



Independent Auditor's Review Report on Condensed Consolidated Financial Statements To the shareholders of Rebosis Property Fund Limited

We have reviewed the condensed consolidated financial statements of Rebosis Property Fund Limited, contained in the accompanying provisional report, which comprise the condensed consolidated statements of financial position as at 31 August 2019 and the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and selected explanatory notes.

Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in the basis of preparation section to the financial statements, 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, which applies to a review of historical information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

Management obtained independent valuations for all the investment properties in the current financial period. At 31 August 2019, the investment property is carried at R15.6 billion in the consolidated statement of financial position. Due to the significant risk associated with the judgements and estimates applied in the inputs and assumptions used in valuing investment property, an independent valuer (auditor's expert) was appointed to independently value all the individual properties and compare the outcome of these values to those calculated by management's expert. A material difference was noted between management's valuations and the auditor's expert valuation. The main differences relate to the capitalisation rates and lease values used, potential risk adjustments on expired leases, capital expenditure adjustments, as well as assumptions made on projected property income. Had management accounted for the investment properties at the values indicated by the auditor's expert, the investment properties would have been carried in the consolidated statement of financial position at R13.3 billion. Accordingly, the fair value adjustment, loss for the year and shareholders' equity would have been adjusted by R2.3 billion in the consolidated financial statements.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Rebosis Property Fund Limited for the year ended 31 August 2019 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in the basis of preparation section to the financial statements, and the requirements of the Companies Act of South Africa.

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526
VAT number: 4910148685

National Executive: PR Badrick • HN Bhaga-Muljee • S Dansie • BJ de Wet • HCS Lopes • SM Somaroo • ME Stewart (Chief Executive) • IM Scott • MS Willimott

The company's principal place of business is at 52 Corlett Drive, Illovo, Johannesburg, where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



Emphasis of Matter - Going Concern

We draw attention to the going concern paragraph in the Basis of preparation section on page 14 in the provisional consolidated financial statements which indicates that the group's ability to fund its short term liquidity requirements is dependent on the financial support of the various banks. The paragraph also indicates that this condition, along with other matters, indicates the existence of a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

A handwritten signature in black ink that reads "BDO South Africa Inc." in a cursive style.

BDO South Africa Incorporated
Registered Auditors

Vincent Ngobese
Director
Registered Auditor

13 December 2019

Wanderers Office Park
52 Corlett Drive
Illovo, 2196
