayments	8	–	–	–	350 744	350 744
Investments in associates	10	–	–	–	1 150	1 150
Other financial assets	11	12 855	–	–	–	12 855
Deferred tax	18	–	–	–	10 210	10 210
		12 855	–	–	6 710 114	6 722 969
Current Assets						
Operating lease asset	5	–	–	–	2 128	2 128
Loans to group companies	12	963	–	–	–	963
Trade and other receivables	14	10 367	–	–	14 447	24 814
Current tax receivable		–	–	–	331	331
Cash and cash equivalents	15	–	–	16 527	–	16 527
		11 330	–	16 527	16 906	44 763
Non-current assets held for sale	16	–	–	–	66 639	66 639
Total Assets		24 185	–	16 527	6 793 659	6 834 371
Non-Current Liabilities						
Deferred tax	18	–	–	–	1 038 331	1 038 331
Other financial liabilities	19	–	287 599	–	–	287 599
		–	287 599	–	1 038 331	1 325 930
Current Liabilities						
Operating lease liability	5	–	–	–	13	13
Loans from shareholders	13	–	506	–	–	506
Other financial liabilities	19	–	13 451	–	–	13 451
Current tax payable		–	–	–	11 193	11 193
Provisions	20	–	–	–	3 218	3 218
Trade and other payables	21	–	82 590	–	1 019	83 609
		–	96 547	–	15 443	111 990
Total Liabilities		–	384 146	–	1 053 774	1 437 920

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

31. CATEGORIES OF FINANCIAL INSTRUMENTS (continued)

GROUP						
2016	Note(s)	Loans and receivables at amortised cost R'000	Financial assets and liabilities at amortised cost R'000	Cash R'000	Non financial assets and liabilities R'000	Total R'000
Categories of financial instruments						
Non-Current Assets						
Investment property	3	–	–	–	4 311 974	4 311 974
Property, plant and equipment	4	–	–	–	92 322	92 322
Operating lease asset	5	–	–	–	119 235	119 235
Goodwill	7	–	–	–	625 464	625 464
Prepayments	8	–	–	–	366 610	366 610
Investments in associates	10	–	–	–	917	917
Other financial assets	14	13 324	–	–	–	13 324
		13 324	–	–	5 516 522	5 529 846
Current Assets						
Operating lease asset	5	–	–	–	5 315	5 315
Other financial assets	11	13	–	–	–	13
Loans to group companies	12	1 661	–	–	–	1 661
Trade and other receivables	14	3 879	–	–	10 845	14 724
Current tax receivable		–	–	–	640	640
Cash and cash equivalents	15	–	–	16 288	–	16 288
		5 553	–	16 288	16 800	38 641
Non-current assets held for sale	16	–	–	–	87 931	87 931
Total Assets		18 877	–	16 288	5 621 253	5 656 418
Non-Current Liabilities						
Deferred tax	18	–	–	–	792 810	792 810
Other financial liabilities	19	–	190 073	–	–	190 073
		–	190 073	–	792 810	982 883
Current Liabilities						
Loans from shareholders	13	–	506	–	–	506
Other financial liabilities	19	–	16 729	–	–	16 729
Current tax payable		–	–	–	4 507	4 507
Provisions	20	–	–	–	4 254	4 254
Trade and other payables	21	–	–	–	61 706	61 706
		–	17 235	–	70 467	87 702
Total Liabilities		–	207 308	–	863 277	1 070 585

31. CATEGORIES OF FINANCIAL INSTRUMENTS (continued)

		COMPANY				
		Loans and receivables at amortised cost R'000	Financial assets and liabilities at amortised cost R'000	Cash R'000	Non financial assets and liabilities R'000	Total R'000
2017	Note(s)					
Categories of financial instruments						
Non-Current Assets						
Investments in subsidiaries	9	–	3 910 682	–	–	3 910 682
Deferred tax	18	–	–	–	235	235
		–	3 910 682	–	235	3 910 917
Current Assets						
Loans to group companies	12	214 811	–	–	–	214 811
Trade and other receivables	14	4 560	–	–	–	4 560
Cash and cash equivalents	15	–	–	232	–	232
		219 371	–	232	–	219 603
Total Assets		219 371	3 910 682	232	235	4 130 520
Non-Current Liabilities						
Other financial liabilities	19	–	145 251	–	–	145 251
Current Liabilities						
Current tax payable		–	–	–	1 211	1 211
Provisions	20	–	–	–	840	840
Trade and other payables	21	–	230	–	521	751
		–	230	–	2 572	2 802
Total Liabilities		–	145 481	–	2 572	148 053

		Loans and receivables at amortised cost R'000	Financial assets and liabilities at amortised cost R'000	Cash R'000	Non financial assets and liabilities R'000	Total R'000
2016	Note(s)					
Categories of financial instruments						
Non-Current Assets						
Investments in subsidiaries	9	–	3 910 682	–	–	3 910 682
Loans to group companies	12	70 468	–	–	–	70 468
Deferred tax	18	–	–	–	302	302
		70 468	3 910 682	–	302	3 981 452
Current Assets						
Cash and cash equivalents	15	–	–	2	–	2
Total Assets		70 468	3 910 682	2	302	3 981 454
Current Liabilities						
Provisions	20	–	–	–	1 080	1 080
Trade and other payables	21	–	708	–	487	1 195
		–	708	–	1 567	2 275
Total Liabilities		–	708	–	1 567	2 275

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

32. CONTINGENCIES

Guarantees received

The various Group companies have contingent assets in the form of guarantees provided by tenants that total R18.5 million (2016: R20.3 million).

	2017	2016
The breakdown is as follows per entity:		
– Bengavista Proprietary Limited	R0.1 million	R0
– DAJM Property Investment Proprietary Limited	R0.1 million	R0.2 million
– Daybreak Properties 3 Proprietary Limited	R0.4 million	R0
– Double Ring Trading 62 Proprietary Limited	R1.4 million	R1.4 million
– Golden Falls 125 Proprietary Limited	R9.9 million	R10.8 million
– Nungu Trading 517 Proprietary Limited	R0.7 million	R0.7 million
– Proc Corp 160 Proprietary Limited	R4.8 million	R6.4 million
– Rubensmen Proprietary Limited	R0.6 million	R0.7 million
– Zarafusion Proprietary Limited	R0.5 million	R0

Lease of land in Cyprus

The Group signed a lease during the 2017 financial year for land in Cyprus. The lease agreement is for a period of 33 years with two renewal options of 33 years each. It is the Groups' intention to develop a retail shopping centre on this land and is currently awaiting various approvals from the local authorities.

The lease is subject to all the approvals being obtained and as such the finance lease obligation is not in effect as yet due to the fact that the monthly rentals cannot be reasonably determined at this stage. In addition, the rental to be paid is subject to various milestones being achieved. Assuming that approval is obtained on the 31 August 2017, the finance lease obligation that will be recognised in the financials for the first 33 year period of the lease is estimated at between R191.2million and R214.2million. Lease escalations are linked to the Cypriot inflation but will not be less than 1% and not more than 4% per annum. Due to this being a contingent finance lease the Group would have a related contingent asset to the same value.

Guarantees issued

In the ordinary course of business, the Group issues guarantees to local councils and contractors to serve as guarantee for utility consumption or payment guarantees for construction project. As at year end, the Group has issued R120.8 million (2016: nil) in guarantees for the construction of Acsiopolis and the infrastructure development around the Mall@55 and Trade 55 developments. R36.9 million (2016: nil) of these guarantees should be released in the near future.

33. RELATED PARTIES

Relationships

Subsidiaries in the Group	DAJM Property Investment Proprietary Limited (Simarilo Rainbow) Rubensmen Proprietary Limited (Moreleta Square) Proc Corp 160 Proprietary Limited (Mall@Reds) Golden Falls 125 Proprietary Limited (Mall@Carnival) Double Ring Trading 62 Proprietary Limited (Mall@Emba) Southern Palace Investments 108 Proprietary Limited (Anaprop Property Management) Daybreak Properties 3 Proprietary Limited (Mall@Moutsiya) Nungu Trading 517 Proprietary Limited (Mall@Lebo) Nabuvax Proprietary Limited (Mall@55 and Trade 55) Zarafusion Proprietary Limited (Mall@Mfula) Bengavista Proprietary Limited (Hyde Park Terrace) Lomastep Proprietary Limited (Acsiopolis) Fortuvov Proprietary Limited (Mall@Maputo) Zudolex Proprietary Limited Bengavox Proprietary Limited (Mall@Frankfort) Zudonetix Proprietary Limited Ioleni Holdings Proprietary Limited
Subsidiary of subsidiary in the Group	Anastasi Capital Proprietary Limited (Ioleni Holdings Proprietary Limited)
Directors	K. Anastasiadis (Executive) P.H. Scholtz (Executive) P.D. Sekete (Non-executive) T.S.B. Jali (Non-executive) S. Griesel (Non-executive) D. Green (Non-executive)
Prescribed officers	D. Thomas (Executive) I. Anastasiadis (Executive)
Associates Shareholder with significant influence	Silvercrest Trading 134 Proprietary Limited Ioleni Trust (Shareholder of Acsion Limited)
Other related parties (Interests held by Shareholders)	Fortutrax Proprietary Limited
Shareholder with minority interest	R.A. Dlamini
Other related parties (Interests held by Director)	Sapfo Proprietary Limited (Mr K. Anastasiadis) K. Anastasi Projects Proprietary Limited (Anastasi Construction) (Mr K. Anastasiadis)
Close family member of Directors	J. Anastasiadis (Mr I. Anastasiadis)
Other related parties of close family member of Directors	Kinsella Consultants Proprietary Limited (Ms J. Anastasiadis)

The related party balances and transactions are at arm's length.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

33. RELATED PARTIES (continued)

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Related party balances				
Loan accounts - Loans to (from) related parties				
Southern Palace Investments 108 Proprietary Limited	–	–	–	(59 191)
Proc Corp 160 Proprietary Limited	–	–	–	(3 010)
Golden Falls 125 Proprietary Limited	–	–	–	8 636
DAJM Property Investment Proprietary Limited	–	–	–	(32)
Rubensmen Proprietary Limited	–	–	–	(45)
Double Ring Trading 62 Proprietary Limited	–	–	–	(129)
Nungu Trading 517 Proprietary Limited	–	–	–	102 660
Daybreak Properties 3 Proprietary Limited	–	–	–	11 438
Zudolex Proprietary Limited	–	–	2 329	–
Lomastep Proprietary Limited	–	–	10 140	10 140
Southern Palace Investments 108 Proprietary Limited	–	–	(63 512)	–
Anastasi Construction Close Corporation	(13 106)	(9 257)	–	–
Silver Crest Trading 134 Proprietary Limited	963	1 661	–	–
R.A. Dlamini	(506)	(506)	–	–
Amounts included in Trade receivables regarding related parties				
Zarafusion Proprietary Limited	–	–	4 560	–
Related party transactions				
Interest paid to (received from) related parties				
Zarafusion Proprietary Limited	–	–	(4 560)	–
K Anastasi Projects Proprietary Limited	1 205	–	–	–
Purchases from related parties				
Kinsella Consultants Proprietary Limited	253	1 114	–	–
K Anastasi Projects Proprietary Limited (Anastasi Construction)	80 278	102 865	–	–
Rent paid to (received from) related parties				
Proc Corp 160 Proprietary Limited	–	–	83	89
K Anastasi Projects Proprietary Limited	(122)	(113)	–	–
Management fee received from related parties				
Southern Palace Investments 108 Proprietary Limited	–	–	(12 504)	(9 419)

34. DIRECTORS' AND PRESCRIBED OFFICER'S EMOLUMENTS

The Directors' emoluments below was paid by Acsion Limited (the 'Company') and the prescribed officers were paid by Southern Palace 108 Proprietary Limited (subsidiary of the Group).

Directors' emoluments for the Group and Company are the same.

**Executive
2017**

	R'000 Emoluments	R'000 Other benefits	R'000 Total
K. Anastasiadis	2 922	-	2 922
P.H. Scholtz	1 292	120	1 412
	4 214	120	4 334

2016

	Emoluments	Other benefits	Total
K. Anastasiadis	2 984	46	3 030
P.H. Scholtz	1 139	-	1 139
	4 123	46	4 169

**Non-executive
2017**

	R'000 Directors' fees	R'000 Total
D.J. Green	230	230
P.D. Sekete	200	200
S. Griesel	200	200
T.S.B. Jali	200	200
	830	830

2016

	Directors' fees	Total
D.J. Green	220	220
P.D. Sekete	150	150
S. Griesel	150	150
T.S.B. Jali	180	180
	700	700

**Prescribed officers
2017**

	R'000 Emoluments	R'000 Bonus	R'000 Total
I. Anastasiadis	1 023	-	1 023
D. Thomas	1 027	79	1 106
	2 050	79	2 129

2016

	Emoluments	Bonus	Total
I. Anastasiadis	830	70	900
D. Thomas	830	70	900
	1 660	140	1 800

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

35. GOING CONCERN

The consolidated and separate Annual Financial Statements have been 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 Directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate 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 which may affect the Group.

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 12, 13 & 19; cash and cash equivalents as disclosed in note 15, and, equity as disclosed in the Statements of Financial Position.

Consistent with others in the industry, the Group monitors capital on the basis of the loan to value ratio. The Group's loan value ratio as at 28 February 2017 is 4.92% (2016: 4.13%). The Group is currently satisfied with this ratio but intends to increase the ratio going forward.

There are no externally imposed capital requirements. The Group aims not to have loan to value ratio in excess 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 into relevant maturity groupings. This is based on the remaining period at the Statements of Financial Position date 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 at statement of financial position date thus the impact of discounting is not significant.

	GROUP		
	Less than 1 year	2 to 5 years	More than 5 years
At 28 February 2017			
Borrowings	25 620	213 242	62 188
At 29 February 2016			
Borrowings	84 554	61 576	60 672

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 at this stage.

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 R 3 010 million (2016: R 2 068 million) depending on direction of the interest rate change. The assumption used is based on other variable factors remaining constant. The method used to calculate the sensitivity is the straight-line interest rate method. 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 to change the current policy.

36. RISK MANAGEMENT (continued)

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 the credit quality of the customer, taking into account its financial position, past experience and other factors.

Please refer to the Trade and other receivables note for the age analysis of financial assets past due but not impaired.

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.

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Financial instrument				
Interest-bearing borrowings	301 050	206 802	145 251	–

The Company is exposed to a number of guarantees for the building developments of Group companies which amount to R8 million.

37. EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any material events requiring adjustment or disclosure in these consolidated and separate Annual Financial Statements, which occurred after the reporting date and up to the date of this report which require adjustment or disclosure to interpret these consolidated and separate Annual Financial Statements adequately.

The Directors would however like to focus the reader's attention on the proposed dividend declaration as mentioned earlier in this report as it could, should the dividend be approved by the Board of Directors, influence the reader's decision-making regarding potential investment in the shares of the Company.

38. SEGMENTAL REPORTING

Segment reporting as required in terms of IFRS 8 is not applicable to the Acision 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 exposure being heavily weighted to retail (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, 4 properties are situated within the borders of Gauteng, 1 in Limpopo and 1 in Mpumalanga. All investment properties are within a 450 km radius from one another.

39. NON-CONTROLLING INTEREST

	GROUP		COMPANY	
	2017 R'000	2016 R'000	2017 R'000	2016 R'000
Non-controlling interest	36 015	10 446	–	–

The non controlling interest balance recognised is not deemed material by management.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

40. SHAREHOLDER INFORMATION

Beneficial shareholders holding 5.0% or more of Acision's issued share capital are as follows:

	2017		2016	
	Shares held R'000	%	Shares held R'000	%
Ioleni Trust*	290 867	73.64	290 867	73.64
The Papa's Trust	27 495	6.96	27 561	6.98
	318 362	80.60	318 428	80.62

* Kiriakos Anastasiadis is a beneficiary and trustee of Ioleni Trust.

	2017			2016		
Beneficial shareholders spread	Number	Shares held R'000	%	Number	Shares held R'000	%
Directors, prescribed officers and their related parties	6	312 423	79.10	6	312 315	79.06
Non-public	6	312 423	79.10	6	312 315	79.08
Public	–	82 537	20.90	–	82 645	20.92
Total	6	394 960	100.00	6	394 960	100.00

Summary of trading in Acision shares

	2017
Number of trades	129
Total number of shares traded	2 640
Total value of shares traded (R'000s)	46 267
High (R)	9.50
Low (R)	1.85
Closing price (R)	8.14

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 (hereafter "AGM") of shareholders of Acsion will be held at the Acsion Offices, 1st Floor, Mall Reds, Cnr Rooihuiskraal and Hendrik Verwoerd Drives, Rooihuiskraal Extension 15, Centurion on 4 August 2017 at 9:00 am 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 2017;
- transacting any other business as may be transacted at an AGM of shareholders of a company including the appointment of 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	Friday, 21 July 2017
Integrated Report to be posted on	Monday, 24 July 2017
Record date for voting purposes (voting record date)	Friday, 28 July 2017
Last day to lodge forms of proxy for the AGM	Wednesday, 2 August 2017
AGM (Acsion Offices, 1st Floor, Mall Reds, Cnr Rooihuiskraal and Hendrik Verwoerd Drives, Rooihuiskraal Extension 15, Centurion)	Friday, 4 August 2017
Results of AGM released on SENS by	Monday 7 August 2017

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 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 including 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, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown 2107), for the purposes of being entitled to attend, participate in and vote at the AGM is Friday, 28 July 2017.

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 (MOI).

NOTICE TO THE ANNUAL GENERAL MEETING (CONTINUED)

ORDINARY RESOLUTION 1: ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS

It is resolved that the Annual Financial Statements of the company for the year ended 28 February 2017, including the Directors' Report, be and are hereby received and adopted.

ORDINARY RESOLUTION 2: ADOPTION OF AUDIT AND RISK COMMITTEE REPORT

It is resolved that the report of the Audit and Risk Committee for the year ended 28 February 2017, be and is hereby received and adopted.

ORDINARY RESOLUTION 3: ADOPTION OF REMUNERATION COMMITTEE REPORT

It is resolved that the report of the Remuneration Committee for the year ended 28 February 2017, be and is hereby received and adopted.

ORDINARY RESOLUTION 4: ADOPTION OF SOCIAL AND ETHICS COMMITTEE REPORT

It is resolved that the report of the Social and Ethics Committee for the year ended 28 February 2017, be and is hereby received and adopted.

ORDINARY RESOLUTION 5: CONFIRMATION OF APPOINTMENT OF DIRECTORS

It is resolved that the following directors of the company retire by rotation in terms of the company's MOI and who, being eligible, have offered themselves for re-election, are re-elected by separate resolutions:

- 5.1 David Green
- 5.2 Sonja Griesel
- 5.3 Thabani Jali
- 5.4 David Sekete

A brief curriculum vitae of each of the directors standing for re-election is set out on pages 38 to 39 of the Integrated Report.

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

It is 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

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 pages 38 to 39 of the Integrated Report.

A third nominee for a position on the audit committee and an additional board member is currently under consideration by the nominations committee. That person, if successful, will be appointed to the audit committee and board and will be voted on at the next AGM.

ORDINARY RESOLUTION 7: APPOINTMENT OF AUDITOR

It is resolved that the company appoints the current auditors or such audit firm as recommended by the audit committee at their next meeting after the AGM to serve as auditors of the company from the conclusion of this AGM until the conclusion of the next AGM.

ORDINARY RESOLUTION 8: SIGNATURE OF DOCUMENTS

It is 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 and special resolutions passed at this AGM.

ORDINARY RESOLUTION 9: GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

It is 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:

- a) 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.
- b) 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 resolution 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.

- c) 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.
- d) 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 trade in respect of the dividend occurs during the 30 day period in question.
- e) 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.

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 Acision'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.

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

SPECIAL RESOLUTION 1: APPROVAL OF 2017 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 2017 financial year, as follows:

	Proposed 2017 fee
David Green	R243 600
Sonja Griesel	R212 400
Thabani Jali	R212 400
David Sekete	R212 400

REASON FOR AND EFFECT OF SPECIAL RESOLUTION 1

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 director's 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

It is 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:

- a) Any acquisition of shares shall be implemented through the order book of the JSE and without prior arrangement between the company and the counter party;
- b) 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;
- c) The company (or any subsidiary) is duly authorised by its MOI to do so;
- d) 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;
- e) 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 trading days immediately preceding the repurchase of such shares;
- f) At any point in time the company (or any subsidiary) may appoint only one agent to effect repurchase on its behalf;
- g) Repurchases may not take place during a prohibited period (as defined in paragraph 3.67 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;

NOTICE TO THE ANNUAL GENERAL MEETING (CONTINUED)

- h) An announcement will be published as soon as the company or any of its subsidiaries have repurchased shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the repurchase pursuant to which the aforesaid threshold is reached, and for each 3% in aggregate repurchased thereafter, containing full details of such repurchases; and
- i) 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.

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 understand 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:

- i. the company and the group will, in the ordinary course of business, be able to pay its debts;
- ii. 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
- iii. 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 108.

Capital structure of the company pages 62 and 64.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION 2

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

DIRECTORS' RESPONSIBILITY STATEMENT AS IT PERTAINS TO THIS SPECIAL RESOLUTION 2

The directors whose names appear on page 51 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 SPECIAL RESOLUTION 2

Other than the facts and developments reported on in the Integrated 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 2017 and up to the date of this notice.

SPECIAL RESOLUTION 3: FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED PARTIES

It is 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 MOI, 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 3 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 3

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 in terms of 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 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 3. Therefore, the reason for and effect of special resolution 3 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 3 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 Acsion 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 3

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 3 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.

SPECIAL RESOLUTION 4: AMENDMENT TO MEMORANDUM OF INCORPORATION IN RESPECT OF FRACTIONS OF SHARES

It is resolved that clause 36 of the MOI relating to the treatment of fractions be deleted and replaced with the following new clause 36:

"If, on any capitalisation issue or consolidation of securities or other corporate action, holders would, but for the provisions of this paragraph, become entitled to fractions of securities, the board shall procure that all fractions of securities will be treated in accordance with the JSE Listings Requirements."

REASONS FOR AND EFFECT OF SPECIAL RESOLUTION 4

The reason for and effect of Special resolution number 5 is to align the MOI with the latest amendments to the JSE Listings Requirements in relation to the treatment of fractions.

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 09:00 on Wednesday, 2 August 2017 by submitting by email to the company secretary at michaelr@mbainc.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 Acsion 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 Acsion 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.

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.

NOTICE TO THE ANNUAL GENERAL MEETING (CONTINUED)

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. 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, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) to be received no later than 09h00 on Wednesday, 26 July 2017. 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 are entitled to deliver forms of proxy to the chairman of the annual general meeting at any time prior to voting.

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 subregister 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 09h00 on Wednesday, 26 July 2017.

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.

Acision 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
CMA Accountants and Auditors Incorporated
Company secretary

Registered office

Acision Limited
Mall Reds
1st Floor
Corner Rooihuiskraal and Hendrik Verwoerd Drives,
Rooihuiskraal Extension 15
Centurion
0157

Transfer secretaries

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

FORM OF PROXY

Acision 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)

(Acision 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.

This proxy is 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 Wednesday, 26 July 2017 or any postponement or adjournment thereof.

Shareholders are entitled to deliver forms of proxy to the chairman of the annual general meeting at any time prior to voting.

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 _____ Acision 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 the 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 D. Green as director			
Ordinary Resolution 5.2	Confirmation of S. Griesel as director			
Ordinary Resolution 5.3	Confirmation of T. Jali as director			
Ordinary Resolution 5.4	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 7	Appointment of auditor			
Ordinary Resolution 8	Signature of documents			
Ordinary Resolution 9	General authority to issue shares for cash			
Advisory Vote 1	Advisory endorsement of remuneration policy			
Special Resolution 1	Approval of 2017 fees payable to non-executive directors			
Special Resolution 2	Share repurchase			
Special Resolution 3	Financial assistance to related and inter-related parties			
Special Resolution 4	Amendment to Memorandum of Incorporation in respect of fractions of shares			

* One vote per share held by Acision 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 _____ 2017

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

EXTERNAL AUDITORS

Deloitte & Touche

Buildings 1 and 2, The Woodlands, Woodlands Drive

Woodmead, Sandton

COMPANY SECRETARY

CMA Accountants and Auditors Incorporated

19 Edward Street, Westdene, Benoni, 1501

PO Box 131621 Northmead, 1511

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited

Rosebank Towers, 15 Biermann Avenue

Rosebank, 2196

SPONSOR

Nedbank Corporate and Investment Banking

135 Rivonia Road, Sandown, 2196 South Africa

Telephone: +27 11 294 3524

Fax: +27 11 295 3524

CORPORATE ADVISOR

Investec Bank Limited

100 Grayston Drive, Sandown, Sandton, 2196 South Africa

Telephone: +27 11 286 7000

Fax: +27 11 291 1202

COUNTRY OF INCORPORATION AND DOMICILE

South Africa

NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES

Investment and financing

DIRECTORS

D. Green

K. Anastasiadis

D. Sekete

P. Scholtz

S. Griesel

T. Jali



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