

GRIT REAL ESTATE INCOME GROUP LIMITED

(Registered by continuation in the Republic of Mauritius)

(Registration number: C128881 C1/GBL)

SEM share code: DEL.N0000

JSE share code: GTR

LSE share code: GR1T

ISIN: MU0473N00036

("Grit" or the "Company" or the "Group")



Results for year ended 30 June 2018

Grit Real Estate Income Group ("Grit"), a leading pan-African income real estate company, today announces its Results for the year ended 30 June 2018.

Financial highlights

- Full year dividend per share increased to US\$12.19 cps (2017: US\$12.07 cps)
- European Public Real Estate Association ("EPRA")¹ net asset value ("NAV") per share up 6.0% to US\$145.7cps (2017: US\$137.4cps)
- Strong growth in adjusted² EPRA earnings amounting to US\$22.8 million up from US\$5.6 million in 2017
- Adjusted EPRA earnings per share up 122.8% to US\$11.32cps (2017: US\$5.08 cps)
- Loan-to-value ratio of 43% post year end and 51.4% as at 30 June (2017: 42.8%)
- Net property income increased 52.4% year-on-year to US\$25.7m (2017: US\$16.8m)
- Adjusted³ administration cost to income producing asset value percentage equates to 1.3% (2017: 1.4%)
- Successful admission to the Main Market of the London Stock Exchange on 31 July 2018, raising gross capital amounting to US\$132.2 million

Portfolio highlights

- Property portfolio now comprises a total of 22 investments
- Weighted Average Lease Expiry (WALE) increased 8.8% to 7.4 years (2017: 6.8 years)
- Weighted Average Annual Rent Escalations at 3.1% (2017: 3.5%)
- Weighted Average Net Rental per m² per month amounts to US\$18.2 (2017: US\$19.3)
- Gross Lettable Area ("GLA") equates to 308 157m² (2017: 142 899 m²)
- EPRA Operating Cost to Income ratio (including associates) of 15.6% (2017: 27.5%)
- EPRA Portfolio occupancy rate at 96.7% (2017: 96.9%)
- Weighted Average Cost of Debt at 5.75% (2017: 5.78%)

¹Explanations of how EPRA figures are derived from IFRS are shown in note 17

²EPRA earnings adjusted for the impact of straight-line leasing and unrealised foreign exchange gains and losses, see note 17

³Adjusted administration costs to asset values are defined and calculated as administration costs less non-controlling administration costs, acquisition cost and initial setup costs. This is disclosed on note 18.

By order of the Board

26 September 2018

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JSE sponsor



SEM authorised representative and sponsor



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(* executive director) (+ independent non-executive director)

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Transfer secretary (South Africa): Computershare Investor Services Proprietary Limited

Registrar and transfer agent (Mauritius): Intercontinental Secretarial Services Limited

Corporate advisor and JSE sponsor: PSG Capital Proprietary Limited

Sponsoring Broker: Axys Stockbroking Ltd

SEM authorised representative and sponsor: Perigeum Capital Ltd

This notice is issued pursuant to the LSE Listing Rules, the JSE Listings Requirements, SEM Listing Rule 11.3 and Rule 5(1) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. The Board of Directors of the Company accepts full responsibility for the accuracy of the information contained in this communiqué.

Chairman's statement

Introduction

Grit continued to deliver against its stated growth objectives of creating a diversified property portfolio of hard currency based assets across carefully selected African countries. A month after the close of the June financial year-end, Grit distinguished itself as the first Mauritian-listed company to list on the main market of the London Stock Exchange ("LSE"), thus providing access to additional capital to fund the group's growth aspirations.

The Company now holds primary listings on both the LSE and the Johannesburg Stock Exchange ("JSE"), with a secondary listing on the Stock Exchange of Mauritius ("SEM").

LSE Listing and US\$132.2 million Capital Raise

The Board initiated a process more than a year ago to identify an optimal platform that would position Grit for its next growth phase. The objective was to diversify sources of equity funding and introduce new long-term shareholders to the Company.

This strategy was successfully executed as our LSE-listing culminated with a gross equity raise of US\$132.2 million, introducing fresh capital and strong support from a number of new international institutions.

In preparation for the LSE admission, a number of adjustments to the historical financial information arose, mainly due to variations in the established practice of applying IFRS in different jurisdictions and aligning to international best practice (see note 15).

In compliance with best practice, as defined by the European Public Real Estate Association (EPRA), Grit will now be disclosing EPRA NAV, earnings and metrics (which include Company specific adjustments) in its financial results.

The EPRA underlying principle is that NAV reported in the financial statements under IFRS does not provide stakeholders with the most relevant information on the fair value of the assets and liabilities, within an ongoing real estate investment company, with a long-term investment strategy. The objective of adjusted EPRA NAV is to therefore highlight the fair value of net assets held on an ongoing and long-term basis.

Financial Performance

The Group continued to perform in line with market guidance, delivered a dividends return on the last issue price of US\$1.43 of 8.5% (annualised) and a EPRA NAV growth of 6%.

The LSE listing and successful capital raise will positively impact on the gearing with an expected reduction in loan to value ("LTV") ratio from 51.4% to approximately 40% by June 2019. It should be pointed out that although Grit distributes income similar to a Real Estate Investment Trust ("REIT") it does not have REIT status and is therefore taxed in each jurisdiction. Therefore, the use of gearing in certain jurisdictions is of paramount importance to provide appropriate tax shielding.

The overall portfolio remains well-tenanted at a 96.7% occupancy rate, with Anfa Place Shopping Centre (Anfa) in Morocco, the Company's largest asset by value, providing significant upside potential following the completion of its refurbishment and tenant optimisation initiatives.

Expansion and Diversification

The Group continued making accretive acquisitions, further diversifying its asset base and regional exposure. During the period, Grit successfully expanded its portfolio into Ghana, the Company's first expansion into West Africa when it acquired interests in Capital Place Building and secured the acquisitions of the 5th Avenue and CADS II building in the capital city, Accra. These acquisitions will complete in the 2019 year.

These commercial office buildings are held under long-term leases with multi-national companies and, in line with Grit's strategy of forming strategic partnerships, Grit's interest has been part financed through the issue of equity at net asset value. On completion, the Ghana portfolio will account for 16% of the enlarged portfolio. The Company also expanded its portfolio in Mozambique, further diversifying its asset base with the acquisition of an interest in an A-grade corporate residential estate. Acacia Estate, with state-of-the-art security features, leased to an international embassy and international oil company. The asset is located in Costa do Sol, Maputo and has been completed following financial year end.

Governance and Board

Although I have been the lead independent director of Grit since its inception, this is my first report as chairman following the resignation of Mr Sandile Nomvete as a result of his responsibilities and position held as an executive director of Delta Property Fund Limited, a company listed on the JSE.

On behalf of the board, management and all staffs, we wish to thank Sandile Nomvete for his steadfast support and guidance as founding chairman over the past five years.

A number of additional board changes took place during the last financial year:

- Ms Jackie van Niekerk did not stand for re-election as non-executive director as she took up an executive role in a South African REIT; and
- Mr Gujadhur retired as independent non-executive director, with the subsequent resignation of Mr Doorgakant as an alternative to Mr Gujadhur.

On behalf of the board, I thank Chandra, Maheshwar and Jackie for their contributions and support during their tenures.

In the lead-up to our LSE listing, a number of new appointments were made, and I wish to welcome these new directors to the board:

- Mr Paul Huberman was appointed as independent non-executive director and chairman of the audit committee; and
- Ms Nomzamo Radebe was appointed as non-executive director; and
- Ms Catherine McIlraith joined the board as independent non-executive director.

Subsequent to Grit's listing on the LSE, the Company now holds primary listings in London and Johannesburg and a secondary listing on the SEM¹.

The Mauritian Securities Act 2005 and the SEM have granted a waiver to the Company from the requirements to file and publish quarterly financial reports following the LSE listing. Grit will therefore be filing and publishing half-yearly reports within the reporting deadlines provided under the Mauritian Securities Act 2005 and the SEM Listing Rules, which also comply with JSE Listing Requirements and the LSE Listing Rules.

¹ The listing on the SEM is termed a 'secondary listing'. However, all SEM Listing Rules apply to the Company, except the requirements to publish quarterly financial reports.

Words of Appreciation

Grit has a strategically placed property portfolio, diversified and strong tenants and significant headroom for growth. These fundamentals are leveraged through the skills of our people and their relationships with investors, banks, tenants, regulators and other stakeholders in the communities where we operate.

I would like to thank my fellow board members, the Grit team, our investors and stakeholders for their continued support during a watershed year of seizing opportunities to create sustainable above average returns for our investors.

Peter Todd

Chairman

CHIEF EXECUTIVE OFFICER'S STATEMENT

Introduction

The focussed strategy of the company to become the real estate partner of choice to blue chip tenants has resulted in a quality portfolio, which has created a platform to deliver on shareholder returns. Grit has created a solid foundation to enhance shareholder value and grow a unique investment offering to the international investor market. The multi geographic investment strategy, securing hard currency rentals (mitigating local currency exposure), blue chip tenants and a quality portfolio has mitigated many perceived Africa risks.

LSE main market listing and US\$132.2 million capital raise

On 31 July 2018 Grit successfully listed on the main market of the LSE, raising US\$132.2 million in fresh equity (before costs) and introducing UK-based and international institutional investors to the Group.

The proceeds of this raise place Grit on a new growth trajectory, allowing it to achieve scalability, reduce debt and strategically diversify the portfolio through the acquisition of additional yield enhancing assets.

Notwithstanding strong anchor shareholder support, the board realised that in order for the Company to optimally fulfil its mandate of unlocking value for shareholders, diversification of its funding sources was required.

Following extensive research of potential platforms across the globe, the Board recommended a listing on the main market of the LSE to shareholders, based on market depth, the number of emerging and frontier market institutional investors, alignment with the JSE and European corporate governance and financial reporting standards.

The capital raise associated with the LSE listing was aimed at:

- Broadening and diversifying our shareholder base with established and international investors;
- Supporting Grit's growth aspirations to acquire its yield enhancing current and future pipeline;
- Improving underlying liquidity and tradability of the shares and access into a number of major indices;
- Enhancing Grit's position as the leading international platform for investing into Africa real estate; and
- Accessing new strategic partnerships.

The successful LSE listing and capital raise allowed Grit to conclude on a number of pipeline transactions and reduce debt, in line with the targeted loan to value of 40% by June 2019.

The increased market capitalisation and share price rerating subsequent to the listing, positions Grit well for inclusion in a number of frontier and emerging market indices with future inclusion in the FTSE Frontier, MSCI Frontier, SAPY and all-share indices, based on a continued improvement in liquidity.

Corporate activity

The financial results for the year ended 30 June 2018 reflects deployment of the gross proceeds of the US\$121 million raised through the rights offer concluded in the prior financial year. This includes a positive financial impact from the remaining assets completed, together with the consistent performance from the current property portfolio during the year. Total income producing assets have increased from US\$488.5m in June 2017 to US\$642.3m as at 30 June 2018 as set out in the table in Financial Review.

Details of the assets acquired during this period are as follows:

- On 18 August 2017, the Company acquired a minority stake in **Letlole La Rona Limited**, which is listed on the Botswana Stock Exchange. The investment provides an initial entry into the Botswana market (an investment grade country) and a base for developing the necessary expertise to expand investments into the country. The value of the investment is US\$3.1m;
- **Imperial Health Sciences Logistics Warehouse** located in Nairobi, Kenya and underwritten by the parent listed company in South Africa, completed on 16 August 2017 (total asset value of US\$21.0m, including the adjacent vacant land). The adjacent land is ear-marked for redevelopment and potential NAV growth.
- On 11 August 2017, following receipt of the required regulatory approvals, the Company exercised its convertible loan and was issued 44.428% of the share capital of **Beachcomber Hospitality Investments Limited** for a net purchase price of US\$57.1m.
- On 14 April 2018, Grit announced the acquisition of a 47.5% interest in the company that owns an office complex known as **Capital Place**, a three-building complex located on a 1.88 acre parcel of land in the Airport Residential Area of Accra, Ghana anchored by blue chip tenants. The seller is a privately held Ghanaian property investment, development and management company, focusing on commercial and residential property development.

This acquisition further increased Grit's portfolio in Ghana and allows for a strategic partnership with Sir Samuel Jonah's company, Mobus Properties (Ghana) Limited, which will work jointly with Grit West Africa, the asset management arm of Grit in Ghana, on future real estate opportunities and the seller's property developments. The acquisition was financed through the issue of new Grit shares, amounting to US\$8.5m, issued at a price of US\$1.5267 per share, net of dividends on 11 May 2018. A US\$5.0m fully refundable deposit has been paid for the acquisition of the remaining 52.5% interest in Capital Place.

The following assets have / will be acquired post the year end:

- On 13 April 2018 the Company announced that it signed an agreement to acquire an 80.1% interest in **Acacia Estate** located in Costa do Sol, Maputo Mozambique. The residential complex is tenanted by an International Embassy and International oil company under long term leases. The aggregate purchase consideration is US\$23.5m and will be partly settled in cash and partly through an equity issue. Suspensive conditions associated with the sale of the asset were fulfilled on 27 August 2018.
- On 26 March 2018, Grit announced that it had paid a fully refundable deposit of US\$2m for the acquisition of the **CADS II building** situated in Accra. The total consideration for a 50% stake in this asset is US\$10.7m and the effective date of this transaction is 15 August 2018. Post year end an additional payment of US\$ 8.5m was made and the property is currently under transfer.
- On 15 March 2018, Grit signed an agreement to acquire the **5th Avenue Corporate Offices** complex in West Cantonments, Accra. The building is tenanted by a blue-chip anchor tenant occupying 53% of the gross lettable area and contributing 58% of the rental stream. The parent company of the second biggest tenant, occupying 34% of the gross leasable area and contributing 30% of the rental income, is a leading owner, operator and developer of wireless and broadcast communication towers and is listed on the New York Stock Exchange. The aggregate purchase consideration is US\$20.5m, the effective date of this transaction is expected to in October 2018.

Valuations

All properties across the portfolio were independently externally valued as at 31 January 2018 for the LSE Listing in July 2018.

Valuers were subsequently requested to update their January 2018 valuations for year-end financial reporting purposes as at 30 June 2018.

The majority of properties retained and held their value with marginal increases in value derived from respective annual lease escalations.

The Beachcomber Hospitality assets, in Mauritius, increased in value in Euro terms; however due to the Euro weakening against the US Dollar; these assets currently reflect a decrease in US Dollar value.

A marginal decrease in US Dollar value for Barclays House was as a result of a similar forex impact with the value having actually increased in Mauritian Rupees; however, the Mauritian Rupee strengthened against the US Dollar.

Anfa Shopping Centre, in Morocco, experienced a slight valuation uptick due to the positive progression of the refurbishment project. Upon completion of the development project in 2019, we anticipate a further valuation upside with the current devaluation being directly related to the refurbishment of a trading centre.

The Vodacom building, in Mozambique, shows a minor value reduction since the January valuation due to the lease renewal post December 2020 not having been finalised.

We continue to experience challenging retail trading conditions in Kenya and Mozambique; however as at 30 June 2018, our retail assets – being community convenience and essential shopping centres - held their value due to the positive valuations of the Zambia retail assets.

Changes in debt facilities

Material changes to the debt facilities were as follows:

- Bank of China advanced long-term debt of US\$37.9m for a period of five years for the acquisition of Cosmopolitan Mall in Lusaka, Zambia. The proceeds of the loan were utilised to settle the existing debt held by the vendor with Standard Bank.

The loan was priced at six months Libor + 4.0%, which had a favourable impact on the cost of funding;
- Bank of China advanced a loan of US\$8.6m to acquire the Imperial Health Sciences Logistics Warehouse in Nairobi, Kenya. The loan was priced at six months Libor + 4.0%;
- As part of Grit's hedging strategy to convert the revolving credit facility from US\$ to EUR, the Company secured a dual-currency facility from Barclays Bank Mauritius amounting to US\$20.0 million (equivalent to EUR17.1 million). These loans attract interest at Libor + 3.5% and Euribor + 3.8% respectively; and
- In March 2018, a short-term revolving line of US\$20.0m was advanced from SBM Bank (Mauritius) Ltd, priced at three months Libor + 3.5%.
- In June 2018 the company refinanced the loan in relation to the Barclays House asset. The loan was converted to a Euro facility and the underlying Mauritian Rupee lease stream was hedged via a forward sales agreement that converts the Rupees lease stream to Euros for a period of three years.

The Company continued with its multibank strategy which has had a positive impact on the weighted average cost of debt as well as mitigating potential refinancing risk. The result of the above transactions was a reduction in the weighted average cost of debt from 5.78% at 30 June 2017 to 5.75% at 30 June 2018. The LTV at 30 June 2018 was 51.4% after it normalised at 42.8% post 30 June 2017 when cash held from the capital raise was effectively deployed. The increase is attributable to further drawdowns made to finance acquisitions.

Proceeds from the recent capital raise and LSE listing will be used to settle revolver debt facilities which is expected to result in the LTV to normalise at approximately 40% by June 2019.

Following the LSE listing and as part of its debt diversification strategy, the Company is currently exploring a debt rating by an international ratings agency with the view of entering the debt market with a note programme. Shareholders will be kept informed of progress in this regard.

Risk management

Grit continues to strictly enforce a number of investment hurdles (margins of safety) that any investment consideration has to adhere to, before being recommended to the investment committee and ultimately to the board.

Although some of these self-imposed safeguards may protract the negotiation and transfer process, their effectiveness is underscored by the portfolio's stable performance even throughout the Mozambican economic difficulties over the past two years.

Some of these margins of safety include:

- US dollar or Euro-denominated income streams: 93% of portfolio rental income is in hard currency or pegged to the US\$/Eur (Morocco);
- Political risk insurance across the portfolio, which includes the repatriation of funds;
- Investment in politically and economically stable countries – 45% of the portfolio is located in investment grade countries;
- Land tenure is ensured through comprehensive due diligence processes in partnership with expert in-country legal counsel. Nine of Grit's assets are freehold;
- Debt diversification – Grit employs a multi-bank strategy and currently engages with eight banks on the continent;
- Counter party strength – 68.8% of Grit's tenants are in Forbes 2000 or "Other Global" list. The Group has a weighted lease expiry rate of 7.4 years and a 96.7% occupancy rate (incl. structural vacancies at Anfa); and
- Self-imposed soft portfolio exposure limitations of 25% per asset class and per country.

Increasing skills and capacity

The LSE listing process rigorously interrogated the quality and depth of our internal processes, procedures and capacity. This has resulted in a bulking up of senior positions with additional skills and knowledge base. This includes the establishment of a highly skilled compliance function and team. Complimentary skills and experience are also being added across various functions of the company where needs were identified.

Africa is inherently complex from an operational perspective and a skilled and experienced management team is paramount to a sustainable performance.

Outlook

Grit has positioned itself with a unique and enviable platform to capitalise on the significant opportunities and growth on the African continent. Given the strength of the Company's existing portfolio coupled with the opportunities presented by the Company's recent LSE listing, we continue to look to the future with confidence. Our focus will be on total return including growing the dividend and net asset value growth of the portfolio. The platform established across the African continent is substantial and will be leveraged further to grow the portfolio and reduce the overall cost base of the Company.

Thanks

I wish to thank our founding chairman, Mr Sandile Nomvete for his support, advice and friendship over the years and wish him well in his future endeavours. In addition, I want to thank the board for their ongoing guidance, through a period of tremendous growth and also the vigorous process of listing on the LSE.

On behalf of Grit I welcome our new shareholders to the Company and wish to thank all shareholders for their encouragement and support in what was a watershed year for the Company.

Lastly, a sincere thanks to Team Grit and your families for making this organisation truly great. You are the embodiment of our ethos: Grit is passion and perseverance, for long-term sustainability and goals. It's the day in, day out.

Bronwyn Corbett**Chief Executive Officer**

FINANCE REVIEW

Financial overview

Our financial results for the year ended 30 June 2018 have shown a solid return with the resilient property portfolio delivering a year-on-year increase of 1% in total distribution per share of US\$12.19. The growth in the dividend was impacted by non-recurring expenses relating to the LSE listing, additional resources employed within the Company, the depreciation of the Euro against the US Dollar in the latter part of 2018 negatively impacting the Euro revenue stream, as well as the targeted pipeline assets only being transferred after year end. Due to the Anfa Place redevelopment, the centre carried certain vacancies which should be occupied upon completion creating the potential for further uplift in NAV and dividend growth.

The successful rights issue in 2017 enabled Grit to further diversify its portfolio of assets across a number of jurisdictions and asset classes, with significant expansion into corporate accommodation and hospitality sectors. The expansion of the Euro based Mauritian hospitality assets and the continued ability to provide hard currency based income streams have further de-risked the portfolio.

Combined WALE has increased from 6.8 years to 7.4 years at the reporting date. The annual increase has been predominantly driven by new acquisitions during the year, including the Imperial Warehouse and Beachcomber acquisitions which include long-term rental agreements. The WALE for new acquisitions stood at a healthy 10.8 years at the reporting date. The existing property WALE of 5.0 years is being managed through the active management of the portfolio and key lease extensions signed in the period.

Presentation of financial results

The financial statements have been prepared in accordance with IFRS. In accordance with best practice in the sector, alternative performance measures have also been provided to supplement IFRS based on the recommendations of EPRA. EPRA Best Practice Recommendations (“BPR”) have been adopted widely throughout this report and are used within the business when considering our operational performance as well as matters such as dividend policy and elements of our Directors’ remuneration. Full reconciliations between IFRS and EPRA figures are provided in note 17.

Net asset value

NAV per share increased by 5.2% year-on-year, or US\$6.7cps, from US\$128.9cps to US\$135.6cps (both on a restated 2017 basis). EPRA NAV increased by 6.0% or US\$8.3cps from US\$137.4cps to US\$145.7cps. This increase in NAV is attributable to strong portfolio growth, with gains from hospitality assets equating to US\$7.5 million, in Anfa Place US\$1.7 million and the Zambian retail centres amounting to US\$6.6 million.

While net operating income per building has increased in line with escalations, valuation increases on the existing portfolio are being hampered by the macroeconomic climate, particularly in Mozambique. The progress made on the ENI’s capital investment programme in the Rovuma Basin continues to be positive news for the Mozambique economy. Management believe that this will provide the long awaited impetus for sustainable economic growth in Mozambique with the Group well positioned to take advantage of this growth.

Total investment in income generating assets has increased from US\$488.5 million in 2017 to US\$642.3 million in 2018.

COMPOSITION OF INCOME PRODUCING ASSETS	2017	2018
	US\$'m	US\$'m
Investment properties	307.8	383.1
Deposits paid on investment properties	24.4	11.1
Other investments	-	4.2
Investment property included within 'Investment of associates'	89.0	201.3
Other loans receivable*	66.7	42.1
Intangible assets (right of use of land)	0.6	0.5
	488.5	642.3

* This includes receivable balances from partners in Zambia relating to the loan from Bank of China of \$77m used to fund the acquisition. The material balance in 2017 relates to the shareholder loan included in the \$47m Beachcomber acquisition that has been converted into equity. See note 6 for the details of the other loans receivable and note 7 for borrowings.

Income statement

Gross rental income increased to US\$32.1 million (2017: US\$22.9 million), and net property income increased to US\$25.7 million from US\$16.8 million in the prior year. This is due to the additional rental income received from the full year income from Lux Tamassa Resort and Mall de Tete, as these were transferred in March 2017. These reflect annual increases of 40.1% and 53.0%, respectively.

Despite vacancies across the portfolio remaining low, the strategic vacancies within Anfa Place Shopping Centre (in line with the upgrade to the centre) limited the increase in overall revenue. New acquisitions in the form of the Imperial Distribution Centre and the Vale Housing Compound were transferred, and contributed to the rental income increase, during 2018.

Property operating costs increased by 5.8% (or US\$0.4 million), with the full year inclusion of Mall de Tete. Provision for doubtful debts is related to the recoverability of debts from tenants at Anfa Place and Barclays House.

In real terms, operating costs as a percentage of revenue decreased in the period from 31.4% in 2017 to 22.8% in 2018. This has been achieved through the acquisition of triple net lease assets and cost savings initiatives and synergies across the geographical locations. This is in spite of the increase in the provision for bad debts attributable to Anfa Place as a result of the construction work that took place in 2018.

The Group incurred a 85.5% year-on-year increase in administration expenses during the year to US\$14.7m, largely attributable to costs associated with the Group's admission to the LSE, an impairment charge with in Freedom Asset Management (a company controlled by the Group, but has no ownership interests) and transactional fees incurred. Adjusted administration costs¹ attributable to the shareholders of the Group increased by 16.7% to US\$8.0 million, reflecting increased staff costs of managing the growing portfolio. With the Company's active on-site administration approach to asset and property management in the various jurisdictions, the Company has attracted a number of highly skilled and experienced staff to manage the portfolio. The adjusted administration costs as a percentage of income producing assets have reduced from 1.4% in 2017 to 1.3% in 2018, showing the commitment by the Group to proactively manage the cost base.

¹ Adjusted administration costs are defined and calculated as administration costs less non-controlling administration costs, acquisition cost and initial setup costs is disclosed in note 18.

Total profit for the year attributable to shareholders was US\$28.6 million compared with a US\$6.6 million loss after tax in 2017. Adjusted EPRA earnings for 2018, which removes non-cash items such as fair value movements, straight lining of leases and unrealised foreign currency translation impacts, increased three-fold during the year to US\$22.8 million from US\$5.6 million in 2017.

Net debt and cash flow

The Group raised an additional US\$93.1 million of debt in 2018 to fund acquisitions. As financing is integral to our business model, the Group has continued to develop strong relationships with financiers. The multi-bank approach adopted by Grit has continued, with the main banking partners being Bank of China, Standard Bank and SBM (Mauritius) Ltd. During the year, the Group secured a new banking partner, Barclays Bank, who have provided a revolving credit facility for the LSE listing as well as being the primary funding of the Ghanaian portfolio. The breakdown of the interest-bearing borrowings is listed in note 7.

The Group's loan-to-value ("LTV") has increased to 51.4% in 2018 (2017: 42.8%). This was driven by the utilisation of the short-term funding facilities to progress acquisitions completed prior to successful the fundraising in July 2018. Gearing is expected to normalize in the 2019 financial year to approximately 40% after the acquisition of Acacia Estate, 5th Avenue and CADS II and the settlement of the short-term debt facilities following the capital raise.

Debt and financing arrangements

In the year, the Group refinanced debt of \$38.0 million held with Afrasia, Nedbank and Rockcastle to ensure the Group manages the weighted average costs of debt ("WACD"). Despite the increase in the 3 month USD Libor rates in the period ending 30 June 2018, the Group managed to reduce its WACD to 5.75% (2017: 5.78%). This was achieved by entering into Euro based loans and by reducing high cost debt with low cost short-term debt facilities while the Group was raising equity capital. Euro based exposures are entered into to match the currency of the underlying assets with the funding source. As at 30 June 2018, the USD and EUR exposures amounted to 59.8% (2017: 68%) and 39.2% (31%), respectively.

At the balance sheet date, the weighted average maturity of our debt was 2.3 years (2017: 3.3 years). The revolving credit facilities with SMB (Mauritius) Ltd and Barclays Bank Mauritius were settled with the proceeds of the capital raise. The Group also agreed terms for the refinancing of US\$38 million of debt and has agreed conditional terms on a further US\$23 million of debt maturing in the year ending 30 June 2019.

Dividend

The strong financial performance and distributable earnings growth has allowed the Group to declare a final distribution of 6.12 USD cents per share, taking the full year distribution to 12.19 USD cents per share (2017: 12.07 USD cents per share). This represents annual growth of 1%. The Group is targeting an annual dividend growth of 3% - 5% in 2019.

Our financial outlook

From a strong starting point, the Group has further improved its financial position since the year end with its successful admission to the main market of the LSE, raising US\$132.2 million of capital as a result. The proceeds will be deployed to reduce gearing and facilitate growth in the property portfolio with three deals already successfully concluded in the period since 30 June 2018. This has seen the Group expand its presence in Ghana and Mozambique to further strengthen its footprint in those geographical locations.

Additional funds will be earmarked for high yield projects in the current pipeline with both internal and external NAV contributors identified by the Group.

Subsequent events are further disclosed in note 14 to this announcement.

PRINCIPLE RISKS AND UNCERTAINTIES

Grit maintain a Key Risk Register which is shared with the Risk Committee on a quarterly basis. The key risks are well managed and monitored regularly as the risks could change with changes in the industry, economy and stakeholders, amongst others.

Key risks are disclosed below:

Risk	Consequence and Impact	Risk Mitigation
COMPLIANCE		
Regulatory risk – JSE, LSE and SEM compliance	Regulatory risk is associated with compliance and reputation risks. As Grit is multi listed on JSE, LSE and SEM markets, various rules and regulations need to be adhered to. Failure to comply with the rules and regulations may lead to fines, public censures, deregistration from the stock market and ultimately affect the reputation of the Group.	<p>Strong relationships with all corporate sponsors and Company Secretary.</p> <p>Completion of annual compliance checklist internally subject to approval by authorised sponsors.</p> <p>Appointment of consultants for specialised assignments.</p>
Regulatory risk - multi-jurisdictional legal compliance	As the Group has established its presence in several parts of the world, unintentional non-compliance with new laws may result in fines or public censures. At entity level, contractual terms drafted with the Group may be in contradiction to country specific laws thereby resulting in inability to enforce contractual terms.	<p>Detailed country due diligence process conducted considers aspect like multi-jurisdictional legal compliance.</p> <p>Engagement of local offices of international legal firms within the operational jurisdictions.</p> <p>Appointment of suitably qualified local in-country managers with oversight from senior management dedicated to specific countries.</p>
Non-compliance with debt covenants	Debts covenants are risk monitoring indicators for investors and lenders. Non-compliance with debt covenants may lead to increased finance costs by financiers and inability to raise additional funding for future projects and the debt being called in and properties confiscated.	Ratios (both actual and forecast) and debt covenants monitored by Management on a monthly basis and by the Board on a quarterly basis.

STRATEGIC		
Repatriation risk	Repatriation risk relates to exchange control regulations in operating jurisdictions which might act as barriers to the flow of funds back to ultimate holding Company, Grit, in terms of foreign supplier payments, interests and dividends. Consequently, this can lead to economic losses for the Group. Moreover, project financing may also be delayed due to approval processes with regulators in relation to foreign equity to debt investments.	Establishment of appropriate Group accounting policies and procedures to avoid any economic losses.
		Establishment of appropriate Group structure to avoid complex regulatory conditions.
		Appointment of legal and advisory teams to ensure policies, procedures and structures are compliant with local laws.
		Retention and recruitment of competent in-house finance team to analyse and recommend appropriate solutions to avoid repatriation risks.
		Approval from the Executive Team and the Board prior to investment resolution.
Reputational risk	A negative image may lead to volatility in share price and affect shareholder's confidence in the Group.	Oversight by the Board and independent directors.
		Strong investors and stakeholders' relations.
		Transparent culture and reporting.
		Regular communication with stakeholders.

Foreign Exchange risk	The Group's reporting and functional currency is USD. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and Moroccan Dirham (which itself is partially pegged to the Euro together with the US Dollar) and to a lesser extent the Mauritian Rupee, Mozambican Metical, Zambian Kwacha, Botswanan Pula, Ghanaian Cedi and Kenyan Shilling. Any severe impact on exchange rate conversion may have a negative effect on the Group's earnings, share price, ability to raise capital and repayment of debts. Foreign exchange movements can also impact negatively on property revaluations and affect the Group's balance sheet.	Investments are concentrated to strong based economies that have stable exchange rates vis-à-vis USD.
		Conversion of all other currencies cash balances to USD on receipt or when foreign exchange rates are appropriate.
		Matching the debt currency of the investment to the underlying functional currency where investment is placed.
Country risk	New government policies and regulations proclaimed might be to the detriment of the Group, such as, restrictions over flow of dividends, capital repatriation, exaggerated direct and indirect taxes and land ownership restrictions.	Extensive due diligence on country's risk performed by internal and external specialised personnel.
	Social and political unrest in a particular country may affect the market confidence which may lead international tenants to exit from that country or cease their trading activities. Consequently, this may impact on the revenue of Grit as the risk may lead to high tenant default risks when local tenants are affected.	Establishment of investment limit by country.
	Economic, social and political instability in a country might affect the expected return on investment.	Independent bi-annual country risk report obtained, and alert system established.
		Insurance cover for political and social risks.

FINANCIAL		
Destruction of investment property	Damage to investment property due to external factors not within the control of Group, for example, earthquake, flood, terrorist attack and riot may lead to material damages of investment properties and hence, financial loss to the Group.	Establishment of Group insurance policy and business continuity plan procedures.
		Adequate insurance cover taken for all properties.
		Approval by the Board in relation to adequacy of insurance cover (covering replacement cost and loss of income).
Liquidity and refinance risk	Liquidity risk is the risk that the Group is not able to meet its financial commitment as and when they fall due. Consequently, the Group might be exposed to inabilities to refinance debt on expiry and inabilities to raise debt to fund new projects.	Debt financing is limited to 50% of the total investment.
		Forward cash-flow management is established for regular monitoring of the Group's liquidity.
		Monitoring debt markets in all operational jurisdictions to obtain best borrowing option.
		Debt tendering.
		Board and Investment Committee regularly monitor the liquidity of the Group.
		Early engagement with financiers before termination date.
Skills shortage for finance staff in certain jurisdictions	It is the Group's requirement to publish its results regularly and obtain financial information for monitoring and decision making process by the Board. Certain jurisdictions where the Group is present have shortage a of skilled staff in the finance department. Due to this shortage, there may be delays from those jurisdictions to report accurate financial information in a timely manner. Consequently, there is a risk of non-compliance with statutory and internal requirements.	Thorough review by the Executive Team on management reporting.

Credit Risk	Credit risk involves default from tenants in respect of obligations under a lease contract and failure to recover amounts due on time. In extreme circumstances, after all possible efforts have been taken to recover debts, the Group may need to proceed with write off of material amounts.	<p>Approval by Executive Team to continue with a doubtful tenant.</p> <p>Vigilant credit control and debt collection process by Property Managers.</p> <p>Continuous monitoring of trading densities within the retail environment to identify and address potential risks before default.</p> <p>Deposits and security to be provided by the tenants (including sureties where applicable).</p>
Interest Rate Risk	Excessive volatility in interest rates may adversely affect the profitability of the Group and return on investments.	<p>Use of interest rate swap by the Group when appropriate.</p> <p>Ability to access debt from multiple jurisdictions and currencies.</p> <p>Limited duration of loan terms.</p>
OPERATIONAL		
Underperformance of property managers	Where Property Management Companies (the "Property Managers") fail to perform their duties in accordance with objectives set by the Group, the consequence may affect the financial performance of the Group at large. It may lead to reputational risk, cash flow risk, increased vacancy in buildings, inadequate return on investment and deterioration of buildings due to poor maintenance.	<p>Performance driven contracts with Property Managers.</p> <p>Review of exceptional debtors report by Asset Managers.</p> <p>Recruitment of efficient and competent Property Managers.</p> <p>Regular meetings between Asset Managers and Property Managers.</p> <p>Regular and independent property inspections of buildings.</p>
Language barriers	Language barriers can create misinterpretation of instructions that might result in delays to projects and non-delivery of services. It may also cause delays in producing management reports.	<p>All local employees required to have a working knowledge of English.</p> <p>As and when required, there is provision of additional English training.</p>

Contracts required to be recorded in the official language of the specific country	Distinct contract laws exist in different countries. Therefore, a standard agreement may not be applicable for all jurisdictions. Hence, there is a risk of inability to correctly interpret detailed contractual terms and conditions, where a standardised agreement cannot be adopted.	Use of suitably qualified sworn translations for all legal documentation.
		Engagement of local legal counsel who are fluent in both English and the local official language of the respective jurisdiction.
		Incorporating clause governing preference, that is, English contract shall prevail over contract drafted in local official language.
Arrears and bad debts	Failure to recover amounts on time leading to compromised performance resulting in financial loss	Vigilant credit control process and management reporting by property managers.
	Breakdown in relationships with key tenants	Continued engagement with tenants by asset managers
	Write-off of material bad debts	Robust debt collection process.
		Continual monitoring of trading densities within the retail environment to identify and address potential risks before default
Deposits and security (including personal sureties where applicable).		
Information technology (IT) failures	Information technology (“IT”) has become a crucial element in the good running of the business and failures in IT infrastructure may lead to impaired operational ability and delayed and inaccurate financial reporting due to loss of data.	Daily backups to an offsite storage facility.
		Multiple iterations of backup data.
		IT services outsourced to suitably qualified service providers.
Vacancy risk	Vacancy risk arises when properties remain vacant for prolonged periods or properties are not fully rented. It consequently erodes the rental income and affects profitability and return on investment. It may further fire back to repayment of Group’s debt capital invested in the properties and affect the liquidity of the Group.	Tracking of vacant properties by Property and Asset Managers.
		Early engagement with tenants approaching lease expiry dates.
		Strong focus on tenant relationships to ensure retention.

Physical deterioration of properties	Physical deterioration of properties may not attract tenants. Consequently, this may increase vacancy risk and operational costs. High operational costs may in turn lead to a decline in profitability.	Regular site visits performed by Asset Managers in addition to the monthly inspections conducted by the Property Managers.
		Proactive and reactive annual repairs and maintenance programmes.
		Tenants' complaints monitored by Property and Asset Managers.
		Board oversees state of properties and approve maintenance programmes.
		Setting up of three year rolling capital replacement budget.
		Ad hoc external assessment of reports by consultants
		Health & safety inspection of properties.
		Regular meetings with tenants and Property Managers for early detection of potential issues.
Unplanned departure of key personnel	Sudden departures of key staff may disrupt the operations and possible reputational damage of the Group.	Succession plan designed and implemented which addresses risks related to all key personnel.
Default by a major tenant	Major tenants are tenants, who are, either, a single tenant occupying a property, or a tenant for whom a property was specifically designed and built and/or a tenancy whose rental contribution is a large percentage of the monthly rental collection and/or whose presence is significant for a property's sustainability or demand or success. Default by such a major client might significantly impact the profitability of the Group and affect the loan repayment capacity of the Group.	Regular interaction with tenants and monitoring of their financial position.
		Credit risk assessment for all new tenants, particularly major tenants.
		Early cancellation or reduction of space occupied by the major tenants.

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the group financial statements in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (IASB) and the Mauritius Companies Act 2001, for purposes of complying with the SEM listings rules, the JSE listings rules and to discharge their stewardship obligations to file financial statements with the London Stock Exchange.

The directors must not approve the group financial statements unless they are satisfied that the group financial statements give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing the financial statements, the directors are responsible for:

- selecting suitable accounting policies and then applying them consistently;
- stating whether applicable IFRSs as issued by the IASB have been followed, subject to any material departures disclosed and explained in the financial statements;
- making judgements and accounting estimates that are reasonable and prudent; and
- preparing the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001.

Directors are responsible for the maintenance and integrity of the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group’s position, performance, business model and strategy.

Each of the Directors confirms that to the best of their knowledge that the Group financial statements, which have been prepared in accordance with IFRSs, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.

On behalf of the board

Bronwyn Corbett
Chief Executive Officer

Leon van de Moortele
Chief Financial Officer

Consolidated statement of comprehensive income

Restated for the
year ended

For the year
ended

30 June 2017

30 June 2018

US\$'000

US\$'000

Gross rental income	8	22,872	32,128
Straight-line rental income accrual		1,132	1,110
Revenue		24,004	33,238
Property operating expenses		(7,170)	(7,585)
Net property income		16,834	25,653
Other income		254	9
Administrative expenses (including corporate structuring costs)		(7,900)	(14,653)
Profit from operations		9,188	11,009
Fair value adjustment on investment properties		(20,729)	5,073
Contractual receipts from vendors of investment properties		230	8,689
Total fair value adjustment on investment properties		(20,499)	13,762
Fair value adjustment on other investments		-	(757)
Fair value adjustment on other financial asset		-	(128)
Fair value adjustment on derivative financial instruments		535	25
Share-based payment expense		(133)	(282)
Share of profits from associates		6,893	21,028
Gain from bargain purchase on associates		958	-
Foreign currency (losses) / gains		2,081	1,125
Profit / (loss) before interest and taxation		(977)	45,782
Interest income	9	2,059	4,375
Finance costs	10	(11,433)	(19,660)
Profit / (loss) for the period before tax		(10,351)	30,497
Taxation	11	2,916	(4,752)
Profit / (loss) for the period after tax		(7,435)	25,745
Gain / (loss) on translation of functional currency		3,045	(1,495)
Total comprehensive income / (loss)		(4,390)	24,250

Profit / (loss) attributable to:		
Owners of the parent	(6,634)	28,562
Non-controlling interests	(801)	(2,817)
	(7,435)	25,745
Total comprehensive income/ (loss) attributable to:		
Owners of the parent	(3,589)	27,067
Non-controlling interests	(801)	(2,817)
	(4,390)	24,250

	30 June 2017	30 June 2018
Earnings per share	\$'000	\$'000
Profit/ (Loss) after tax attributable to equity owners of the parent	(6,634)	28,562
Weighted average number of shares in issue (net of unvested treasury shares)		
In issue at start of period	99,004	200,364
Effect of shares issued in the period	10,849	766
Effect of treasury shares acquired in period	(58)	-
Effect of treasury shares vested or allocated in the period	-	70
	109,795	201,200
Dilutive effect of share options		
	109,795	201,200
Basic earnings / (loss) per share (cents)	(6.04)	14.20
Diluted earnings / (loss) per share (cents)	(6.04)	14.20

Consolidated statement of financial position

Restated as at

As at

30 June 2017

30 June 2018

US\$'000

US\$'000

Assets

Non-current assets

Investment properties	3	307,795	383,132
Deposits paid on investment properties	3	24,440	11,117
Property, plant and equipment		1,290	1,749
Intangible assets		592	485
Investments in associates	4	89,016	165,311
Other investments	5	-	4,154
Related party loans receivable		8	802
Other loans receivable	6	66,740	42,863
Deferred tax		6,496	8,999

Total non-current assets

496,377

618,612

Current assets

Current tax receivable		439	-
Trade and other receivables		22,805	29,786
Related party loans receivable		2,000	77
Cash and cash equivalents		24,668	3,086

Total current assets

49,912

32,949

Total assets

546,289

651,561

Equity and liabilities			
Total equity attributable to equity holders			
Ordinary share capital		319,979	328,394
Treasury shares reserve		(15,031)	(14,811)
Foreign currency translation reserve		3,275	1,780
Antecedent dividend reserve		1,261	-
Retained loss		(51,177)	(35,980)
Equity attributable to owners of the Company		258,307	279,383
Non-Controlling interests		(1,123)	(3,940)
Total equity		257,184	275,443
Liabilities			
Non-current liabilities			
Redeemable preference shares		12,840	12,840
Interest-bearing borrowings	7	185,051	207,106
Obligations under finance leases		171	124
Related party loans payable		1,365	-
Deferred tax		15,041	20,791
Total non-current liabilities		214,468	240,861
Current liabilities			
Interest-bearing borrowings	7	47,959	99,038
Obligations under finance leases		45	51
Trade and other payables		26,176	26,151
Current tax payable		-	969
Derivative financial instruments		19	22
Other financial liability		-	128
Bank overdrafts		438	8,898
Total current liabilities		74,637	135,257
Total liabilities		289,105	376,118
Total equity and liabilities		546,289	651,561

Consolidated statement of cash flows

Restated for the
year ended

For the year
ended

30 June 2017

30 June 2018

US\$'000

US\$'000

Cash generated from / (utilised in) operations

(Loss)/profit before tax for the period	(10,351)	30,497
<i>Adjusted for:</i>		
Depreciation and amortisation	207	272
Interest income	(2,059)	(4,375)
Share of profits from associates	(6,893)	(21,028)
Finance costs	11,433	19,660
Allowance for credit losses	962	(602)
Foreign currency losses/(gains)	(2,081)	(897)
Straight-line rental income accrual	(1,132)	(1,110)
Share based payment expense	133	282
Fair value adjustment on investment properties	20,499	(13,761)
Gain from bargain purchase on associates	(958)	-
Fair value adjustment on other investments	-	757
Fair value adjustment on other financial asset	-	128
Fair value adjustment on derivative financial instruments	(535)	(25)
	9,225	9,798
<i>Changes to working capital</i>		
Movement in trade and other receivables	447	(5,757)
Movement on deposits paid on investment properties	(4,702)	(11,117)
Movement in trade and other payables	7,200	195
Cash generated / (utilised in) from operations	12,170	(6,881)
Taxation paid	(700)	(111)
Net cash generated from / (utilised in) operating activities	11,470	(6,992)
Acquisition of investment properties	(70,902)	(37,083)
Acquisition of property, plant and equipment	(649)	(685)
Acquisition of intangible assets	(10)	-
Acquisition of other investments	-	(3,848)

Net cash outflow on acquisition of associates	(15,390)	(10,109)
Dividends and interest received from associates	3,573	7,470
Interest received	2,059	4,375
Proceeds from disposal of property, plant and equipment	-	4
Related party loans (advanced) / repaid	(2,008)	67
Other loans (advanced) / repaid	(66,740)	(19,532)
Net cash utilised in investing activities	(150,067)	(59,341)
Proceeds from the issue of ordinary shares	110,828	(0)
Share buy back	-	(85)
Share issue expenses	(5,330)	-
Proceeds from the issue of preference shares	12,840	-
Ordinary dividends paid	(17,283)	(14,907)
Proceeds from interest bearing borrowings	170,933	145,406
Settlement of interest bearing borrowings	(114,719)	(74,945)
Finance costs paid	(12,107)	(18,909)
Settlement of obligations under finance leases	(73)	(40)
Net cash generated from financing activities	145,089	36,520
Net movement in cash and cash equivalents	6,492	(29,813)
Cash at the beginning of the year	17,785	24,230
Effect of foreign exchange rates	(47)	(229)
Total cash and cash equivalents at the end of the year	24,230	(5,812)

Consolidated statement of changes in equity

	Share capital	Treasury shares	Foreign currency translation reserve	Antecedent dividend reserve	Retained earnings	Non-controlling interest	Total equity holders
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2016							
- As previously reported	171,995	-	(2)	636	(9,256)	-	163,373
- effect of prior year adjustments	-	(5,100)	232	-	(19,733)	(455)	(25,056)
- as restated	171,995	(5,100)	230	636	(28,989)	(455)	138,317
Profit for the year (as restated)	-	-	-	-	(6,634)	(801)	(7,435)
Foreign currency translation differences (as restated)	-	-	3,045	-	-	-	3,045
Total comprehensive income	-	-	3,045	-	(6,634)	(801)	(4,390)
Ordinary dividends paid	-	-	-	(636)	(11,526)	-	(12,162)
Treasury shares	-	(9,931)	-	-	-	-	(9,931)
Share based payments	-	-	-	-	133	-	133
Ordinary shares issued	155,535	-	-	-	-	-	155,535
Ordinary shares issued	-	-	-	-	-	133	133
Share issue expenses	(5,330)	-	-	-	-	-	(5,330)
Transfer from share issues	(2,221)	-	-	2,221	-	-	-
Clean-out ordinary dividend paid*	-	-	-	(960)	(4,161)	-	(5,121)
Balance as at 30 June 2017	319,979	(15,031)	3,275	1,261	(51,177)	(1,123)	257,184

Balance as at 1 July 2017

- As previously reported	319,979	-	1,063	1,261	(7,578)	-	314,725
- effect of prior year adjustments	-	(15,031)	2,212	-	(43,599)	(1,123)	(57,541)
- as restated	319,979	(15,031)	3,275	1,261	(51,177)	(1,123)	257,184
Profit for the year	-	-	-	-	28,562	(2,817)	25,745
Foreign currency translation differences	-	-	(1,495)	-	-	-	(1,495)
Total comprehensive income	-	-	(1,495)	-	28,562	(2,817)	24,250
Ordinary dividends paid	-	-	-	(1,261)	(13,647)	-	(14,908)
Share based payments	-	-	-	-	282	-	282
Treasury shares	-	220	-	-	-	-	220
Ordinary shares issued	8,500	-	-	-	-	-	8,500
Share buy back	(85)	-	-	-	-	-	(85)
Balance as at 30 June 2018	328,394	(14,811)	1,780	-	(35,980)	(3,940)	275,443

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The financial information does not constitute the Group's statutory accounts for either the year ended 30 June 2018 or the year ended 30 June 2017 (as restated), but is derived from those accounts. The Group's statutory accounts for 2018 will be delivered following the Company's Annual General Meeting. The Auditor's reports on both the 2018 and 2017 accounts were unmodified, did not draw attention to any matters by way of an emphasis of matter

The financial statements have been prepared in accordance with: International Financial Reporting Standards (IFRS) as issued by the IASB; the JSE, LSE and SEM Listings Requirements; and, the requirements of the Mauritian Companies Act 2001. The financial statements have been prepared on the going-concern basis and were approved for issue by the board on 26 September 2018.

Going concern

The Board continues to adopt the going concern basis in preparing these consolidated financial statements. In considering this requirement, the Directors have taken into account the following:

The Group's latest rolling forecast for the next two years in particular the cash flows, borrowings and undrawn facilities.

The headroom under the Group's financial covenants.

The current and forecast risks included on the Group's risk register that could impact on the Group's liquidity and solvency over the next 12 months from the date of signing.

Significant Judgements

The principal area where judgment have been made are:

Unconsolidated structured entity

Drive in Trading (DIT), a B-BBEE consortium, secured a facility of \$33.4 million from the Bank of America N.A (UK Branch) ("BoAML") to finance its investment in Grit. The BoAML facility was granted to DIT after South Africa's Government Employees Pension Fund (GEPF), represented by Public Investment Corporation ("PIC"), provided a guarantee to BoAML in the form of a Contingent Repurchase Obligation ("CRO") for up to \$35 million. The terms of the CRO obligate PIC to acquire the loan granted to DIT should DIT default under the BoAML facility.

In order to facilitate the above, the Group agreed to de-risk 50% of PIC's \$35 million exposure to the CRO, by granting PIC a guarantee whereby should BoAML enforce the CRO, the Group would indemnify PIC for up to 50% of the losses, capped at \$17.5 million, following the sale of the underlying securities, being the shares held by DIT in the Grit.

Given the unusual structure of the transaction, the Group has determined that DIT has limited and predetermined activities and can be considered a "structured entity" under IFRS 10 as the "design and purpose" of DIT was to fund Grit rights issue and at the same time enable Grit to obtain B-BBEE credentials.

As the Group does not have both, power to direct the activities of DIT and an exposure to variable returns, the Group has exercised judgement on not to consolidate DIT but disclose it as an unconsolidated structured entity due to DIT being a related party.

Acquisition of investment properties

Where investment properties are acquired through the acquisition of corporate interests, the directors have regard to the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

Where such acquisitions are not judged to be an acquisition of a business under IFRS 3, the transactions are accounted for as if the Group had acquired the underlying investment property directly, together with any associated assets and liabilities. Accordingly, no goodwill arises, rather the cost of acquiring the corporate entity is allocated between the identifiable assets and liabilities of the entity, based on their relative fair values at the acquisition date.

Otherwise corporate acquisitions are accounted for as business combinations.

Investments, associates and joint ventures

As an acquiring group, management needs to ensure that all acquisitions are appropriately classified in the financial statements. Depending on the shareholding and other factors there can be some judgement as to whether the acquisition is shown as an investment, associate or consolidated as a subsidiary. In particular the Group holds interests of 50% of the total stake in multiple investments. The Group is not a controlling party in any of the arrangements. The Company applies judgement to determine whether the investment is classified as a Joint venture or an associate by considering the guidance provided and the prevailing operational arrangements. The Group has exercised judgement that, for all investments classified as associates, the arrangements will not meet the definition of a joint arrangement because there is no controlling party, no enforceable contractual agreement on sharing of control, there is insignificant level of operational involvement, and the Group does not have an explicit or implicit right of veto. Therefore, the Group has accounted for these investments as investments in associates. Where the Company holds investments of less than an equity stake of 20% and do not have significant influence through other means, the investments are classified as investments at fair value and not as an associate.

Estimates

The principal areas where such estimations have been made are:

Fair value of financial instruments

The Group have estimated the value of its obligation arising from its guarantee to de-risk 50% of PIC's exposure to the BoAML CRO. The Group's obligation is based on the occurrence or non-occurrence of uncertain future events (the probability of DiT defaulting on the BoAML facility). Therefore, the fair value of the obligation was based on the probability of DiT defaulting on the facility, which has been assessed as insignificant as at 30 June 2018.

Impairment of CGUs and non-financial assets

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In the case of any goodwill, this is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that an impairment may have occurred, estimates are prepared of expected future cash flows for each relevant group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including the pre-tax discount rate used that reflects current market assessments of the time value of money, together with economic factors such as exchange rates and country specific inflation and interest rates.

Fair value of investment properties

The Group uses the valuation carried out by its independent valuers as the fair value of its property portfolio. The fair value of investment properties is determined using a combination of the discounted cash flows method and the income capitalisation valuation method, using assumptions that are based on market conditions existing at the end of the relevant reporting period.

Taxation

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

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

2. Changes in accounting policies

The accounting policies used by the Group in these condensed financial statements are consistent with those applied in the Group's financial statements for the year to 30 June 2017, as amended to reflect the adoption of new standards, amendments and interpretations which became effective in the year as shown below.

New standards and interpretations

New standards and interpretations

Standards, interpretations and amendments to published standards that are not yet effective

The following new standards, interpretations and amendments to existing standards have been published that are applicable for future accounting periods that have not been adopted early by the group. These standards and interpretations will be applied in the first year that they are applicable to Grit.

Topic	Summary of requirements	Impact
IFRS 9 <i>Financial instruments</i> (1 January 2018)	IFRS 9 Financial Instruments was issued by the IASB in July 2014. The standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The standard sets out the requirements for recognition and measurement of financial instruments and some contracts to buy and sell non-financial items. It also includes financial instruments derecognition principles; general hedge accounting; and introduces an expected credit loss model with forward-looking information. The standard is effective from 1 January 2018. The Group is a 30 June reporter; hence the Group will adopt the standard from July 1, 2018 retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to certain exemptions and exceptions in applying the effective interest method; and impairment measurement requirements. Furthermore, IFRS 9 will not be applied to items that have already been derecognised at the date of initial application.	The Group will adopt IFRS 9 for the year ended 30 June 2019 and is in the process of implementing the requirements of IFRS 9. It has developed a detailed plan to assess the impact of IFRS 9
	<p>Classification and measurement of financial instruments</p> <p>IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 includes three principal classification categories for financial assets namely amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). These classification categories for financial assets replace the categories under IAS 39. The IFRS 9 requirements for the classification and measurement of financial liabilities are substantially unchanged from IAS 39 except for the change in fair value that is attributable to changes in credit risk of a financial liability designated at FVTPL which will be recognised in other comprehensive income (OCI) under IFRS 9, whereas under IAS 39 these amounts were always recognised in profit or loss. Another change introduced by IFRS 9 is the requirement on modification of financial liabilities that does not result in derecognition. IFRS 9 states that when a modification or exchange does not result in derecognition, the adjustment to the amortised cost will be recognised in profit or loss at that time.</p>	We have analysed the classification and measurement of the Group's financial assets and financial liabilities and the only change is that rental guarantees which are currently carried at FVOCI will be carried at FVTPL upon adoption of IFRS 9. Based on the assessment of the classification and measurement of financial instruments above, the Group does not believe that IFRS 9 classification and measurements requirements will have a material impact on its current financial instruments.

Impairment of financial and contract assets
IFRS 9 replaces the incurred loss model in IAS 39 with a forward-looking expected credit loss (ECL) model for calculating impairment on financial instruments within the scope IFRS 9 impairment. The ECL model will require considerable judgement as to how changes in economic factors affect ECL. The new impairment model will apply to financial assets measured at amortised cost or fair value through other comprehensive income (FVOCI).

The Group has started defining the ECL models approach and methodology to be applied to its affected financial assets. The group has performed an IFRS 9 ECL data readiness assessment and gap analysis to assess the implications of IFRS 9 on its intercompany loans and receivables, and trade receivables and other receivables. It is considering applying the simplified approach on its trade receivables and possible simple general approach to its intercompany loans. The Group will also choose the simplified approach as an accounting policy in the event that its contract assets, lease receivables, and trade and other receivables contain significant financing components. The group will quantify the impact of the IFRS 9 impairment when the ECL model is finalised.

Classification of financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities.

All fair value changes of financial liabilities designated as at FVTPL are recognised in profit or loss under IAS 39, whereas under IFRS 9 these fair value changes are generally presented as follows:

- the change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI
- the remaining change in the fair value is presented in profit or loss

The classification of financial liabilities generally remained the same from IAS 39 to IFRS 9, hence not expecting any material impact to the Group. However, the group will perform a detailed assessment to determine if there are any measurement impacts and conclude accordingly

Hedge accounting

IFRS 9 introduces a new general hedge accounting model which aligns hedge accounting more closely with risk management.

IFRS 9 introduces a new general hedge accounting model. The Group does not apply hedge accounting hence not impacted by the IFRS 9 hedging requirements on adoption.

<p>IFRS 15 <i>Revenue from contracts with customers</i> (1 January 2018)</p>	<p>In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the Construction of Real Estate; IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services, and is effective 1 January 2018. IFRS 15 outlines a single comprehensive model for revenue recognition and has been developed to provide a comprehensive set of principles in presenting the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. IFRS 15 scopes out lease contracts within the scope of IAS 17/IFRS 16. To evaluate the impact of IFRS 15, the Group analysed all of its non-lease components in the lease contracts to determine its other revenue streams. The Group identified two main non-lease components, that is, recoveries and casual retail parking income. The Group further determined whether these recoveries and casual retail parking services would be regarded as a transfer of a service to a customer and noted that, tenants receive benefits in addition to the right of use of the property. Thus, the Group concluded that casual retail parking income and tenant recoveries ("where tenants reimburse the group for expenses incurred for operating and maintaining properties, repairs, insurance and real estate taxes") which are non-lease components, should be accounted for under IFRS 15. Recoveries for administrative tasks, rates and taxes and other costs incurred which are associated with the lease contracts and do not transfer a good or a service to the lessee, will also be included in recoveries as non-lease components. The Group notes that lease contracts within the scope of IAS 17 or IFRS 16 are excluded from the scope of IFRS 15. Contingent or genuinely variable and fixed rental receipts from lessees were excluded from the analysis as they are in the scope of the leases standard and such contracts are scoped out of IFRS 15. For those rental revenue streams, accounting will continue under IAS 17 (and subsequently IFRS 16 once that is effective). The accounting will remain as it is currently, with rental income being recognised on a straight-line basis over the lease term. For contingent or genuinely variable rental revenue, rental income will continue to be recognised in the period in which it is earned; that is when the tenants achieve the specified targets defined in their lease agreements (when received or maybe slightly earlier when the right to payment arises). In accordance with the transition guidance, IFRS 15 will only be applied to contracts that would be incomplete as at 1 July 2017.</p>	<p>From the qualitative assessment performed, the Group believes that IFRS 15 will not have a significant impact on the timing or amount of revenue recognised by the Group in any year but will improve the presentation of the income streams. Therefore, the presentation of the Group's revenue will be modified to disclose amounts from revenue from contracts with customers separately from operating lease revenue.</p>
<p>Amendments to IFRS 4 <i>Applying IFRS 9 with IFRS 4 Insurance Contracts</i> (1 January 2018)</p>	<p>This amendment provides for a temporary exemption from IFRS 9 for a reporting company with predominantly insurance activities as the different effective dates of IFRS 9 and the new insurance contracts standard could have a significant impact on insurers</p>	<p>No impact. The Group does not have insurance contracts that are accounted for in terms of IFRS 4, hence will not apply this exemption.</p>
<p>IFRIC 22 <i>Foreign Currency Transactions and Advance Consideration</i> (1 January 2018)</p>	<p>IFRIC 22 clarifies that the transaction date for the purpose of determining the exchange rate to be use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration</p> <p>An entity can apply this interpretation either retrospectively or prospectively on initial application</p>	<p>The Group will be assessing the impact of this interpretation prospectively during the 2019 reporting period.</p>
<p>IFRIC 23 <i>Uncertainty over Income Tax Treatments</i> (1 January 2018)</p>	<p>IFRIC 23 clarifies that where it is unclear how tax law applies to a particular transaction or circumstance, an entity will have to assess whether it is probable that the tax authority will accept the entity's chosen tax treatment. Where it is probable that the tax authority may not accept the chosen tax treatment, disclosure about judgements made, assumptions and other estimates used; and the potential impact of uncertainties that are not reflected may be required. The interpretation also requires the entity to reassess the judgements and estimates applied if the facts and circumstances change</p>	<p>The Group will be assessing the impact of this interpretation prospectively during the 2019 reporting period.</p>

<p>IFRS 16 (1 January 2019)</p> <p><i>Leases</i></p>	<p>IFRS 16 replaces IAS 17 <i>Leases</i>, IFRIC 4 <i>Determining whether an arrangement contains a lease</i>, SIC-15 <i>Operating leases - incentives</i> and SIC-27 <i>Evaluating the substance of transactions involving the legal form of a lease</i></p> <p>Lessee accounting</p> <p>IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items</p> <p>IFRS 16 can be applied using either a retrospective approach or a modified retrospective approach with optional practical expedients for lessees. The lessee will have to apply any elections consistently to all of its leases</p> <p>When applying the modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition</p> <p>Lessor accounting</p> <p>IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating or finance leases, and to account for those two types of leases differently</p> <p>IFRS 16 also requires enhanced disclosures to be provided about a lessor's risk exposure, particularly to residual value risk</p>	<p>The Group will be assessing the impact of this standard during the 2019 reporting period and will adopt the standard for the year ended 30 June 2020.</p>
<p>Annual improvements (1 January 2019)</p> <p>2017</p>	<p>The annual improvements deal with additional guidance for applying the acquisition method to particular types of business combinations (IFRS 3 <i>Business combinations</i>), accounting for acquisitions of interests in joint operations (IFRS 11 <i>Joint arrangements</i>), income tax consequences of payments on financial instruments classified as equity (IAS 12 <i>Income taxes</i>), and borrowing costs eligible for capitalisation (IAS 23 <i>Borrowing costs</i>)</p>	<p>The Group is currently in the process of evaluating the detailed requirements of the improvements to assess the impact on the financial statements</p>

Standards, interpretations and amendments to published standards that are effective and applicable to the group

The Group has adopted the following new standards, interpretations and amendments to existing standards for the first time for the financial year ended 30 June 2018. The nature and effect of the changes are as follows:

Topic	Summary of requirements	Impact
<p>Amendments to IAS 7 <i>Disclosure initiative</i> (1 January 2017)</p>	<p>The amendments introduce new disclosure for changes in liabilities arising from financing activities, by providing a reconciliation between the opening and closing balances</p>	<p>Impact not material. Net debt reconciliation has already been presented in the current financial statements.</p>
<p>Amendments to IAS 12 <i>Recognition of deferred tax assets for unrealised losses</i> (1 January 2017)</p>	<p>The amendments clarify the requirements for recognition of deferred tax assets arising from unrealised losses on debt instruments measured at fair value</p>	<p>Impact not material. Deferred tax assets have already been accounted for in line with the amendment</p>
<p>Annual improvements (1 January 2017)</p> <p>2016</p>	<p>This amendment clarifies that disclosure requirements for interests in other entities also apply to interests that are classified as held-for-sale or distribution</p>	<p>Impact not material. The Group has been disclosing for entities held-for-sale in accordance with this clarification in the past</p>

	Restated as at 30 June 2017	As at 30 June 2018
	US\$'000	US\$'000
3. Investment properties		
Net carrying value of properties excluding straight-line rental income accrual		
Cost of investment properties	333,279	390,782
Cumulative foreign currency translation differences	(14,770)	(11,808)
Cumulative fair value surplus/(deficit)	(16,014)	(2,252)
	302,495	376,722
Movement for the period excluding straight-line rental income accrual		
Investment property at the beginning of the period	235,086	302,495
Prior year adjustments	672	-
As restated	235,758	302,495
Acquisitions and construction of investment properties	73,938	64,976
Transaction costs capitalised	3,920	1,235
Other capital expenditure	4,793	-
Foreign currency translation differences	4,815	2,944
Revaluation of properties at end of period	(20,499)	13,761
Contractual receipts from vendors of investment properties (reduction in purchase price)	(230)	(8,689)
As at 30 June	302,495	376,722
Reconciliation to consolidated statement of financial position and valuations		
Investment properties carrying amount per above	302,495	376,722
Straight-line rental income accrual	5,300	6,410
Total valuation of properties	307,795	383,132

Investment property pledged as security

Investment property pledged as security as follows:

Mozambican investment properties with a market value of \$198.0 million (2017: \$145.5 million) are mortgaged to Standard Bank of Mozambique to secure debt facilities amounting to \$10.4 million (2017: \$10.4 million), Standard Bank of South Africa to secure debt facilities amounting to \$50.0 million (2017: \$38.0 million) and Banco Unico of Mozambique to secure debt facilities amounting to \$2.9 million (2017: \$3.0 million), Bank of China to secure debt facilities amounting to \$13.3 million (2017: \$13.3 million) and Standard Bank (Mauritius) Limited to secure debt facilities amounting to \$11.0 million (2017: \$0 million).

Moroccan investment properties with a market value of \$92.6 million (2017: \$88.1 million) are mortgaged to Investec South Africa to secure debt facilities amounting to \$48.5 million (2017: \$50.1 million).

Mauritian investment properties with a market value of \$63.7 million (2017: \$57.6 million) are mortgaged to Barclays Bank of Mauritius to secure debt facilities amounting to \$7.4 million (2017: \$7.4 million) and State Bank of Mauritius to secure debt facilities amounting to \$26.0 million (2017: \$25.4 million).

Kenyan investment properties with a market value of \$18.8 million (2017: \$0 million) are mortgaged to Bank of China to secure debt facilities amounting to \$8.5 million (2017: \$0 million).

Valuation policy and methodology for investment properties held by the Group and by associates

Investment properties are valued at each reporting date with independent valuations performed every year by independent professional reputable valuation experts who have sufficient expertise in the jurisdictions where the properties are located. All valuations that are performed in the functional currency of a group entity that is not United States Dollars are converted to United States Dollars at the effective closing rate of exchange. All valuations have been undertaken in accordance with the version of the RICS Valuation Standards that were in effect at the relevant valuation date and are further compliant with International Valuation Standards. Market values presented by valuers have also been confirmed by the respective valuers to be fair value in terms of IFRS.

In respect of the majority of the Mozambican investment properties, independent valuations were performed at 30 June 2018 by Jones Lang LaSalle Proprietary Limited (JLL), Chartered Surveyors, using either the income capitalisation (yield) or the discounted cash flow method. The remaining Mozambican properties were valued by REC, Chartered Surveyors and part of the Meridian Group, at 30 June 2018 using the discounted cash flow method. During the year ended 30 June 2017, JLL valued certain of the Mozambican properties with the remaining valuations having been undertaken by the directors.

The Moroccan investment property was independently valued at 30 June 2018 by Knight Frank, Chartered Surveyors, using the discounted cash flow method. Due to the redevelopment on Anfa Place Mall, no independent valuation was performed of the property during the year ended 30 June 2017, but the directors are of the opinion that the carrying amount of the property as at 30 June 2017 approximated its fair value.

The Zambian investment properties held by associates were independently valued at 30 June 2018 by Broll Valuation and Advisory Services (Pty) Ltd, Chartered Surveyors, using the discounted cash flow method. During the year ended 30 June 2017, the properties were independently valued by Quadrant Properties, Chartered Surveyors, using the discounted cash flow method.

The Kenyan investment properties held by the Group and its associates were independently valued at 30 June 2018 by Broll Valuation and Advisory Services (Pty) Ltd, Chartered Surveyors, using the discounted cash flow method. It must however be noted that the Broll valuation for Buffalo Mall was utilised as a base on which the Directors made fair value adjustments as at 30 June 2018. During the year ended 30 June 2017, the properties held by associates were not valued independently by external valuers; however the Directors were of the opinion to hold value provided by Jones Lang LaSalle Proprietary Limited, Chartered Surveyors, in a prior financial period, where JLL used the discounted cash flow method.

The Mauritian investment properties held by the Group and its associates were independently valued at 30 June 2018 by Broll Indian Ocean (Pty) Ltd, Chartered Surveyors, using the discounted cash flow method. During the year ended 30 June 2017, the properties were independently valued by Broll Indian Ocean Limited, Chartered Surveyors, using the discounted cash flow method.

<i>Summary of valuations by reporting date</i>	<i>Most independent valuation date</i>	<i>recent valuation</i>	<i>Valuer (for the most recent valuation)</i>	Restated as at	As at
				30 June 2017	30 June 2018
				US\$'000	US\$'000
Commodity House Phase I building	30-Jun-18		REC	42,570	43,190
Commodity House Phase II building	30-Jun-18		REC	-	17,270
Hollard Building	30-Jun-18		JLL Sub Sahara Africa	18,500	19,600
Vodacom Building	30-Jun-18		JLL Sub Sahara Africa	48,700	45,900
Zimpeto Square	30-Jun-18		JLL Sub Sahara Africa	11,470	9,200
Bollore Warehouse	30-Jun-18		JLL Sub Sahara Africa	6,500	6,500
Barclays House	30-Jun-18		Broll Indian Ocean	13,835	14,840
Anfa Place Mall	30-Jun-18		Knight Frank	88,119	92,632
Tamassa Resort	30-Jun-18		Broll Indian Ocean	43,814	48,900
Vale Housing Compound	30-Jun-18		JLL Sub Sahara Africa	-	37,300
Imperial Distribution Centre	30-Jun-18		Broll South Africa	-	18,780
Mara Viwandani	30-Jun-18		Broll South Africa	-	3,420
Mall de Tete	30-Jun-18		JLL Sub Sahara Africa	24,220	25,600
<i>Total valuation of investment properties directly held by the Group</i>				297,728	383,132
Capital expenditure on Commodity House Phase II				10,067	-
<i>Total carrying value of investment properties per the consolidated statement of financial position</i>				307,795	383,132
Deposits paid on Imperial Distribution Centre				3,062	-
Deposits paid on VALE Housing Compound				21,378	4,117
Deposits paid on CADS II				-	2,000
Deposits paid on Capital Place Limited				-	5,000
<i>Total deposits paid on investment properties</i>				24,440	11,117
<i>Total carrying value of investment properties including deposits paid</i>				332,235	394,249

Investment properties held within associates - Group share

Buffalo Mall Naivasha Limited (50%) (includes Broll South Africa valuation of US\$4,660k and a company adjustment of US\$540k in 2018)	30-Jun-18	Broll South Africa	6,025	5,200
Mukuba Mall Limited (50%)	30-Jun-18	Broll South Africa	34,884	38,450
Kafubu Mall Limited (50%)	30-Jun-18	Broll South Africa	12,098	13,000
Cosmopolitan Shopping Centre Limited (50%)	30-Jun-18	Broll South Africa	38,380	40,500
Beachcomber Hospitality (44.42%)	30-Jun-18	Broll Indian Ocean	-	91,903
Capital Place Limited (47.5%)	30-Jun-18	Broll South Africa	-	12,217
Total of investment properties acquired through associates			91,387	201,270
Total portfolio			423,622	595,519

4. Investments in associates

The following entities have been accounted for as associates in the current and comparative consolidated financial statements using the equity method:

Restated as at	As at
30 June 2017	30 June 2018
US\$'000	US\$'000

Name of associate	Country	% held		
Mukuba Mall Limited	Zambia	50.0%	34,770	38,355
Kafubu Mall Limited	Zambia	50.0%	11,788	12,746
Buffalo Mall Naivasha Limited	Kenya	50.0%	4,128	3,294
Cosmopolitan Shopping Centre Limited	Zambia	50.0%	38,330	40,526
Capital Place Limited	Ghana	47.5%	-	7,960
Beachcomber Hospitality Investments Limited ₁	Mauritius	44.4%	-	62,430
Carrying value of associates			89,016	165,311

	Mukuba Mall	Kafubu Mall	Beachcomber Hospitality	Capital Place Limited	Cosmopolitan Mall Shopping Centre	Buffalo Mall	Total
	U\$'000	U\$'000	U\$'000	U\$'000	U\$'000	U\$'000	U\$'000
Reconciliation to carrying value in associates							
Balance at the beginning of the period as previously reported	35,968	11,812	-	-	38,121	3,148	89,049
Effect of prior year adjustments	(1,198)	(24)	-	-	209	980	(33)
Balance at the beginning of the period as restated	34,770	11,788	-	-	38,330	4,128	89,016
Acquired during the period	-	-	57,052	7,877	-	(898)	64,031
Profit from associates	6,180	2,875	7,053	83	4,773	64	21,028
- Operating Profit	2,613	1,974	4,633	83	2,653	214	12,170
- Fair value movement in property	3,567	901	2,420	-	2,120	(150)	8,858
Dividends Received	(2,593)	(869)	(1,429)	-	(2,577)	-	(7,470)
Foreign currency translation differences	-	(1,048)	(246)	-	-	-	(1,293)
Carrying value of associates	38,355	12,746	62,430	7,960	40,526	3,294	165,311

Investment in the year ended 30 June 2018

The Group acquired a 44.4% interest in Beachcomber Hospitality Investments Limited on 10 August 2017 for a net purchase consideration of \$57.1 million comprising an equity investment of \$14.8 million and a shareholder loan of \$42.3 million. Leisure Property Northern (Mauritius) Limited, a company incorporated in Mauritius, is 100% owned by the Group and owns 44.4% of the share capital of Beachcomber Hospitality Investments Limited which is also a Mauritian incorporated company and the owner of the Cannonier, Victoria and Mauricia hotels.

The Group acquired a 47.5% interest in Capital Place Limited on 10 May 2018 for a net purchase consideration of \$7.9 million. Grit Accra Limited, a company incorporated in Mauritius, is 100% owned by the Group and owns 47.5% of the share capital of Capital Place Limited, a company incorporated in Ghana.

5. Other investments	Restated as at		As at
	30 June 2017		30 June 2018
	US\$'000		US\$'000
Balance at the beginning of the period	-	-	-
Additions	-	-	4,911
Fair value adjustments	-	-	(757)
As at 30 June	-	-	4,154

Fair value hierarchy at 30 June 2018	Level 1	Level 2	Level 3	Total
	U\$'000	U\$'000	U\$'000	U\$'000
Investment in Letlole La Rona	3,091	-	-	3,091
Investment in Gateway Delta Developments Holdings Limited	-	-	1,063	1,063

Level 1 investment comprise of listed equity investment valued at market prices. If all significant inputs required to fair value an investment are observable, the investment is included in level 2. If one or more of the significant inputs are not based on observable market data, the investment is included in level 3.

Listed investments

The Group acquired 17,500,000 shares, representing 6.25% of the issued equity capital, in the listed company Letlole La Rona for U\$3.85 million in the year ended 30 June 2018. This company is incorporated in Botswana and listed on the Botswana Stock Exchange.

Unlisted investments

The Group invested \$1.02 million in an unlisted development company, Gateway Developments Holdings Limited, incorporated in Mauritius, in the period ended 31 January 2018 as part of its strategy to secure future investment pipeline on the African continent. The directors are satisfied that this level 3 investment is carried at fair value at 31 January 2018 after considering the future cash flows associated with the business.

6. Other loans receivable	Restated as at	As at
	30 June 2017	30 June 2018
	US\$'000	US\$'000
Beachcomber Hospitality Investments Limited ¹	47,409	-
Ndola Investments Limited ^{2,4}	5,103	5,073
Paxton Investments Limited ²	8,702	8,723
Kitwe Copperbelt Limited ^{2,4}	5,526	5,577
Syngenta Limited ^{2,4}	-	18,690
Transformers Investment Limited ⁵	-	4,000
Lifostax Proprietary Limited ³	-	800
As at 30 June	66,740	42,863

¹ This loan, which bore interest at 7.5%, was part payment for the investment made by the Group into this entity in the year to 30 June 2018. The loan was converted into an associate investment on 10 August 2017.

² In April 2017 Bank of China provided the Group with a term loan credit facility of \$77 million for 5 years. This facility has been fully drawn by the Group as at 30 June 2018. The Group has advanced loans amounting in total to 50% of the \$77 million facility to the other investors in the Zambian investment. Each of these loans has a 5 year term, is secured by a suretyship under the terms of the respective loan agreement and has interest charged at a rate of 6 month LIBOR plus 4%. The party has provided their share of the property as security to Bank of China.

³ These loans are unsecured, bear interest at the USD base rate of the South African Reserve Bank + 300 basis points and are repayable 5 years after the drawdown date.

⁴ Mr Peter Todd, Chairman of the Company, was a non-executive Mauritian resident director of these companies for all or part of the periods during which loans were advanced by the Group to these entities. The total interest receivable by the Group on these loans in the year ended 30 June 2018 was \$0.93 million and in the year ended 30 June 2017 was \$0.08 million.

⁵ This loan is unsecured, interest-free and repayable within one year from the drawdown date.

7. Interest-bearing borrowings	Restated as at	As at
	30 June 2017	30 June 2018
	US\$'000	US\$'000
Non-current liabilities		
At amortised cost	185,051	207,106
Current liabilities		
At amortised cost	47,959	99,038
	233,010	306,144
Currency of the interest-bearing borrowings (stated gross of unamortised loan issue costs)		
United States Dollars	160,348	189,094
Euros	72,039	115,719
Mozambican Meticaais	3,020	2,913
	235,407	307,726
Unamortised loan issue costs	(2,397)	(1,582)
As at 30 June	233,010	306,144
Movement for the period		
Balance at the beginning of the year	161,181	233,010
Proceeds of interest bearing-borrowings		
- Loans advanced in relation to investment on associates	13,001	-
- Other new loans advanced	170,933	145,406
Loan issue costs incurred	(2,544)	(571)
Amortisation of loan issue costs	584	1,386
Foreign currency translation differences	4,574	1,858
Debt settled during the period	(114,719)	(74,945)
As at 30 June	233,010	306,144

Analysis of facilities and loans in issue

Lender	Initial facility	30 June 2017	30 June 2018
		\$'000	\$'000
<i>Financial institutions</i>			
Standard Bank Mozambique	\$10.4m	10,451	10,451
Standard Bank South Africa	\$12m	-	12,000
Standard Bank South Africa	\$38.0m	38,000	38,000
Standard Bank (Mauritius) Limited	\$11.7m	-	11,047
Bank Unico of Mozambique	MZN182.7m	3,020	2,913
Investec South Africa	\$15.7m + €36m	50,154	48,529
Barclays Bank Mauritius	€7.4m	7,400	7,374
Barclays Bank Mauritius	€20m	-	19,669
Afrasia Bank Mauritius	Revolver	19,312	-
Bank of China	\$13.3m + \$77m + \$8.5m	52,150	98,260
State Bank of Mauritius	€22.3m + €9m + €3.2m + €20m	35,725	58,997
Investec Mauritius	\$0.5m	528	486
Nedbank South Africa	\$5.6m	5,666	-
<i>Vendor finance</i>			
Rockcastle Global Real Estate Limited	\$13m	13,001	-
Total loans in issue		235,407	307,726
less: unamortised loan issue costs		(2,397)	(1,582)
		233,010	306,144

8. Revenue	Restated as at	As at
	30 June 2017	30 June 2018
	US\$'000	US\$'000
Contractual rental income	18,811	27,213
Retail parking income	975	965
Recoverable property expenses	3,086	3,950
Total revenue	22,872	32,128

9. Interest income	Restated as at		As at
	30 June 2017		30 June 2018
	US\$'000		US\$'000
Bank interest receivable	13		67
Interest on loans to partners	1,151		3,278
Interest on loans to related parties	66		130
Interest on property deposits paid	532		834
Interest on tenant rental arrears	297		66
	2,059		4,375

10. Finance costs	Restated as at		As at
	30 June 2017		30 June 2018
	US\$'000		US\$'000
Interest-bearing borrowings - financial institutions	9,401		16,972
Interest-bearing borrowings - vendor loans	776		-
Amortisation of loan issue costs	584		1,463
Preference share dividends	220		825
Interest on finance leases	16		(3)
Interest on bank overdraft	62		17
Other interest payable	374		386
	11,433		19,660

11.

Taxation

	Restated as at	As at
	30 June 2017	30 June 2018
	US\$'000	US\$'000
Major components of the taxation expense		
Current taxation	(3)	1,519
Deferred taxation	(2,913)	3,233
	(2,916)	4,752
Reconciliation of the taxation expense		
Profit before tax	(10,351)	30,497
Statutory taxation expense at 15% (all periods)	(1,553)	4,574
Tax effect of adjustments to taxable income:		
Non-taxable income	(1,686)	(3,802)
Non-deductible expenditure	131	1,204
Under provision in the previous period	-	282
Foreign tax credit	33	(1,328)
Deferred tax asset not provided for	-	2,101
Investment tax credit	-	(234)
Minimum tax	-	42
Tax losses unutilised carried forward	2,449	-
Effect of different tax rates	(2,290)	1,913
Effective taxation expense at 10.48% (2017: 28.17%)	(2,916)	4,752

The Company is subject to income tax at the rate of 15% in Mauritius in accordance with the provisions of the Income Tax Act 1995 as amended. As the Company holds a Category One Global Business License, the Income Tax (Foreign Tax Credit) Regulations 1996 allow for the setting off of any underlying tax, withholding tax or tax sparing credit by the Company against any tax due at the 15% rate. In the absence of evidence of payment of foreign tax, the Company can claim as tax credit (presumed tax credit) an amount equal to 80% of the Mauritius tax chargeable on any foreign-source income.

12. Segmental reporting

Condensed consolidated segmental analysis								
	Botswana	Morocco	Mozambique	Zambia	Kenya	Ghana	Mauritius	Total
Geographical location 30 June 2018 - US\$'000								
Gross rental income		9,848	15,645	-	1,311	-	5,324	32,128
Straight-line rental income accrual		296	569	-	105	-	140	1,110
Property operating expenses		(5,192)	(1,973)	-	(42)	-	(378)	(7,585)
Share of profit from Associates		-	-	13,828	64	83	7,053	21,028
Net property rental and related income		4,952	14,241	13,828	1,438	83	12,139	46,681
Fair value adjustment on investment property		1,704	6,584	-	1,109	-	4,364	13,761
Investment Property vehicles	3,091	92,632	204,560	91,629	25,494	7,960	181,211	606,577
Investment property at fair value		92,632	204,560	-	22,200	-	63,740	383,132
Deposits paid on investment properties		-	-	-	-	-	11,117	11,117
Investment in associates		-	-	91,629	3,294	7,960	62,428	165,311
Other investments	3,091	-	-	-	-	-	1,063	4,154
Other financial assets		-	-	-	-	-	42,863	42,863
	Equity investments	Hospitality	Retail	Office	Light industrial	Corporate accommodation	Corporate	Total
Type of property 30 June 2018 - US\$'000								
Gross rental income	-	4,157	12,586	11,319	2,227	1,839	-	32,128
Straight-line rental income accrual	-	(0)	597	337	105	71	-	1,110
Property operating expenses	-	-	(5,788)	(1,035)	(65)	(353)	(344)	(7,585)
Share of profit from Associates	-	7,053	13,892	83	-	-	-	21,028
Net property rental and related income	-	11,210	21,287	10,704	2,267	1,557	(344)	46,681
Fair value adjustment on investment property	-	4,035	(463)	691	1,109	8,389	-	13,761
Investment Property vehicles	3,091	111,330	222,353	148,760	28,700	37,300	55,043	606,577
Investment property at fair value	-	48,900	127,432	140,800	28,700	37,300	-	383,132
Deposits paid on investment properties	-	-	-	-	-	-	11,117	11,117
Investment in associates	-	62,430	94,921	7,960	-	-	-	165,311
Equity investments: Available-for-sale	3,091	-	-	-	-	-	1,063	4,154
Other financial assets		-	-	-	-	-	42,863	42,863

13. Earnings per share	30 June 2017	30 June 2018
	\$'000	\$'000
(Loss)/profit after tax attributable to equity owners of the parent	(6,634)	28,562
Weighted average number of shares in issue (net of unvested treasury shares)		
In issue at start of period	99,004	200,364
Effect of shares issued in the period	10,849	766
Effect of treasury shares acquired in period	(58)	-
Effect of treasury shares vested or allocated in the period	-	70
	109,795	201,200
Dilutive effect of share options	-	-
	109,795	201,200
Basic earnings / (loss) per share (cents)	(6.04)	14.20
Diluted earnings / (loss) per share (cents)	(6.04)	14.20

14. Subsequent events

- On 31 July 2018, the Company was listed on the London Stock Exchange, raising US\$132.2 million of fresh capital through the issue of 102,074,261 shares at a price of US\$1.43 per share.
- Following the successful capital raise, the Company settled short-term debt facilities with State Bank of Mauritius (US\$18.6 million), Barclays Bank Mauritius (US\$19.2 million) and BankABC (US\$8.5 million).
- On the 27 August 2018, the Group concluded the transfer of the 80.1% interest in Acacia Estate, located in Costa do Sol, Maputo Mozambique. The residential complex is tenanted by an International Embassy and leading international petroleum company under long-term leases. The aggregate purchase consideration is US\$23.5 million and was settled in cash.
- On 26 March 2018, Grit announced that it had paid a refundable deposit of US\$2 million for the acquisition of the CADS II building situated in Accra. The balance of the total consideration for a 50% stake in the Company of US\$8.5 million was made in August 2018 and the property is currently under transfer.
- On 15 March 2018, Grit signed an agreement to acquire the 5th Avenue Corporate Offices complex in West Cantonments, Accra. The building is tenanted by a blue-chip anchor tenant occupying 53% of the gross lettable area and contributing 58% of the rental stream. The parent company of the second biggest tenant, occupying 34% of the gross leasable area and contributing 30% of the rental income, is a leading owner, operator and developer of wireless and broadcast communication towers and is listed on the New York Stock Exchange. The aggregate purchase consideration is US\$20.5 million. Post year end, the Group made a deposit of US\$3.2 million to secure the transfer of the asset and the effective date of this transaction is expected in early October 2018.

15. Restatements

For full details of the Groups restatements as previously disclosed, refer to the Company website www.grit.group

Distribution calculation ¹As at 30 June
2018

\$'000

Basic Earnings attributable to the owners of the parent		28,562
Add Back non-cash items:		
- Straight-line leasing (non-cash rental)		(1,110)
- Total fair value adjustment on investment properties		(5,073)
- Fair value adjustments included under income from associates		(8,858)
- Fair value adjustment on other investments		757
- Fair value adjustment on other financial asset		128
- Fair value adjustment on derivative financial instruments		(25)
- Unrealised foreign exchange gains or losses (non-cash)		(1,103)
- Share based payments		282
- Movement in deferred tax		3,247
- Depreciation and amortisation		272
Items added back		
- Acquisition costs not capitalised		3,480
- Listing and setup costs included in administrative expenses		1,323
Other cash generation		
- VAT and tax credits utilised		2,856
- Rental concessions for capital projects		693
Brought forward		81
TOTAL DISTRIBUTABLE EARNINGS		25,512
DISTRIBUTABLE INCOME PER SHARE (US\$ cps)		12.19
		Shares '000
Weighted average shares in issue		209,280
Distribution declared:		
Interim	US\$6.07 cps	12,704
Final (after 30 June)	US\$6.12 cps	12,808
Distributable income for the period	US\$12.19 cps	25,512

¹ The distribution calculation is disclosed to provide clarity regarding the final dividend distribution of US\$12.19 per share and to reconcile 'Distributable income' to 'Basic Earnings attributable to the owner of the parent'.

EPRA earnings

	Year ended 30 June 2017	Year ended 30 June 2018
	US\$'000	US\$'000
EPRA EARNINGS	(7,435)	25,745
Basic Earnings per above		
Add Back:		
- Total fair value adjustment on investment properties	20,729	(5,073)
- Gain from bargain purchase on associates	(958)	-
- Fair value adjustments included under income from associates	(4,557)	(8,858)
- Fair value adjustment on other investments	-	757
- Fair value adjustment on other financial asset	-	128
- Fair value adjustment on derivative financial instruments	(535)	(25)
- Deferred tax in relation to the above	(3,440)	5,981
- Acquisition costs not capitalised	635	3,480
- Non-controlling interest included in basic earnings	801	2,817
EPRA EARNINGS	5,240	24,952
EPRA EARNINGS PER SHARE (DILUTED)	4.77	12.40
Company specific adjustments		
- Unrealised foreign exchange gains or losses	1,448	(1,103)
- Straight-line leasing (non-cash rental)	(1,132)	(1,110)
- Amortisation of Right of use of land (non-cash)	26	44
- Deferred tax in relation to the above	1	(1)
Total Company Specific adjustments	343	(2,170)
ADJUSTED EPRA EARNINGS	5,583	22,782
ADJUSTED EPRA EARNINGS PER SHARE (DILUTED)	5.08	11.32
	Shares '000	Shares '000
Weighted average shares in issue	110,910	209,280
Less: Weighted average treasury shares for the period	(3,058)	(10,024)
Add: Weighted average share awards and shares vested shares in Long term incentive scheme	1,943	1,944
EPRA SHARES	109,795	201,200

EPRA NAV

	Year ended 30 June 2017	Year ended 30 June 2018
	US\$'000	US\$'000
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY	258,307	279,383
ADD BACK:		
Fair value of financial instruments	19	22
Deferred tax from revaluation of properties	16,971	20,791
EPRA NAV	275,297	300,197
EPRA NAV PER SHARE (cents per share)	137.4	145.7
	Shares '000	Shares '000
Total shares in issue	208,514	214,022
Less: Treasury shares for the period	(10,093)	(9,941)
Add: Share awards and shares vested shares in Long term incentive scheme	1,943	1,943
EPRA SHARES	200,364	206,025

18 Adjusted administration expenses

	Year ended 30 June 2017	Year ended 30 June 2018
	US\$'000	US\$'000
Adjusted administration expenses	6,810	7,951
Administrative expenses (including corporate structuring costs)	7,900	14,653
Less Admin expenses (non-controlling interest)	(63)	(1,929)
Less Acquisition and setup costs	(1,027)	(4,773)

Year ended 30 June 2017 Year ended 30 June 2018

US\$'000 US\$'000

19 **Headlines earnings per share ¹**

Reconciliation of basic earnings and headline earnings

Basic earnings	(6,634)	28,562
Fair value adjustments on investment property	20,499	(13,761)
Deferred taxation on investment property revaluation	(3,580)	5,979
Gain from bargain purchase	(958)	-
Fair value adjustment on other investments	-	757
Fair value adjustment on other financial asset	-	128
Fair value adjustment on derivative financial instruments	(535)	(25)
Share of fair value adjustment on investment property accounted by associate	4,557	8,858
Share-based payment expense	133	282
Headline earnings attributable to shareholders	13,482	30,780
Number of shares in issue at interim	111,787,042	208,514,261
Number of shares in issue at year end	208,514,261	214,022,425
Weighted average number of shares *	109,794,974	201,200,481
Earnings per share	(6.04)	14.20
Basic and diluted earnings per share (cents)	(6.04)	14.20
Headline diluted earnings per share (cents)	12.28	15.30

* There are no dilutionary instruments in issue

¹ The JSE Listings Requirements require the calculation of headline earnings and disclosure of a detailed reconciliation of headline earnings to the earnings numbers used in the calculation of basic earnings per share in accordance with the requirements of IAS 33 – Earnings per Share. Disclosure of headline earnings is not a requirement of International Financial Reporting Standards (IFRS). In calculating headline earnings per share, headline earnings exclude fair value adjustments for financial liabilities and accounting adjustments required to account for lease income on a straight-line basis, as well as other non-cash accounting adjustments that do not affect distributable earnings.

OTHER NOTES

The abridged audited consolidated financial statements for the year ended 30 June 2018 have been prepared in accordance with the measurement and recognition requirements of International Financial Reporting Standards (“IFRS”), the JSE Listings Requirements, the LSE Listing Rules, the SEM Listing Rules and the requirements of the Mauritian Companies Act 2001 and the method of computation followed per the abridged audited financial statements for the year ended 30 June 2018.

The Group is required to publish financial results for the year ended 30 June 2018 in terms of Listing Rule 12.14 of the SEM, the JSE Listing Requirements and the LSE Listing Rules. The Directors are not aware of any matters or circumstances arising subsequent to the year ended 30 June 2018 that require any additional disclosure or adjustment to the financial statements. These abridged audited consolidated financial statements were approved by the Board on 26 September 2018.

BDO & Co and PricewaterhouseCoopers have issued their unqualified audit opinion on the Group’s financial statements for the year ended 30 June 2018. Copies of the abridged audited consolidated financial statements, and the statement of direct and indirect interests of each officer of the Company pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge, upon request at the Company’s registered address. Contact Person: Kesaven Moothoosamy.

Following a successful capital raise, UK institutional investors now make up 12% of Grit’s shareholder base on the LSE, with the balance held on the JSE (50%) and SEM (38%).

Top five shareholders for Grit as at 31 August 2018 are as follows:

Anchor shareholders (>5%)	%
Government Employees Pension Fund (PIC)	28%
New UK Institutional Investors	12%
Drive In Trading Limited	8%
Delta Property Fund	8%
Transformers Investment Ltd	6%
Management & Staff	5%

Final dividend declaration

Shareholders are advised that dividend number 9 of US\$ 6.12 cents per share for the six months ended 30 June 2018 has been approved and declared by the Board of the Company on 26 September 2018. The source of the cash dividend is from rental income and cum-dividend reserve.

Salient dates and times

For shareholders on the Mauritian Register	
Announcement of cash dividend on JSE, SEM and LSE	Wednesday, 26 September 2018
Announcement of US\$ to Rand conversion rate released on SEM website by no later than 13:00	Tuesday, 9 October 2018
Last date to trade <i>cum</i> dividend	Tuesday, 16 October 2018
Shares trade <i>ex</i> -dividend	Wednesday, 17 October 2018
Record date of dividend on the SEM	Friday, 19 October 2018
Payment date of dividend	Friday, 16 November 2018

Notes

1. All dates and times quoted above are local dates and times in Mauritius. The above dates and times are subject to change. Any changes will be released on the SEM website.
2. No dematerialisation or rematerialisation of share certificates may take place between Wednesday, 17 October 2018 and Friday, 19 October 2018, both days inclusive.
3. No transfer of shares between sub-registers in Mauritius, South Africa and the UK may take place between Tuesday, 9 October 2018 and Friday, 19 October 2018, both days inclusive.

For shareholders on the South African Register	
Announcement of cash dividend on JSE, SEM and LSE	Wednesday, 26 September 2018
Announcement of US\$ to Rand conversion rate released on SENS by no later than 11:00	Tuesday, 9 October 2018
Last date to trade <i>cum</i> dividend	Tuesday, 16 October 2018
Shares trade <i>ex</i> -dividend	Wednesday, 17 October 2018
Record date of dividend on the JSE	Friday, 19 October 2018
Payment date of dividend	Friday, 16 November 2018

Notes

1. All dates and times quoted above are local dates and times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS.
2. No dematerialisation or rematerialisation of share certificates may take place between Wednesday, 17 October 2018 and Friday, 19 October 2018, both days inclusive
3. No transfer of shares between sub-registers in Mauritius, South Africa and the UK may take place between Tuesday, 9 October 2018 and Friday, 19 October 2018, both days inclusive.
4. Shareholders on the South African sub-register will receive dividends in South African Rand, based on the exchange rate to be obtained by the Company on or before Tuesday, 9 October 2018. A further announcement in this regard will be made on Tuesday, 9 October 2018.

For shareholders on the UK Register	
Announcement of cash dividend on JSE, SEM and LSE	Wednesday, 26 September 2018
Announcement of US\$ to Rand conversion rate released on the Regulatory Information Service of the LSE by no later than 10:00	Tuesday, 9 October 2018
Last date to trade <i>cum</i> dividend	Wednesday, 17 October 2018
Shares trade <i>ex</i> -dividend	Thursday, 18 October 2018
Record date of dividend on the LSE	Friday, 19 October 2018
Last date for receipt of currency election forms	Friday, 19 October 2018
Payment date of dividend	Friday, 16 November 2018

Notes

1. All dates and times quoted above are local dates and times in the UK. The above dates and times are subject to change. Any changes will be released on the Regulatory Information Service of the LSE.
2. No dematerialisation or rematerialisation of share certificates may take place between Wednesday, 17 October 2018 and Friday, 19 October 2018, both days inclusive
3. No transfer of shares between sub-registers in Mauritius, South Africa and the UK may take place between Tuesday, 9 October 2018 and Friday, 19 October 2018, both days inclusive.
4. Shareholders on the UK sub-register will receive dividends in US\$. However, shareholders can elect to have dividends paid in sterling (GBP) and the option to elect a sterling dividend payment for this dividend will be available to shareholders until Friday, 19 October 2018 (the "Election Date").
5. Further details together with a copy of the Dividend Currency Election Form, which should be sent to Link Asset Services, The Registry, 34 Beckham Road, Beckenham, Kent, BR3 4TU when completed, will be available on the Company's website shortly at <http://grit.group/>. CREST shareholders must elect via CREST.

In terms of the JSE Listings Requirements regarding Dividends Tax, the following information is only of direct application to shareholders on the South African share register, as the dividend is regarded as a foreign dividend for shareholders on the South African register:

- the final dividend is subject to South African Dividends Tax;
- the local dividend tax rate is 20%;
- there is no withholding tax payable in Mauritius;
- the number of ordinary shares in issue is 306 396 035 and
- the Mauritian income tax reference number of the Company is 27331528.