2017 INTEGRATED REPORT

GREENBAY

GREENBAY PROPERTIES LTD

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Forum Coimbra

ABOUT THIS INTEGRATED REPORT

Greenbay is pleased to present its second Integrated Report to stakeholders for the year ended 30 September 2017.

Our Integrated Report has been prepared to provide stakeholders with an insight into Greenbay's business model, performance, governance framework, strategy, risks and opportunities. While we have attempted to include information relevant to all stakeholders, the Integrated Report has been primarily prepared for the providers of financial capital in accordance with the International Integrated Reporting Framework ("the Framework") issued in December 2013.

The information included in the Integrated Report has been provided in accordance with International Financial Reporting Standards ("IFRS"), the Mauritian Companies Act 2001, the Mauritian Securities Act 2005, the Stock Exchange of Mauritius ("SEM") Listing Rules, the Johannesburg Stock Exchange Limited ("JSE") Listings Requirements, the King IV Report on Corporate Governance for South Africa, 2016 ("King IV"), the Framework and the Code of Corporate Governance for Mauritius ("the Code").

This Integrated Report covers the financial and non-financial performance of Greenbay. Greenbay's operations are primarily based in Mauritius and the Netherlands. Greenbay, via its subsidiaries, owns two properties in Slovenia and has a 50% share in two properties in Portugal via a joint venture. Details of Greenbay's subsidiaries are set out in note 7 of the financial statements. All of these entities fall within the reporting ambit of this Integrated Report.

This Integrated Report deals with all material matters that substantively affect the group's ability to create value over the short, medium and long-term, as identified by the board.

Management determined which issues could influence the decisions, actions and performance of the group. All material matters have been included and management is not aware of any information that was unavailable or any legal prohibitions to the publication of any information.

Additional information is provided in the annual financial statements.

After applying its collective mind to the preparation and presentation of the Integrated Report and, after recommendation by the audit committee, the board concluded that it was presented in accordance with the Framework and approved it for publication on 22 December 2017.

STAKEHOLDER PROFILE

ORGANISATIONAL STAKEHOLDERS	• Employees
ECONOMIC STAKEHOLDERS	• Suppliers • Financiers • Tenants • Property managers • Investors
SOCIETAL STAKEHOLDERS	• Government • Regulatory bodies • Communities • Local authorities

FACT SHEET AND 2017 HIGHLIGHTS

Company name	**Greenbay Properties Ltd** (Registration number: C124756 C1/GBL)
Registered address	**C1-401-4th Floor** **La Croisette, Grand Baie** **Mauritius**
Year-end	**30 September**
Chairman of the board	**Terry Warren**
Board of directors	**Terry Warren; Karen Bodenstein; Teddy Lo Seen Chong; Mark Olivier; Barry Stuhler; Stephen Delport; Kobus van Biljon; Jan Wandrag**

Independent non-executive	4
Non-independent non-executive	1
Executive	3
	8

Chief executive officer	**Stephen Delport**
Company secretary	**Intercontinental Trust Ltd**
JSE sponsor and corporate advisor	**Java Capital**
SEM authorised representative and sponsors	**Perigeum Capital Ltd**
External auditor	**BDO & Co**
Date of listing SEM	**30 January 2015**
Date of listing JSE	**27 November 2015**
Shares in issue	**9 322 176 525** (2016: 4 920 833 333)
Interest-bearing debt to asset ratio	**10,1%** (2016: nil)

Investment portfolio	**2017**	**2016**
Listed securities – direct holdings	**EUR159,4 million**	EUR3,1 million
Listed securities – gross exposure through equity derivatives	**EUR669,4 million**	EUR300,8 million
Direct property investments	**EUR184,4 million**	EUR70,1 million
Share price (EUR cents per share)	**2017**	**2016**
High	**15,39**	13,72
Low	**9,90**	7,15
Closing	**14,86**	9,92
Dividends (EUR cents per share)	**2017**	**2016**
Interim	**0,2308**	–
Final	**0,2360**	0,1136

Volume traded	**2 221 513 081 shares** (2016: 481 847 605)
Value traded	**EUR279 033 063** (2016: EUR44 263 307)
Annual general meeting	**31 January 2018** C1-401-4th Floor La Croisette, Grand Baie Mauritius

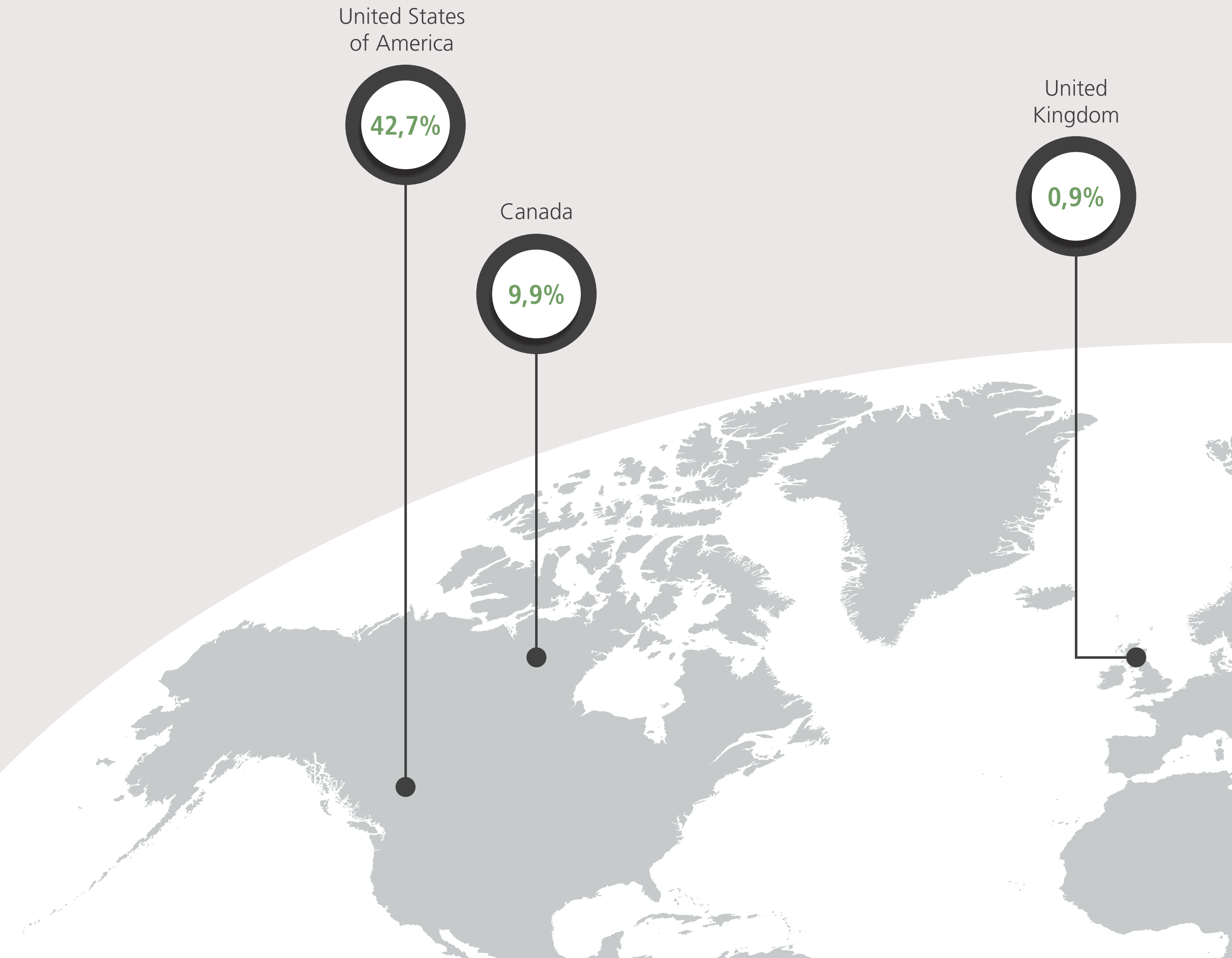
Dividend calendar (final dividend for the 2017 financial year)

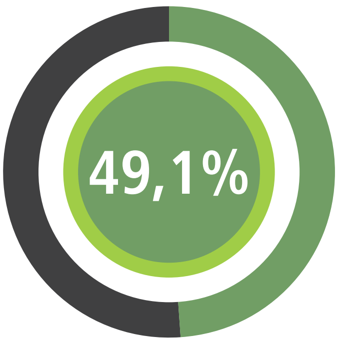
Last day to trade *cum* dividend	Tuesday, 12 December 2017
Record date	Friday, 15 December 2017
Dividend payment	Wednesday, 20 December 2017

Forum Coimbra

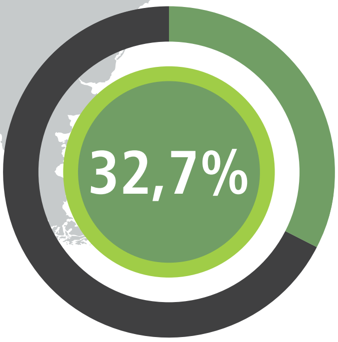
GEOGRAPHICAL AND SECTORAL PROFILE – FAIR VALUE OF ASSETS

AS AT 30 SEPTEMBER 2017

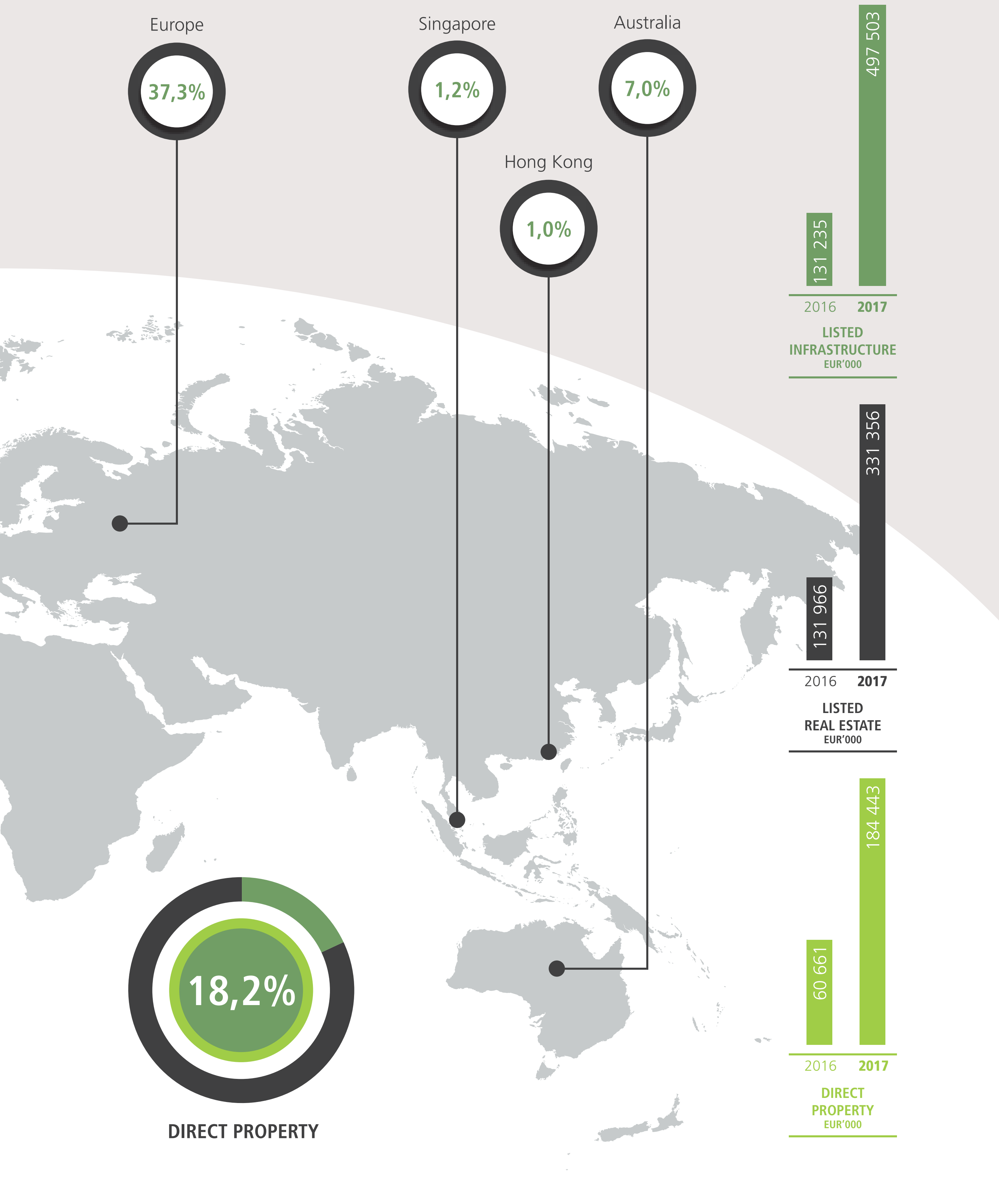




LISTED INFRASTRUCTURE



LISTED REAL ESTATE


Europe
37,3%
Singapore
1,2%
Australia
7,0%
Hong Kong
1,0%
18,2%
DIRECT PROPERTY
497 503
131 235
2016
2017
LISTED INFRASTRUCTURE
EUR'000
331 356
131 966
2016
2017
LISTED REAL ESTATE
EUR'000
184 443
60 661
2016
2017
DIRECT PROPERTY
EUR'000

PORTFOLIO OVERVIEW

DIRECT PROPERTY – PROPERTY STATISTICS

LEASE EXPIRY PROFILE

Rental area	%
Vacant	7,3
Sep 2018	11,4
Sep 2019	6,0
Sep 2020	19,5
Sep 2021	12,2
Sep 2022	12,5
After Sep 2022	31,1

Gross rentals	%
Vacant	
Sep 2018	18,8
Sep 2019	6,6
Sep 2020	20,0
Sep 2021	16,2
Sep 2022	10,6
After Sep 2022	27,9

Geographical profile

61,8% Portugal
38,2% Slovenia

Sectoral profile

92,4% Retail
7,6% Mixed-use development

DIRECT PROPERTY

Ownership	50%
Gross lettable area ("GLA")	33 789m²
Valuation	EUR189,8 million
Occupancy	99,7%
Major tenants	Fnac, Primark, H&M, C&A, Zara, Bershka, Cortefiel, Lefties

Forum Coimbra

Coimbra, Portugal

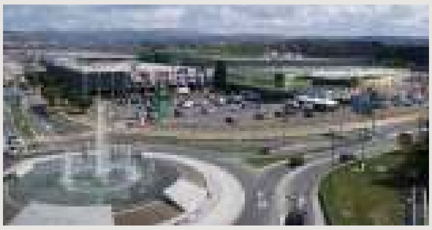
Located in Coimbra, which is the capital of the Centro region of Portugal. Coimbra is the third largest urban centre in Portugal (after Lisbon and Porto) with a population of 144 000. With an annual footfall of over 8,1 million people in 2017, Forum Coimbra is the most dominant retail centre in its catchment area. It is in a prime location with easy access to both the city centre and the A1 motorway (Lisbon – Porto). The shopping centre is anchored by Continente (in separate ownership), tenanted by 145 retailers and has 2 579 parking spaces. The weighted average rate per m² ("rate per m²") is EUR26,39.

Ownership	50%
GLA	19 145m²
Valuation	EUR36,2 million
Occupancy	92,3%
Major tenants	Zara, Lefties, Pull&Bear, Bershka, Stradivarius, Oysho, Massimo Dutti, Cinema Nos

Forum Viseu

Viseu, Portugal

Located in Viseu, which is in the Centro region of Portugal. Forum Viseu is a CBD mall located on the strongest high street in Viseu. With an annual footfall of over 4,4 million people in 2017, Forum Viseu is the dominant fashion destination in Viseu. It has a highly accessible location in the city centre with 50% of the footfall being pedestrian. The shopping centre is anchored by Pingo Doce, tenanted by 50 retailers and has 784 parking spaces. The rate per m² is EUR15,61.



Ownership	100%
GLA	32 526m²
Valuation	EUR57,5 million
Occupancy	89,1%
Major tenants	Tus, C&A, Hervis, H&M, Zara, Bershka, Desigual, Cineplexx, Mass, CCC, Takko

Planet Koper

Koper, Slovenia

Located in Slovenia's only port town, Koper. Planet Koper is the largest, most dominant centre on Slovenia's 47 kilometre coastline with an annual footfall of 4,2 million. The shopping centre is well-located just off the coastal motorway with easy access to the city centre and the surrounding residential population. Planet Koper is anchored by Tus, tenanted by 69 retailers and has 1 000 parking spaces. The rate per m² is EUR11,72.

TENANT PROFILE

Rentable area	%
A	40,6
B	37,1
C	22,4

Gross rentals	%
A	39,3
B	24,2
C	36,5

A Large national tenants, large listed tenants and government. These include, inter alia, C&A, Cortefiel, Fnac, H&M, Inditex, New Yorker, Primark and Takko.

B National tenants, listed tenants, franchisees and medium to large professional firms. These include, inter alia, CCC, Cineplexx, Deichmann, Nos, Pingo Doce, S. Oliver and Tus.

C Other (this comprises 141 tenants).

Other information

The weighted average rental escalation by rentable area is linked to the in-country consumer price index ("CPI"), which is currently 1,2% in Slovenia and 1,4% in Portugal.

The average annualised property yield is 6,25% at 30 September 2017.

CORE LISTED SECURITIES

Unibail-Rodamco

Unibail is Europe's largest listed commercial property company. As at 30 June 2017, it had a presence in 11 EU countries and a portfolio valued at EUR42,5 billion. Unibail's operations are focused on large shopping centres in major European cities, prestigious office buildings in Paris and major convention and exhibition venues, also in Paris. At the date of this report, the market capitalisation of Unibail was approximately EUR22,4 billion. For the year ended 31 December 2016, the company grew its dividend per share by 5,2%.

Enbridge

Enbridge is a Canadian company that aims to be the leading energy delivery company in North America. The company operates the world's longest crude oil and liquids transportation system. It is involved not only in the gathering, transportation, processing and storage of natural gas, but increasingly also active in power transmission. Enbridge has about 3,6 million retail customers in Ontario, Quebec, New Brunswick and New York State. During the first half of 2017, Enbridge merged with Spectra. At the date of this report, the company had a market capitalisation of CAD82,0 billion and forecast dividend growth per share of between 10% and 12% per annum until 2024.

EPD

Enterprise Product Partners ("EPD") is one of North America's largest integrated providers of midstream energy services to producers and consumers of natural gas, natural gas liquids ("NGLs"), crude oil, petrochemicals and refined products. Its integrated midstream energy asset network links producers of natural gas, NGLs and crude oil from some of the largest supply basins in the USA, Canada and Gulf of Mexico with domestic consumers and international markets. At the date of this report, EPD's market capitalisation exceeded USD50,1 billion. For the year ended 31 December 2016, the company grew its dividend per share by 5%.

Klepierre

Klepierre is a major player in Continental Europe's retail property market and has shopping centres in 57 cities and 16 countries. As at 30 June 2017, Klepierre valued its property portfolio at EUR23,3 billion. Klepierre provides leading retailers with a unique range of shopping centres that together attract more than 1,1 billion visitors each year. Klepierre's market capitalisation at the date of this report was EUR11,2 billion and is expected to grow its dividend per share in 2017 by about 5,3%.

TransCanada

TransCanada is a leading energy infrastructure company in North America, focusing on pipeline and power generation opportunities. Its 91 500 kilometre (56 900 mile) network of natural gas pipelines supplies more than 25% of the clean-burning natural gas consumed daily across North America. The company also owns or has interests in 17 power generation facilities with capacity of 10 700 megawatts. At the time of writing, TransCanada's market capitalisation was CAD55,1 billion and the company forecast dividend growth per share of between 8% and 10% per annum until 2021.

NextEra Energy

NextEra is one of the largest electric power companies in North America and is the largest generator of renewable energy from the wind and sun in the world. NextEra owns and/or operates generation, transmission and distribution facilities. It also invests in gas infrastructure assets. At the date of this report, NextEra had a market capitalisation of USD74,9 billion and expects to grow its adjusted earnings per share by 6% to 8% p.a. through 2020.

E.ON

E.ON is one of Germany's largest energy suppliers, focusing on renewables, energy networks and customer solutions. Its conventional generation and energy trading businesses were combined and separately listed in 2016 (Uniper) – and currently E.ON is in the process of selling its remaining 46% stake in Uniper. E.ON is focusing on transforming yesterday's power lines into tomorrow's smart energy networks, providing innovative customer solutions and becoming a larger player in renewable energy generation. E.ON currently has a market capitalisation of EUR21,2 billion.

Kinder Morgan

Kinder Morgan is one of the largest energy infrastructure companies in North America. It owns an interest in or operates approximately 84 000 miles of pipelines and 155 terminals. The pipelines transport natural gas, refined petroleum products, crude oil, condensate, CO_2 and other products. At the date of this report, Kinder Morgan had a market capitalisation of USD40,1 billion and forecast dividend growth per share averaging 36% p.a. from 2016 to 2020.

BUSINESS MODEL AND STRATEGY

Greenbay uses the capital at its disposal to create sustainable value for its stakeholders.

INPUTS

FINANCIAL CAPITAL

Our shareholders

Greenbay strives to deliver both capital and distribution growth to its shareholders by investing globally in direct property and infrastructure assets as well as in listed real estate and infrastructure securities with competitive yields that have the prospect of capital growth. In doing so, Greenbay undertakes to manage its assets in a responsible manner.

The performance of Greenbay's share price is illustrated in the graphs provided on page 21 of this report.

Funding our business

Greenbay's ability to access funding is intrinsic to its operations and thus its ability to create value. Greenbay had low gearing at year-end and intends utilising a diversity of funding sources by using different banks to manage its financing costs and concentration risk. In addition, we ensure that the currencies of our investments largely match those of the currencies of the underlying funding. Greenbay utilises in-country financing where sources of funding exist and the terms are in line with the company's funding strategy.

Greenbay raised EUR507,8 million of equity by way of placements during the financial year.

OUTCOMES

- 0,4668 EUR cents total 2017 dividend per share
- EUR507,8 million raised via three oversubscribed placements

INPUTS

MANUFACTURED CAPITAL

Our investments

Greenbay is a hybrid company that invests in both direct property and infrastructure and indirectly through investments in listed real estate and infrastructure securities. Greenbay has a substantial listed real estate and infrastructure security portfolio with a market value of EUR828,9 million.

Our management is constantly investigating potential investments that will provide sustainable, long-term growth that exceeds industry norms, whether in the form of a potential development, purchase of an existing property, expansion of existing shopping centres or through investments in listed real estate and infrastructure securities. Details of our direct property investments that meet our quality and location criteria in accordance with our growth strategy and our top ten listed holdings are included on pages 10 and 11.

A stringent approval process is in place for properties to be acquired or developed. Our investment committee members, who are all experienced in the property sector, approve Greenbay's acquisitions, redevelopments and disposals and receive updates on these at each meeting.

Our properties

The day-to-day management of our properties has been outsourced to our property managers, who have the requisite experience and presence in the countries in which our properties are located. We also have experienced and dedicated in-house asset managers who are responsible for overseeing the properties, the performance of the properties and managing the tenant relationships. The asset managers report directly to the chief executive officer. We are constantly assessing opportunities for upgrades, refurbishments, extensions and redevelopments of our properties.

Further information on our property portfolio is shown on page 6 of this report.

OUTCOMES

- Investment in Locaviseu of EUR109,625 million concluded during the year

SOCIAL AND RELATIONSHIP CAPITAL

INPUTS

Our tenants

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

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

Our business partners

We have relationships with global financial institutions with best-of-breed operating platforms reducing both our operational and counterparty credit risk.

We enter into developments with reputable partners with whom we share values and goals. These relationships allow us to leverage off the specific skills and experience of our partners, all of whom have proven track records in the markets in which they operate.

OUTCOMES

- Good relationships with financiers and tenants
- Establishment of joint venture partnership with Resilient

HUMAN AND INTELLECTUAL CAPITAL

INPUTS

Our employees

Our employees are as intrinsic to our business as our properties, thus we aim to attract and retain motivated, high-calibre executives and employees whose interests are aligned with the interests of shareholders. Further details on our remuneration strategy and policy can be found on pages 35 to 38 of this report.

Our employees are encouraged to attend job and industry-related training.

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

OUTCOMES

- Low staff turnover
- Highly regarded and experienced management team with property and investment-specific knowledge
- Well-established procedures and systems which enhance efficiency and value creation

NATURAL CAPITAL

INPUTS

Sustainability

We aim to improve the sustainability of our properties by investigating new technologies, and energy efficiency is foremost in our sustainability endeavours. Further details of our progress in this regard are shown on page 43 of this report.

OUTCOMES

- Developments are designed to incorporate green areas and parks in an urban environment
- A focus on the building aspect, which helps to passively address the insulation and natural lighting options in our developments

SCHEDULE OF PROPERTIES

No	Property name	Primary use	Geographical location	Ownership %	Acquisition date	Occupancy %
Retail						
1.	Forum Coimbra	Retail	Coimbra, Portugal	50	31 May 2017	99,7
2.	Planet Koper	Retail	Koper, Slovenia	100	30 August 2016	89,1
3.	Forum Viseu	Retail	Viseu, Portugal	50	31 May 2017	92,3
	Total direct property investment					
Property under development						
4.	Tivoli Projekt	Development	Ljubljana, Slovenia	100	31 August 2016	n/a
	Total property portfolio					

[1] *Purchase price includes capitalised costs to date.*
[2] *Based on Greenbay's pro rata interests.*
[3] *Excluding 17 700m² hypermarket that is separately owned.*

Information shown on a proportionate consolidated basis.

SCHEDULE OF TOP TEN INVESTMENTS

Gross listed security exposure	Primary sector	Jurisdiction	Valuation as at 30 September 2017 EUR	Valuation as at 30 September 2016 EUR
Unibail-Rodamco SE	Real estate	Europe	**55 552 500**	18 600 000
Enbridge Inc.	Infrastructure	Canada	**44 223 820**	5 080 402
Enterprise Products Partners LP	Infrastructure	USA	**36 628 976**	8 849 078
Klepierre	Real estate	Europe	**35 866 800**	13 056 000
TransCanada Corp	Infrastructure	Canada	**35 163 741**	5 490 112
NextEra Energy Inc.	Infrastructure	USA	**31 009 980**	5 441 042
E.ON SE	Infrastructure	Europe	**27 770 400**	–
Kinder Morgan Inc.	Infrastructure	USA	**27 597 718**	4 115 478
Simon Property Group Inc.	Real estate	USA	**25 643 866**	–
MPLX LP	Infrastructure	USA	**25 039 432**	8 238 132
			344 497 233	68 870 244
Top 10 holdings as a percentage of gross listed security portfolio (%)			**42**	23
Total gross listed security portfolio			**828 859 524**	303 899 934

Refer to www.greenbayprop.mu for additional disclosures related to the top 10 listed investments.

Gross lettable area (m²)	Purchase price/cost EUR	Valuation EUR	Address
33 789 [3]	94 895 500 [1] [2]	94 895 500 [2]	Av. José Bonifácio de Andrada e Silva nº1 Quinta do Vale Gemil – Almegue Santa Clara 3040-389, Coimbra
32 526	56 733 983 [1]	57 500 000	Ankaranska cesta 2, 6000 Koper, Slovenia
19 145	18 104 500 [1] [2]	18 104 500 [2]	Rua D. José da Cruz Moreira Pinto, 32, 3510-078, Viseu
	169 733 983	170 500 000	
n/a	13 942 548 [1]	13 942 548	Corner of Gosposvetska cesta and Zupancicev ulica, Ljubljana, Slovenia, 1000
	183 676 531	**184 442 548**	

HOLDING STRUCTURE

Greenbay is the ultimate holding company with six subsidiaries as detailed below:

Companies	Country of incorporation	% Capital shareholding	Reporting currency for local statutory purposes
Greenbay Investments 1 [1]	Mauritius	100	EUR
Greenbay Investments 2 [1]	Mauritius	100	EUR
Greenbay Investments UK Limited	United Kingdom	100	GBP
Greenbay Netherlands B.V.	Netherlands	100	EUR
Greenbay Investments d.o.o. [1]	Slovenia	100	EUR
Greenbay Tivoli d.o.o. [1]	Slovenia	100	EUR

[1] *Jan Wandrag is a director of this company.*

RISKS AND OPPORTUNITIES

Risk is the volatility of unexpected outcomes. Within the Greenbay framework, this would specifically relate to the adverse impact on the value of its assets, equity or earnings.

Risk management is the discipline by which these risks are identified, assessed and prioritised. It is essential to understand the multiple dimensions of risk in order to manage these effectively, with the aim of increasing shareholder value.

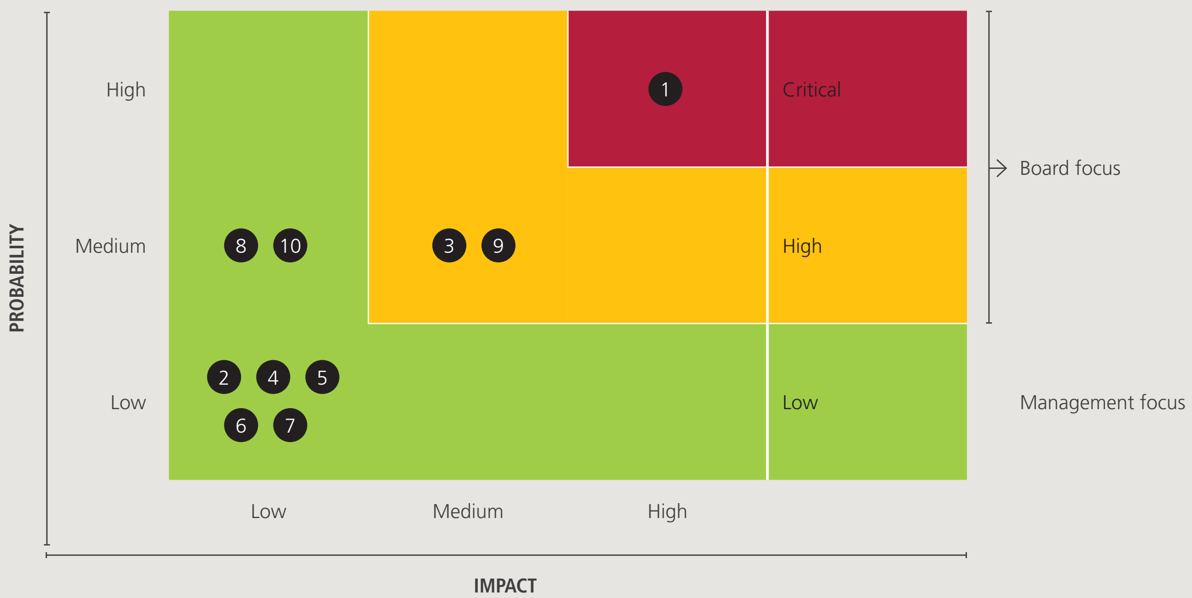
Risk management is essential for improved performance, growth and sustainable value creation. The process for identifying and managing risks has been set by the board. The board has overall responsibility for risk management but has delegated the responsibility for monitoring risk management processes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

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

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

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

The **residual risks** currently facing Greenbay are reflected on this heat map:



The numbers on the heat map correspond with the table below.

	Risk description	Impact areas	Key mitigants
Investments			
1	• Delays in executing appropriate direct investment and development strategies, or executing in less favourable conditions • Increased pressure from competition due to availability of capital in the market • Currency fluctuations • Destruction of direct investments • Physical deterioration of direct investments	• Net asset value • Total direct investment return (income and capital) • Shareholder earnings (distribution)	• Defined investment strategy • Defined asset appraisal process • Review of all opportunities against predetermined criteria • Monitoring macroeconomic and property market trends • Analysing an extensive pipeline • Conservative currency hedging • Hedging effectiveness regularly monitored • Insurance cover is carefully monitored to ensure that it is sufficient • Asset managers perform regular property and infrastructure inspections
Development			
2	• Development and construction risk including contractor solvency and availability	• Reduced development returns • Cost overruns • Programme delays leading to potential loss of occupier revenue • Failure to secure planning permission	• Close supply chain relationships facilitate assessment and monitoring • Assessment of contractors prior to appointment
Investor demand			
3	• Decrease in demand by investors for real estate	• Net asset value • Potential pressure on banking covenants	• Investing in prime properties • Strong financial covenants • Active asset management
Direct infrastructure market			
4	• Reduction in income received from direct infrastructure assets • Reduced demand for services, increased supply and operator/user defaults	• Net asset value • Total direct infrastructure investments return (income and capital) • Shareholder earnings (distribution)	• Monitoring macroeconomic, subsector and direct infrastructure market trends • Quality assets easier to redeploy to other users/operators • Close user/operator relationships assist in understanding changing requirements • Review of consumer trends • Operators/users at risk monitored regularly
Direct property occupier market			
5	• Reduced retail occupier demand for space, increased supply and occupier defaults	• Rental income and cash flow • Empty unit (void) costs • Net asset value • Reduced strength of occupier covenant and increased arrears/bad debts • Cost of occupier incentives for new lettings	• Diversified occupier base • Long leases and strong financial covenants • Quality assets easier to re-let • Close occupier relationships assist in understanding changing requirements • Review of consumer trends • Retail occupiers at risk monitored regularly

RISKS AND OPPORTUNITIES continued

	Risk description	Impact areas	Key mitigants
Financing availability			
6	• Shortage of financing or refinancing at acceptable cost • Adverse changes in macroeconomic conditions or the group's performance may lead to rating downgrade and/or unavailability of capital	• Inability to fund property investments or development programme • Increased cost of finance	• Spread of sources of finance and maturity of facilities • Committed but undrawn facilities maintained • Continuing and extensive capital market and bank relationship management
Cost of finance			
7	• Adverse interest rate movements	• Increased cost of borrowing and hedging	• Conservative interest hedging policy • Exposure reduced by replacing variable interest loans with fixed interest loans • Hedging effectiveness regularly monitored
Credit risk			
8	• Financial counterparty credit risk	• Loss of hedge • Loss of deposits • Cost of rearranging facilities • Incremental changes in financing rate	• Summary of exposures by bank and credit ratings reviewed monthly • Spread of sources of finance and maturity of facilities • Cash placed across a range of deposit accounts • Creditworthiness of derivative counterparties assessed
Listed securities			
9	• Risk of underperformance of investments, specifically forecast dividends not being received • Risk of financial loss to the group if a counterparty to a financial instrument fails to meet its contractual obligations • Funding liquidity risk	• Distributable income is reduced due to the reduction of dividends received from investments • Inability to meet obligations which may force early liquidation of the position as a result of margin calls	• Management monitors the performance of listed counters on a daily basis. All investments are made in accordance with the investment mandate and the board monitors compliance with such mandates on a quarterly basis • Financial instruments are entered into with reputable financial institutions • The company limits its exposure to credit risk by only investing in liquid securities and only with globally recognised financial institutions and/or counterparties that are listed on a recognised stock exchange • Ensuring that sufficient cash reserves are held by means of proper planning of cash flow needs by setting limits on cash flow gaps, by diversification, and by lending due consideration to how new funds can be raised to meet cash shortfalls

	Risk description	Impact areas	Key mitigants
Operations			
10	• Key man risk • Business continuity risk • Underperformance of property managers	• Net asset value • Share value • Shareholder earnings (distribution) • Rental income and cash flow • Reduced strength of occupier covenant and increased arrears/bad debts	• Ensuring that the remuneration of key staff is aligned with the interests of shareholders • Ensuring that the business continuity plan is executable • Performing daily back-ups of data • Compliance with service level agreements is monitored regularly • Management reviews monthly reports and meets with the property managers on a regular basis

INTERNAL CONTROLS

Within the sphere of risk management, special attention is paid to the company's internal controls by the board. In discharging its responsibility for the effectiveness of internal controls during the year, the board's approach was based on the internal control framework summarised below:

- Clear statements of the powers and responsibility of the board;
- The establishment of scrutinising sub-committees, reporting to the board, covering key risk and operational exposures;
- Prescribed investment mandate limits;
- Ability of independent directors to provide support to executive directors;
- Effective systems for authorising investment and other capital expenditure;
- Regular review meetings with management, managing agents and other advisors, including adequacy of reporting arrangements;
- Regular reporting to the board of operational forecasts and results with explanation of variances;
- Regular review of the company's capital funding requirements and debt/interest exposure; and
- Regular reporting to the board of health, safety and environmental matters.

CHAIRMAN'S STATEMENT

Greenbay had a very successful financial year.

Dear shareholders,

We are pleased to present the 2017 Integrated Report for Greenbay Properties Ltd. The past year has seen a significant market impact from the US election with the global equity markets continuing to reach new highs. Growth rates in major economies accelerated and the trajectory continues its slow but steady course of improvement.

Greenbay acquired a 50% indirect interest in two direct retail property assets in Portugal with effect from 31 May 2017. Over time, a greater proportion of Greenbay's capital will be invested globally in direct property and infrastructure assets. The emphasis will be on direct infrastructure opportunities in Europe. We continue to believe that the combination of urbanisation, rising standards of living and population growth can propel infrastructure spending for many years ahead.

Shareholders will be pleased to note that Greenbay has achieved impressive growth in dividends and, together with the appreciation in the Greenbay share price, delivered substantial total returns.

In the year under review, the board has achieved the following milestones:

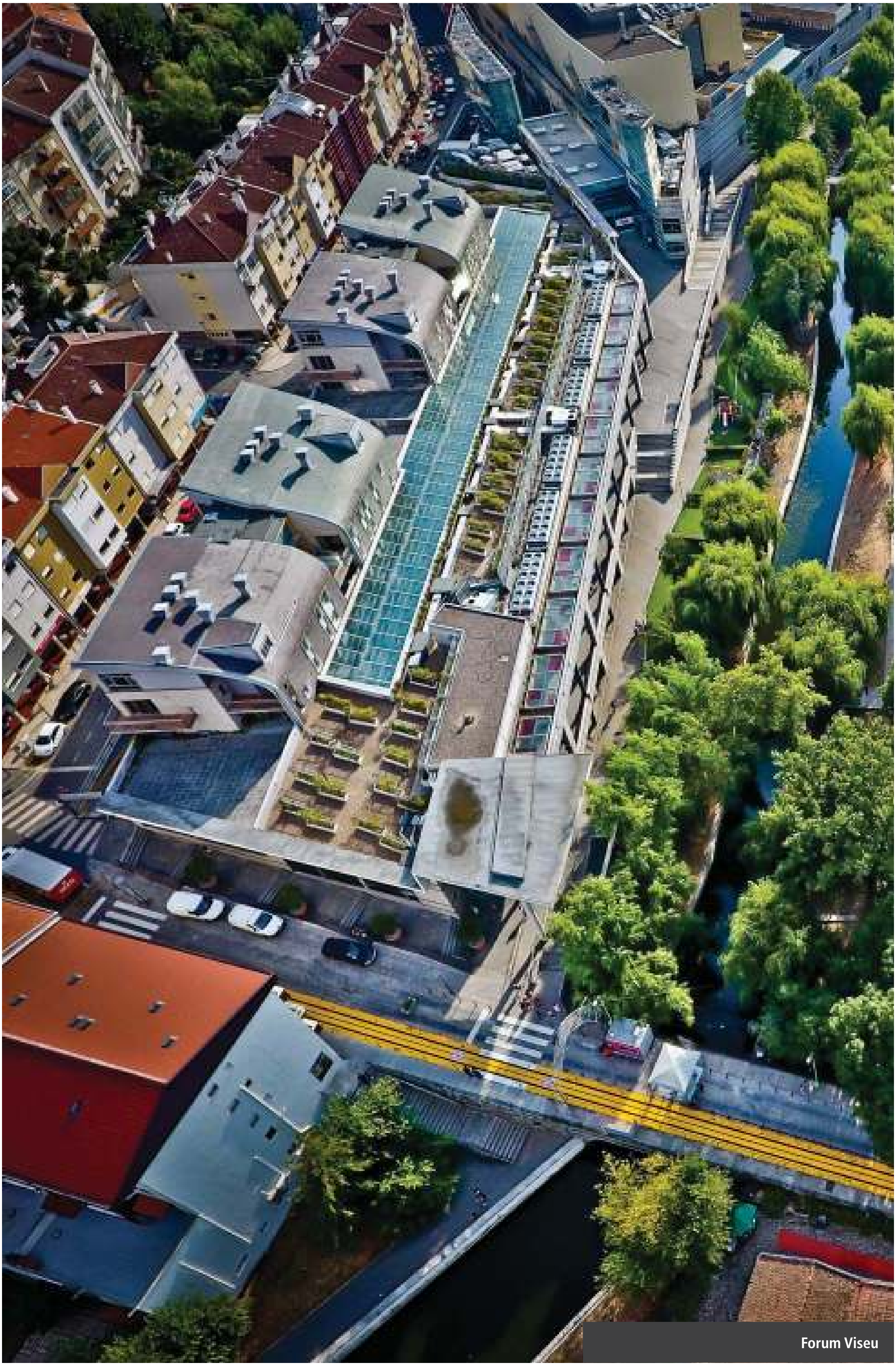
- Migration to the main board of the Johannesburg Stock Exchange;
- The establishment of an operational office in Amsterdam with a skilled management team, headed up by our recently appointed chief financial officer;
- Payment of an interim dividend of 0,2308 EUR cents per share and the declaration of a final dividend of 0,2360 EUR cents per share resulting in a total dividend of 0,4668 EUR cents per share;
- Total distributable earnings of 0,4944 EUR cents per share with the board policy which allows for retaining earnings;
- Increased the scale of the business and broadened the investor base, raising EUR507,8 million in three oversubscribed placements;
- In addition to these placements, two scrip dividend issues increased the number of shares in issue; and
- Successful joint venture partnership in Portugal with Resilient REIT Limited.

During the year Ronnie Porter resigned from the board. I would like to thank Ronnie for his invaluable services to the company. Kobus van Biljon joined the board of directors in August 2017 as chief financial officer, replacing Paul May who remains involved with the company. Barry Stuhler joined the board as an independent non-executive director and chairs the remuneration and social and ethics committees.

I wish to extend thanks to the management and staff as well as my fellow directors for their support and look forward to opportunities to come.

Sincerely,

Terry Warren
Chairman



Forum Viseu

DIRECTORS' REPORT

NATURE OF THE BUSINESS

Greenbay is a Category One Global Business Licence company registered in Mauritius. The company has primary listings on both the Official Market of the Stock Exchange of Mauritius Ltd ("SEM") and the Main Board of the Johannesburg Stock Exchange Limited ("JSE"). Greenbay's strategy is to invest in direct property and infrastructure assets as well as in listed real estate and infrastructure securities.

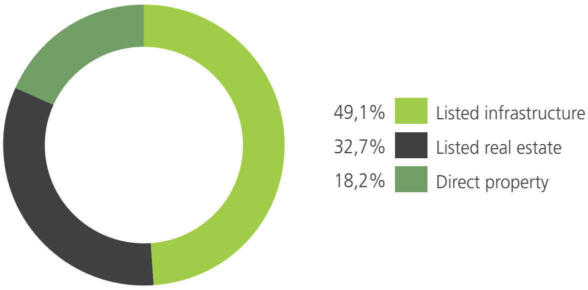
DISTRIBUTABLE EARNINGS AND COMMENTARY ON RESULTS

Greenbay achieved 0,2589 EUR cents in distributable earnings per share for the second half of the 2017 financial year. The board's dividend policy allows for retaining distributable earnings and, for the six months ended September 2017, the board declared a dividend of 0,2360 EUR cents per share. Shareholders were provided the option to receive the dividend in cash or as a scrip dividend.

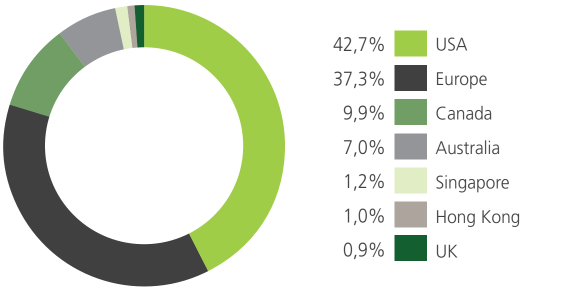
The net asset value per share increased from 7,80 EUR cents at September 2016 to 9,59 EUR cents at September 2017, an increase of 22,9%. During this financial year, Greenbay raised EUR507,8 million by issuing 4 228 767 270 shares in three oversubscribed placements. In addition to these placements, two scrip dividend issues increased the number of shares in issue by 172 575 922. At September 2017, the loan-to-value ratio was 10,1%, well below the board's limit of 45%.

At 30 September 2017, Greenbay's portfolio comprised:

Sectoral profile based on fair value of assets



Geographical profile based on fair value of assets



The following table indicates the top ten investments by fair value as at 30 September 2017:

Investment	Sector	Jurisdiction	Fair value as at Sep 2017 EUR'000
Forum Coimbra	Direct property	Europe	**94 896**
Planet Koper	Direct property	Europe	**57 500**
Unibail-Rodamco SE	Listed real estate	Europe	**55 553**
Enbridge Inc.	Listed infrastructure	Canada	**44 224**
Enterprise Products Partners	Listed infrastructure	USA	**36 629**
Klepierre	Listed real estate	Europe	**35 867**
TransCanada Corp	Listed infrastructure	Canada	**35 164**
NextEra Energy Inc.	Listed infrastructure	USA	**31 010**
E.ON SE	Listed infrastructure	Europe	**27 770**
Kinder Morgan Inc.	Listed infrastructure	USA	**27 598**

DIRECT INVESTMENTS

The acquisition of the 50% indirect interests in Forum Coimbra and Forum Viseu was effected on 31 May 2017. Forum Coimbra is the dominant regional mall in the Centro Region of Portugal and has a GLA of 51 489m^2, inclusive of a 17 700m^2 hypermarket that is separately owned. Forum Viseu is a 19 145m^2 GLA shopping centre in the city centre of Viseu, Portugal. Greenbay's interests were acquired for EUR109,625 million at a property yield of 6%. Greenbay and Resilient REIT Limited ("Resilient") are joint venture partners in these assets. The joint venture is exploring expansion opportunities at Forum Coimbra to extend the mall, right-size the international fashion retailers and to improve the entertainment offering.

Portugal's economic outlook is improving. During the past six months, Portuguese bond yields compressed significantly. Portugal's harmonised index of consumer price inflation was 1,6% for September 2017. The year-on-year growth in retail sales to the end of October 2017 was 4,1% and the second quarter GDP growth for 2017 was 3,0% against the previous year.

The reconfiguration of Planet Koper in Koper, Slovenia to accommodate new international brands is currently underway. A number of tenants including three Inditex brands have requested additional space and the expansion of the H&M store has been completed. Total vacancies, including the area being reconfigured at Planet Koper, increased to 7,3% at September 2017. Greenbay is awaiting planning approval for the mixed-use Tivoli development in Ljubljana, Slovenia.

Greenbay has identified a substantial property acquisition and discussions with the relevant parties are in progress.

During October 2017, Greenbay made a firm cash offer to acquire the European concession stakes, Bulgarian assets and Intertoll Europe operations and maintenance contracts ("target assets") of Group Five Limited ("Group Five") for R1,6 billion. Greenbay's rationale for the offer included that it is positioned to offer the target assets substantial additional capital and management support to enable them to serve as a platform to access attractive growth opportunities. However, the Group Five board was unreceptive to the offer and allowed it to lapse, announcing that it "substantially undervalues" the target assets. Greenbay continues to evaluate other direct infrastructure opportunities available in Europe.

LISTED INVESTMENTS

The listed portfolio is well-diversified across and within the real estate and infrastructure sectors. Greenbay changed its functional and reporting currency to the Euro in April 2017. Despite the fact that the majority of the portfolio is denominated in currencies that have weakened against the Euro during the year, the portfolio has performed well in the respective currencies. It is not the company's policy to hedge its capital exposure.

Greenbay's strategy of investing in the infrastructure sector has been particularly successful. The fundamental drivers supporting the global listed infrastructure sector remain promising. Most of the infrastructure securities in which Greenbay is invested have exceeded their guidance and market growth expectations. The sector was characterised by continued merger and acquisition activity. Greenbay remains opportunistic and has increased its listed infrastructure exposure. Enbridge, TransCanada, E.ON and Kinder Morgan, all infrastructure investments, now form part of the top ten holdings. These companies have strong operating platforms to drive dividend growth over time.

Listed real estate remains attractively valued compared to direct real estate investments on a global weighted average basis, with disparities amongst geographies and property sectors. Whilst rising interest rates may typically cause short-term dislocation amongst yield-sensitive asset classes, history suggests that they ultimately benefit from positive economic growth. With the uncertainty following the Brexit vote, Greenbay sold all its UK listed real estate stocks.

FACILITIES, HEDGES AND DERIVATIVES

A five-year facility of EUR102,7 million was accepted by the joint venture partners, secured by Forum Coimbra and Forum Viseu. The interest rate on this facility was fixed for five years at 2,4%.

Greenbay has a EUR27,5 million facility at 2,75% over Euribor, secured by Planet Koper. This facility expires in December 2026. A five-year interest rate cap at zero percent, expiring in January 2022, is linked to this facility.

The board's policy is to hedge 90% of non-EUR denominated distributable income receivable over the forecast period, currently being three years.

DIRECTORS' REPORT continued

In line with this policy, the following hedges are currently in place:

Forward rate against EUR	USD	GBP	AUD	CAD	HKD	SGD
Mar 2018	0,8543	1,1026	0,6635	0,6698	0,1081	0,6285
Sep 2018	0,8298	1,1282	0,6522	0,6665	0,1069	0,6142
Mar 2019	0,8306	1,1041	0,6352	0,6495	0,1071	0,6132
Sep 2019	0,8199	1,0981	0,6353	0,6420	0,1058	0,6055
Mar 2020	0,8101	1,0905	0,6172	0,6387	0,1046	0,6010
Sep 2020	0,8025	1,0893	0,6114	0,6335	0,1038	0,5949

SUMMARY OF FINANCIAL PERFORMANCE

	Dividend per share EUR cents	Shares in issue	Net asset value per share EUR cents	Loan-to-value ratio* %
Sep 2016	0,1136	4 920 833 333	7,80	–
Dec 2016	–	4 977 795 757	7,73	32,5
Mar 2017	0,2308	6 302 299 068	8,66	6,5
Jun 2017	–	7 037 912 566	8,74	20,7
Sep 2017	0,2360	9 322 176 525	9,59	10,1

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

OUTLOOK

Greenbay's dividends are forecast to increase by 25% per year for the 2018 and 2019 financial years and by at least 20% for the 2020 financial year. Forecasts indicate that the distributable earnings will exceed the dividends in both the 2018 and 2019 financial years, which will result in retained earnings in both those years.

The dividend growth is based on the following assumptions:

- That a stable global macroeconomic environment will prevail;
- That there will be no failures of listed real estate or infrastructure investments or of investment counterparties;
- That no further direct property and infrastructure investments will be made;
- That further investments in listed real estate and infrastructure securities will be made in line with the investment policy; and
- That the additional investments in listed securities will be funded by debt (with a maximum loan-to-value ratio of 45%).

This forecast statement and the forecasts underlying such statement are the responsibility of the board and have not been reviewed or reported on by the company's external auditor.

SHARE PERFORMANCE

The board is committed to creating sustainable stakeholder value by managing the portfolio and by maximising returns on Greenbay's assets.

The graphs below indicate the share price performance of Greenbay on both an actual price and percentage return basis. The performance of the Greenbay shares is indexed using a base of 100 on 7 June 2016.

CLOSING PRICE

PRICE PERFORMANCE

CORPORATE GOVERNANCE REPORT

Greenbay is committed to the highest standards of ethics and corporate governance.

The board of directors endorses the code of corporate practices and conduct as set out in the Code of Corporate Governance for Mauritius ("the Code"). The disclosures included in this review are consistent with the requirements of the Code. Independent consultants have been made available to members of the board to ensure that all directors are fully conversant with the best practice and current thinking with regard to corporate governance.

As a JSE-listed entity, Greenbay also complies with the JSE Listings Requirements. The board applies best practice principles, as contained in the King IV Report on Corporate Governance for South Africa, 2016 ("King IV"), where appropriate.

KING IV

The board has satisfied itself that Greenbay has substantially applied the principles set out in King IV.

King IV advocates an outcomes-based approach and defines corporate governance as the exercise of ethical and effective leadership towards the achievement of four governance outcomes. The desired governance outcomes are listed below, together with the practices implemented and progress made towards achieving the 17 principles in meeting those outcomes. It is done on an "apply and explain" basis, as recommended by King IV:

Governance outcome one: Ethical culture

The board leads ethically and effectively

Greenbay's board of directors is its governing body. The directors hold one another accountable for decision-making and behave ethically, as characterised in King IV. The chairman is tasked to monitor this as part of his duties.

Ultimate control of the company rests with the board of directors while the executive management is responsible for the proper management of the company. To achieve this, the board is responsible for establishing the objectives of the company and setting a philosophy for investments, performance and ethical standards. Although quarterly board meetings will be arranged every year, additional meetings are called should circumstances require it. Four board meetings were called during the 2017 financial year.

The chairman, with the assistance of the company secretary, led a formal review of the effectiveness of the board and its committees. Each director completed a detailed evaluation questionnaire and an analysis of the findings was presented to the board. There was agreement that the board was operating effectively. The results were positive and action plans were agreed upon where required.

The board governs the ethics of Greenbay in a way that supports the establishment of an ethical culture

The board has a fiduciary duty to act in good faith, with due care and diligence and in the best interests of the group and its stakeholders. It is the primary body responsible for the corporate governance values of the group. While control is delegated to management in the day-to-day management of the group, the board retains full and effective control over the group.

A formal board charter, as recommended by King IV, has been adopted. All directors subscribe to a code of ethics. The code deals with duties of care and skill, as well as those of good faith, including honesty, integrity and the need to always act in the best interests of the company. Procedures exist in terms of which unethical business practices can be brought to the attention of the board by directors or employees.

Board charter

In order to fulfil its duties, the board has adopted a charter setting out its responsibilities. The board reviewed this charter in 2017.

The board acknowledges that it is responsible for ensuring the following functions as set out in the board charter:

- Good corporate governance and implementation of the code of corporate practices and conduct as set out in the Code and King IV;
- That the company performs at an acceptable level and its affairs are conducted in a responsible and professional manner; and
- The board recognises its responsibilities to all stakeholders.

Although certain responsibilities are delegated to committees or management executives, the board acknowledges that it is not discharged from its obligations in respect of these matters.

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

- The adoption of strategic plans and ensuring that these plans are carried out by management;
- Monitoring the operational performance of the business against predetermined budgets;
- Monitoring the performance of management at both operational and executive levels;
- Ensuring that the company complies with all laws, regulations and codes of business practice; and

- Ensuring a clear division of responsibilities at board level to ensure a balance of power and authority in terms of group policies.

Code of ethics

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

The board is not aware of any transgressions of the code of ethics during the financial year. No issues of non-compliance, fines or prosecutions have been levied against Greenbay.

The board ensures that Greenbay is and is seen to be a responsible corporate citizen

The board is the guardian of the values and ethics of the group and ensures that it is seen as a responsible corporate citizen. The responsibility for monitoring the overall responsible corporate citizenship performance of the organisation was delegated to the social and ethics committee by the board.

Refer to the report of the social and ethics committee on page 43 for more detail on how Greenbay addressed responsible citizenship.

Governance outcome two: Performance and value creation

The board appreciates that Greenbay's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process

The board's primary responsibility is to ensure that Greenbay creates value for our shareholders. In so doing, it takes into account the legitimate interests and expectations of stakeholders, which include the present and potential future investors in Greenbay.

This Integrated Report demonstrates how performance is achieved through the strategic initiatives. Greenbay sets and achieves its strategic initiatives with reference to its risks and opportunities. The board assesses both the positive and negative outcomes resulting from its business model continuously and responds to it.

Refer to Greenbay's business model and explanation of how the inseparable elements of the value creation process are linked, which is summarised on page 8 and 9.

The board ensures that reports issued by Greenbay enable stakeholders to make informed assessments of Greenbay's performance and its short, medium and long-term prospects

The board is also responsible for formulating its communication policy and ensuring that spokespeople of the company adhere to it. This responsibility includes clear, transparent, balanced and truthful communication to shareholders and relevant stakeholders.

In its interim and annual reports to stakeholders, Greenbay details both its historical performance and its future outlook. This, together with further information in those and other communications, enables stakeholders to make informed assessments of Greenbay's prospects.

Greenbay's ability to create value in a sustainable manner is illustrated throughout its business model.

See pages 18 to 20 for Greenbay's detailed performance over the past year.

See page 20 for Greenbay's outlook for the future.

Governance outcome three: Adequate and effective control

The board serves as the focal point and custodian of corporate governance in Greenbay

The board's role and responsibilities and the way that it executes its duties and decision-making are documented and are set out in the board charter.

The board meets once every quarter. Should an important matter arise between scheduled meetings, additional meetings may be convened. Before each board meeting, an information pack, which provides background information on the performance of the group for the year to date and any other matters for discussion at the meeting, is distributed to each board member. At its meetings, the board considers both financial and non-financial, or qualitative, information that might have an impact on stakeholders.

Details of the board meetings held during the year ended 30 September 2017, as well as the attendance at the board meetings by individual directors, are disclosed on page 31.

The board comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

The board, with the assistance of the nomination committee, considers, on an annual basis, its composition in terms of balance of skills, experience, diversity, independence and knowledge and whether this enables it to effectively discharge its role and responsibilities. The board is satisfied that there is a balance of skills, experience, diversity, independence and knowledge needed to discharge its role and responsibilities. The board has taken steps to strengthen its succession plan to also include an immediate and interim succession plan in the event of an unforeseen event.

CORPORATE GOVERNANCE REPORT continued

The board is committed to actively managing diversity as a means of enhancing the company's performance by utilising the contribution of the diverse skills and talents from its directors. In the current year, the board approved a policy on gender diversity at board level which requires the nomination committee to consider a broad and diverse pool of talent when considering board appointments. The need for gender diversity must be balanced with the need to appoint individuals with the necessary skills and experience to serve on the board.

At this point in time, the board has not established a target for the appointment of women to the board. The policy will be reviewed on an annual basis to ensure that it continues to facilitate the principles of gender diversity at board level.

The board comprises three executive directors, four independent non-executive directors and one non-independent non-executive director. All directors serve for a maximum period of one year and are subject to retirement by rotation and re-election by members in a general meeting. Board appointments are made in terms of the policy on nominations and appointments. Board appointments are transparent and a matter for the board as a whole.

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

Greenbay believes that all board members are suitably qualified and that the composition of the board is in the best interests of all stakeholders, without prejudice to them. The directors are individuals of a high calibre with diverse backgrounds and expertise, facilitating independent judgement and broad deliberations in the decision-making process.

For details of directors' full names, their dates of appointment and other listed directorships as well as brief career and sphere of influence synopsis of each of the directors, refer to page 30.

The board of directors' independence from the executive management team is ensured by the following:

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

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

- Audit: Karen Bodenstein
- Investment: Mark Olivier
- Nomination: Mark Olivier
- Remuneration: Barry Stuhler
- Risk: Karen Bodenstein
- Social and ethics: Barry Stuhler

The independence of the non-executive directors was assessed and four are considered independent in terms of the requirements of the Code. Independent evaluations will be done annually.

The board ensures that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties

The board has established six sub-committees to assist the directors in fulfilling their duties and responsibilities. Each committee has a formal charter and reports to the board at regular intervals. The charters, which set out the objectives, authority, composition and responsibilities of each committee, have been approved by the board. All the committees are free to take independent outside professional advice, as and when required, at the expense of the company.

Membership of the committees is as recommended in King IV. The composition of the committees of the board and the distribution of authority between the chairman and other directors is balanced and does not lead to instances where individual(s) dominate decision-making within governance structures or where undue dependency is caused.

See page 31 for the members of each committee.

It is not a requirement in terms of either the constitution or the board charter that directors own shares in the company.

Directors' interests in the ordinary shares of the company are disclosed on page 31.

The audit committee is satisfied that the auditor is independent as non-audit services are not performed and the auditor firm has been appointed with the designated partner having oversight of the audit.

The chief financial officer is the head of the finance function and he has a senior manager reporting to him. Internal audit is fully outsourced and the chief financial officer is responsible for overseeing and co-ordinating the effective functioning of the outsourcing arrangement. An assessment of the effectiveness of the chief financial officer function is performed annually by the audit committee.

The board ensures that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness

After evaluating their performance in terms of their respective charters, the directors are of the opinion that the board and the sub-committees have discharged all their responsibilities.

Assessments of the performance of the chief executive and company secretary are conducted annually and no major issues or concerns have been identified.

The board ensures that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities

In terms of its formal charter, the board's responsibilities include the appointment of the chief executive and the approval of corporate strategy, risk management and corporate governance. The board reviews and approves the business plans and monitors the financial performance of the group and implementation of the strategies.

Board members have full and unrestricted access to management and all group information and property. They are entitled, at the cost of the group, to seek independent professional advice in the fulfilment of their duties. Directors may meet separately with management, without the attendance of executive directors.

A detailed delegation of authority policy and framework indicate matters reserved for the board and those delegated to management. The board is satisfied that Greenbay is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised.

The chief executive has a contract that can, subject to fair labour practices, be terminated upon one month's notice. In terms of the constitution, the retirement age of an executive director is 60, but the board has the discretion to extend it to 65. He does not have any work commitments outside of Greenbay and its related companies. A succession plan for the chief executive is in place.

Company secretary

The board has considered the competence, qualifications and experience of the company secretary, Intercontinental Trust Ltd ("ITL"), and deemed it fit to continue in the role as company secretary for Greenbay. ITL is independent of Greenbay and the relationship with the board has been assessed and is considered to be at arm's length.

The board has considered and has concluded that Teddy Lo Seen Chong's role as both director of ITL as well as non-independent non-executive director of Greenbay does not impact on the independence of the company secretary. In reaching this conclusion the board has, amongst other things, considered the following factors:

- ITL is one of the largest management companies in Mauritius and the provision of company secretarial functions is within the ordinary course of its business;
- ITL is paid a market-related fee for these services by the company, which is governed by a service level agreement between Greenbay and ITL;
- ITL itself is not a director of Greenbay;
- Teddy Lo Seen Chong is an executive director of ITL and his position as executive director does not involve oversight over the day-to-day company secretarial functions undertaken by ITL for Greenbay;
- Teddy Lo Seen Chong is not the point of contact between Greenbay and ITL pertaining to company secretarial matters. In addition, no correspondence pertaining to company secretarial matters is sent to him unless it involves the business of the non-executive directors of Greenbay and other non-executives are also included;
- Teddy Lo Seen Chong is not responsible for the engagement between Greenbay and ITL from ITL's perspective; and
- The board undertakes an evaluation of the company secretary on an annual basis and has concluded that it is sufficiently independent and has the requisite qualifications, experience and competence to fulfil the role of company secretary.

The board governs risk in a way that supports Greenbay in setting and achieving its strategic objectives

The risk committee assists the board with the governance of risk. The board is aware of the importance of risk management as it is linked to the strategy, performance and sustainability of Greenbay. The risk committee implements a process whereby risks to the sustainability of the company's business are identified and managed within acceptable parameters. The risk committee delegates to management to continuously identify, assess, mitigate and manage risks within the existing and ever-changing risk profile of Greenbay's operating environment. Mitigating controls are formulated to address the risks and the board is kept up-to-date on progress on the risk management plan.

See pages 12 to 15 for an overview of the risks to value creation in Greenbay.

The board governs technology and information in a way that supports Greenbay in setting and achieving its strategic objectives

The risk committee assists the board with the governance of information technology. The board is aware of the importance of technology and information as it is interrelated to the strategy, performance and sustainability of Greenbay.

CORPORATE GOVERNANCE REPORT continued

The board is ultimately responsible for IT governance. The Greenbay IT function is outsourced to a third-party service provider and is governed by a service level agreement.

The risks and controls over IT assets and data are considered by the risk committee.

The board governs compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports Greenbay being ethical and a good corporate citizen

A framework of financial reporting, internal and operating controls has been established by the board to ensure reasonable assurance as to the accurate and timeous reporting of business information, safeguarding of company assets, compliance with laws and regulations, financial information and general operations.

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

There were no material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations.

The board ensures that Greenbay remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term

Greenbay remunerates fairly, responsibly and transparently so as to promote the creation of value in a sustainable manner.

See the remuneration report on page 35.

The individual directors' remuneration is disclosed, but not the salaries of the three highest earners who are not directors. Greenbay believes that this disclosure is sufficient and appropriately demonstrates alignment between remuneration and shareholders' return.

The board ensures that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of Greenbay's external reports

The board is satisfied that assurance results in an adequate and effective control environment and integrity of reports for better decision-making.

See page 32 for information on assurance contained in the audit committee's report.

External audit

A key factor that may impair an auditor's independence is a lack of control over non-audit services provided by the external auditor. In essence, the external auditor's independence is deemed to be impaired if the auditor provides a service which:

- results in auditing of own work by the auditor;
- results in the auditor acting as a manager or employee of the company;
- puts the auditor in the role of advocate for the company; or
- creates a mutuality of interest between the auditor and the company.

The company addresses this issue through three primary measures, namely:

- Disclosure of the extent and nature of non-audit services;
- The prohibition of selected services; and
- Prior approval by the audit committee of non-audit services.

Other safeguards encapsulated in the policy include:

- The external auditor is required to assess periodically, in its professional judgement, whether it is independent of the company;
- The audit committee ensures that the scope of the auditor's work is sufficient and that the auditor is fairly remunerated; and
- The audit committee has primary responsibility for making recommendations to the board on the appointment, re-appointment and removal of the external auditor.

The committee reviews audit plans for external audits and the outcome of the work performed in executing these plans. It further ensures that items identified for action are followed up. The external auditor reports annually to the audit committee to confirm that it is and has remained independent from the company during the financial year.

The audit committee considered information pertaining to the balance between fees for audit and non-audit work for the company in 2017 and concluded that the nature and extent of non-audit fees do not present a threat to the external auditor's independence. These fees are disclosed in note 15 of the financial statements. Furthermore, after reviewing a report from the external auditor on all its relationships with the company that might reasonably have a bearing on the external auditor's independence and the audit engagement partner and staff's objectivity, and the related safeguards and procedures, the committee has concluded that the external auditor's independence was not impaired. The audit committee approved the external auditor's terms of engagement, scope of work, the annual audit and the applicable levels of materiality. Based on submitted written reports, the committee reviewed, with the external auditor, the findings of its work and confirmed that all significant matters had been satisfactorily resolved. The committee determined that the 2017 audit was completed without any restriction on its scope.

The audit committee has satisfied itself as to the suitability of the external auditor for re-appointment for the ensuing year.

Internal audit

The company does not have a formalised internal audit department. This is primarily due to the fact that the majority of property management functions are outsourced to external property managers who are subjected to annual external audits. The board considers that the monitoring duties of the audit and risk committees are key to the effectiveness of the company's internal control framework and overall risk management. The audit committee continually examines the appropriateness of utilising independent internal auditors to periodically review activities of the company.

Governance outcome four: Trust, good reputation and legitimacy

In the execution of its governance role and responsibilities, the board adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of Greenbay over time

Greenbay has identified its stakeholder groups and actively balances their legitimate and reasonable needs, interests and expectations.

Greenbay is committed to ensuring timeous, effective and transparent communication with shareholders and other stakeholders as set out below.

Stakeholder	Communication
Shareholders	Greenbay is committed to providing shareholders with timely access to applicable information. Communication with its shareholders is open, honest and transparent. Shareholders are provided with information via circulars and integrated and interim reports. Additional information is provided on Greenbay's website, via SENS announcements, SEM communiques and press releases.
Analysts	Greenbay will hold semi-annual results presentations.
Financiers	Greenbay meets with its financiers on a regular basis to discuss its requirements and theirs. Information is provided through analyst presentations, road shows, integrated reports and interim reporting.
Tenants	Greenbay strives to form mutually beneficial business relationships with its tenants. Greenbay's asset managers and property managers meet with the tenants on a regular basis and conduct regular site visits to Greenbay's properties.
Government	Greenbay endeavours to have mutually beneficial relationships with government, its departments and parastatals. Greenbay engages with local authorities both directly and via its property managers and external consultants regarding utility issues, rates clearances, zoning, etc.
Business partners	Greenbay maintains professional working relationships with its business partners at the same time as fostering a culture of teamwork. Greenbay ensures that all of its business partners fully understand its performance standards and requirements. Greenbay's business partners include the property managers and both Greenbay asset managers and senior management meet with the property managers on a regular basis.
Communities and environment	Greenbay is committed to being a good corporate citizen and frequently evaluates the impact of its projects and developments on society and the environment.
Suppliers	Greenbay maintains professional working relationships with all of its suppliers and ensures that its suppliers understand Greenbay's performance standards and requirements. Where possible, Greenbay will have service level agreements or terms of reference for its relationships with suppliers, which include performance expectations.

See pages 8 and 9 for more information on stakeholder interaction.

The board ensures that responsible investment is practised by Greenbay to promote the good governance and the creation of value by the companies in which it invests

Greenbay ensures, through active participation and representation, that it exercises its rights and obligations with regard to its investee companies.

BOARD OF DIRECTORS

The board has a fiduciary duty to act in good faith, with due care and diligence and in the best interests of the group and its stakeholders.

^ TERRY WARREN
INDEPENDENT NON-EXECUTIVE CHAIRMAN

^ STEPHEN DELPORT
CHIEF EXECUTIVE OFFICER

^ KOBUS VAN BILJON
CHIEF FINANCIAL OFFICER

^ JAN WANDRAG
CHIEF OPERATING OFFICER

^ **KAREN BODENSTEIN**
INDEPENDENT NON-EXECUTIVE DIRECTOR

^ **TEDDY LO SEEN CHONG**
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

^ **BARRY STUHLER**
INDEPENDENT NON-EXECUTIVE DIRECTOR

^ **MARK OLIVIER**
INDEPENDENT NON-EXECUTIVE DIRECTOR

BOARD OF DIRECTORS continued

CHAIRMAN

TERRY WARREN (62)

Independent non-executive chairman

(South African – based in Mauritius)
Date of appointment: 11 August 2016
Listed company directorships: 1

Terry has over 25 years' experience in the retail and wholesale industry. He started his career with the Spar Group before joining their wholesale division. Terry was one of the founding members and executive directors of CCW Wholesalers, later to become CBW Wholesalers under the Massmart Group, where he remained as an executive director. He went into residential property development on the KwaZulu-Natal South Coast and relocated to Mauritius in 2010.

EXECUTIVE DIRECTORS

STEPHEN DELPORT (36)

Chief executive officer

(South African)
BSc (Hons) Mathematics
Date of appointment: 1 March 2016
Listed company directorships: 1

Stephen has a BSc with a financial orientation, majoring in mathematics, mathematical statistics and economics; and a BSc (Hons) Mathematics from the University of Johannesburg. Stephen started his career in 2003 in the asset management industry as a research analyst. He has gained a thorough insight into the global listed real estate industry, having managed several types of portfolios to date including collective investment schemes, exchange trade funds and hedge funds. Stephen joined Resilient in 2007 and Rockcastle Global Real Estate Company Limited ("Rockcastle") in 2012 and has been part of a successful and consistent property investment philosophy and process.

KOBUS VAN BILJON (41)

Chief financial officer

(South African – based in The Netherlands)
CA(SA), CFA, CAIA, CGMA
Date of appointment: 16 August 2017
Listed company directorships: 1

Kobus commenced his career at KPMG in Johannesburg, completed his articles in 2003 and focused on the banking and real estate sectors. In 2006 he transferred to KPMG in New York City, where he spent several years as consultant to global real estate and private equity asset management firms. He joined Rockcastle in 2014, initially working on Zambian retail property investments. In March 2015, he joined the Resilient Africa team in Lagos, Nigeria, as chief financial officer.

JAN WANDRAG (38)

Chief operating officer

(South African – based in Mauritius)
BCom (Law)
Date of appointment: 22 August 2016
Listed company directorships: 1

Jan joined Greenbay in 2016 from Maitland in Mauritius where he managed their operations and business development from 2013. Jan served as a director and trustee on numerous companies and trusts set up on behalf of high net worth individuals and families, corporations and various funds. Before joining Maitland, Jan managed a team at GMG Trust Company which provided independent administration services to corporate structures including syndications, securitisations, BEE structures, hedge funds, property investment trusts and debenture trusts from 2009. During this time, he served as a director of various JSE-listed entities, including financial vehicles created by banks and other blue-chip organisations. From 2006 to 2009, Jan worked as a legal officer at Integer and was part of the teams responsible for providing legal advice, collections, credit processes and product development. Jan holds a BCom (Law) degree from the University of Johannesburg.

NON-EXECUTIVE DIRECTORS

KAREN BODENSTEIN (36)

Independent non-executive director

(Mauritian)
BCom (Accounting Sciences)
Date of appointment: 27 September 2016
Listed company directorships: 1

Karen completed her articles at BDO Spencer Steward in South Africa in 2004 and rose to the position of senior auditor, gaining invaluable experience in a wide variety of South African businesses. She has 12 years' experience in the construction and development industry, having been closely involved working as the management accountant in a number of property-related companies, including a leading Mauritian property development organisation and medium-sized South African construction company. For the last three years she has been managing her own business providing consulting and accounting services to a range of global business companies in Mauritius. Karen has been living in Mauritius since 2007.

TEDDY LO SEEN CHONG (49)

Non-independent non-executive director

(Mauritian)
CA (England and Wales), Mauritius Stockbroker Examination Certificate
Date of appointment: 1 March 2016
Listed company directorships: 3

Teddy is the finance director of Intercontinental Trust Ltd. He was previously manager of the fund administration department. Teddy worked for six years in a firm of chartered accountants in London, where his areas of responsibilities were auditing, accounting and taxation. He also worked for Deloitte in Mauritius where he was involved in the listing of a major local bank on the Mauritius Stock Exchange. He spent 11 years in Canada where he gathered valuable experience in the field of accounting and finance in North America. Terry is a member of the Institute of Chartered Accountants in England and Wales and of the Canadian Institute of Chartered Accountants. He also holds a Mauritius Stockbroker Examination Certificate and is currently pursuing the business valuators designation.

MARK OLIVIER (49)

Independent non-executive director

(British – based in Mauritius)
CA(SA)
Date of appointment: 28 June 2016
Listed company directorships: 3

Mark has over 20 years' experience in managing debt, property and private equity assets and providing corporate finance and strategic advice, predominantly to public companies in the United Kingdom. Prior to founding Hibridge Capital (a London- based boutique private equity and advisory business) in 2003, Mark was a shareholder and employee of Hawkpoint Partners, which was the management buy-out of NatWest Markets' corporate finance business. Mark worked for BoE Limited where he served on the executive committee of the group's international business. Mark also worked at KPMG (London) as a manager. Mark is the chairman of Trellidor, the physical barrier security business in South Africa, and is the chairman of African Rainbow Capital Investments Limited, an investment holding company, focused on investing in financial services businesses and acquiring majority or significant minority interests in non-financial services businesses.

BARRY STUHLER (60)

Independent non-executive director

(South African)
BCom, BAcc, CA(SA)
Date of appointment: 16 August 2017
Listed company directorships: 2

Barry is a chartered accountant who completed his articles with Arthur Young. Barry's experience includes management of the Part Bond Scheme and Gilt Fund for Hill Samuel Merchant Bank. He was financial director of Integrated Property Resources and managing director of Intaprop Management Services, the property management company for the Intaprop group. In 1994 Barry cofounded Inline Properties, a property management and corporate property advisory company. Barry is a founding director of Resilient, of which he is currently a non-independent non-executive director. In 2004 he became managing director of Property Fund Managers Limited ("PFM"), the asset manager of Capital. He joined the Pangbourne Properties Limited board as executive director in 2007 and served as the managing director of the company from 2008 to 2015. After the merger with Pangbourne, Barry was reappointed as managing director of PFM. Post the merger between Capital and Fortress, Barry retired as an executive director.

ATTENDANCE AT BOARD AND SUB-COMMITTEE MEETINGS

Director	Board	Audit committee	Investment committee	Nomination committee	Remuneration committee	Risk committee	Social and ethics committee
Non-executive directors							
Terry Warren (chairman of the board)	4/4						
Karen Bodenstein (chairperson of the audit and risk committees)	4/4	4/4		1/1		2/2	
Teddy Lo Seen Chong	4/4				2/2	2/2	1/1
Mark Olivier (chairman of the nomination and investment committees)	4/4	4/4	4/4	1/1	2/2		
Ronnie Porter [1)]	4/4	4/4	4/4	1/1	2/2		1/1
Barry Stuhler (chairman of the remuneration and social and ethics committees) [2)]							
Executive directors							
Stephen Delport	4/4		4/4			2/2	
Paul May [3)]	4/4						
Kobus van Biljon [4)]							
Jan Wandrag	4/4						1/1

[1)] *Ronnie Porter resigned from the board on 16 August 2017. He resigned from the audit committee, nomination committee, investment committee and as chairman of both the social and ethics committee and remuneration committee on 16 August 2017.*

[2)] *Barry Stuhler was appointed to the board on 16 August 2017.*

[3)] *Paul May resigned from the board on 16 August 2017.*

[4)] *Kobus van Biljon was appointed to the board on 16 August 2017.*

DIRECTORS' INTERESTS

A full list of directors' interests is maintained and directors certify that the list is correct at each board meeting. Directors recuse themselves from any discussion and decision on matters in which they have a material financial interest.

DEALING IN SECURITIES BY THE DIRECTORS

Dealing in the company's securities by directors and company officials is regulated and monitored as required by the SEM Listing Rules. With regard to directors' dealings in the shares of their own company, the directors confirm that they have followed the absolute prohibition principles and notification requirements of the model code for securities transactions by directors as detailed in Appendix 6 of the SEM Listing Rules. All directors' trading must take place exclusively outside the closed periods prescribed by the Stock Exchange Regulations and requires written authorisation from the board of directors. Greenbay maintains a closed period from the end of a financial period to the date of publication of the financial results.

BENEFICIAL SHAREHOLDING OF DIRECTORS

	Direct holding		Indirect holding		Associate holding		Total shares held		Percentage of issued shares	
At 30 September	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Terry Warren (chairman of the board)	**1 074 218**	1 041 666	**–**	–	**–**	–	**1 074 218**	1 041 666	**0,01**	0,02
Stephen Delport	**–**	25 272 022	**38 192 721**	11 763 333	**20 626**	20 000	**38 213 347**	37 055 355	**0,41**	0,75
Paul May	**–**	8 361 204	**–**	–	**–**	–	**–**	8 361 204	**–**	0,17
Mark Olivier	**–**	–	**4 207 856**	2 615 500	**–**	–	**4 207 856**	2 615 500	**0,05**	0,05
Barry Stuhler	**–**	–	**81 640 650**	–	**–**	–	**81 640 650**	–	**0,88**	–
Kobus van Biljon	**4 311 247**	–	**–**	–	**–**	–	**4 311 247**	–	**0,05**	–
	5 385 465	34 674 892	**124 041 227**	14 378 833	**20 626**	20 000	**129 447 318**	49 073 725	**1,40**	1,00

The shareholding of directors has not changed between the end of the financial year and the date on which the annual financial statements were approved.

REPORT OF THE AUDIT COMMITTEE

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The audit committee is pleased to submit its report for the year ended 30 September 2017.

AUDIT COMMITTEE

The primary role of the audit committee is to ensure the integrity of financial reporting and the audit process. In pursuing these objectives, the audit committee oversees relations with the external auditor. The committee also assists the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and internal control processes, overseeing the preparation of accurate financial reports and statements in compliance with all applicable legal requirements and accounting standards, ensuring compliance with good governance practices and nomination of external auditor. The role of the audit committee has been codified in the audit committee charter which has been approved by the board. This charter has been aligned with the recommendations of the Code and King IV. The board reviewed the charter in 2017.

The audit committee presently comprises: Karen Bodenstein (chairperson), Barry Stuhler and Mark Olivier, all of whom are independent non-executive directors. The chief executive officer and chief financial officer attend meetings as invitees. The committee members have unlimited access to all information, documents and explanations required in the discharge of their duties, as does the external auditor.

The board, in consultation with the audit committee chairperson, makes appointments to the committee to fill vacancies.

The board has determined that the committee members have the skills and experience necessary to contribute meaningfully to the committee's deliberations. In addition, the chairperson has the requisite experience in accounting and financial management. The committee met four times during the financial period. The audit committee has satisfied itself that no breakdown in accounting controls, procedures and systems has occurred during the period under review.

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

It is the function of the committee to review and make recommendations to the board regarding quarterly financial results and the Integrated Report prior to approval by the board. The audit committee has complied with its legal, regulatory and other responsibilities. The audit committee recommended the Integrated Report to the board for approval.

Details on the composition of the committee and attendance at meetings are set out on page 31.

EXECUTION OF THE FUNCTIONS OF THE AUDIT COMMITTEE

The audit committee has carried out its functions in terms of the audit committee charter as approved by the board and any other legal or regulatory responsibilities.

EXTERNAL AUDITOR

The audit committee is satisfied that the external auditor is independent of the group. The audit committee considered information pertaining to the balance between fees received by the external auditor for audit and non-audit work for the group in 2017 and concluded that the nature and extent of non-audit fees do not present a threat to the external auditor's independence. There were no non-audit fees incurred in 2017 (2016: EUR37 503). Furthermore, after obtaining confirmation and reviewing a report from the external auditor on all its relationships with the company that might reasonably have a bearing on the external auditor's independence and the audit engagement partner's objectivity, and the related safeguards and procedures, the audit committee has concluded that the external auditor's independence was not impaired.

The audit committee approved the external auditor's terms of engagement, scope of work, the annual fee and noted the applicable levels of materiality.

Based on written reports submitted, the audit committee reviewed, with the external auditor, the findings of its work and confirmed that all significant matters had been satisfactorily resolved. The audit committee is satisfied that the 2017 audit was completed without any restrictions on its scope.

The audit committee has satisfied itself as to the suitability of the external auditor for re-appointment for the ensuing year.

FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

The audit committee has reviewed principles, policies and practices adopted in the preparation of financial statements for the 2017 financial year and, where necessary, has obtained appropriate explanations relating to such financial information included in the Integrated Report.

The audit committee is satisfied that they are adequate and appropriate and that the financial statements comply with International Financial Reporting Standards and the Companies Act.

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

INTERNAL FINANCIAL CONTROLS AND THE FINANCE FUNCTION

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

The audit committee has considered and confirms that the chief financial officer, Kobus van Biljon, has the appropriate expertise and experience and that the finance function has adequate resources and expertise.

Karen Bodenstein
Chairperson of the audit committee

13 November 2017

INVESTMENT COMMITTEE REPORT

The investment committee is pleased to submit its report for the year ended 30 September 2017.

INVESTMENT COMMITTEE

All acquisitions, disposals and capital expenditure are considered by the investment committee. The investment committee approves acquisitions, disposals and capital expenditure up to pre-set limits.

The investment committee consists of Mark Olivier (chairman) and Barry Stuhler who are independent non-executive directors, as well as Stephen Delport, who is an executive director. All members of this committee have extensive experience and technical expertise in the property industry.

The investment committee's responsibilities and duties are governed by a charter that was reviewed by the board in 2017.

Details on the composition of the committee and attendance at meetings are set out on page 31.

The committee is satisfied that it has fulfilled its responsibilities.

Mark Olivier
Chairman of the investment committee

13 November 2017

NOMINATION COMMITTEE REPORT

The nomination committee is pleased to submit its report for the year ended 30 September 2017.

NOMINATION COMMITTEE

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

The nomination committee comprises three independent non-executive directors being Mark Olivier (chairman), Karen Bodenstein and Barry Stuhler.

The nomination committee's responsibilities and duties are governed by a charter that was reviewed by the board in 2017.

Details on the composition of the committee and attendance at meetings are set out on page 31.

The committee is satisfied that it has fulfilled its responsibilities.

Mark Olivier
Chairman of the nomination committee

13 November 2017

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REMUNERATION COMMITTEE REPORT

The remuneration committee is pleased to submit its report for the year ended 30 September 2017.

The remuneration committee is mandated by the board to authorise the remuneration and incentivisation of all employees, including executive directors.

In addition, the remuneration committee recommends directors' fees payable to non-executive directors and members of board sub-committees.

Further details are provided in the remuneration report on pages 35 to 41.

The remuneration committee comprises two independent non-executive directors being Barry Stuhler (chairman) and Mark Olivier and one non-independent non-executive director, Teddy Lo Seen Chong.

The remuneration committee's responsibilities and duties are governed by a charter that was reviewed by the board in 2017.

Details on the composition of the committee and attendance at meetings are set out on page 31.

The committee is satisfied that it has fulfilled its responsibilities.

Barry Stuhler
Chairman of the remuneration committee

13 November 2017

REMUNERATION REPORT

Background statement

Greenbay's remuneration committee oversees the development and annual review of the remuneration policy, which is ultimately approved by the board. In doing so it ensures that the policy aligns the executive and management remuneration with the value delivered to the group's stakeholders and further recognises exceptional individual contributions. The committee has been mandated by the board to authorise the remuneration and incentivisation of all employees, including executive directors.

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

The remuneration policy is based on the following guiding principles:

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

REMUNERATION POLICY

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

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

Executive and management remuneration principles

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

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

Remuneration comprises both fixed and variable pay. Fixed pay comprises an annual salary. The group does not offer

REMUNERATION COMMITTEE REPORT continued

any medical aid or retirement benefits and these are for the account of the employee.

Variable pay comprises short-term performance incentives through cash bonuses and long-term incentives through the share incentive scheme. Short-term performance incentives are used to motivate and reward annual performance in line with the group's strategic goals. This remuneration is payable in cash and based on the individual's performance which is, *inter alia*, linked to the group's performance.

Long-term incentives create value and align the interests of employees with shareholders. Details of the scheme, including individual limits and the regularity of issues, are discussed in the table below.

The remuneration policy and remuneration implementation report will be tabled for a non-binding advisory vote at the annual general meeting. Should either or both of these resolutions be voted against by 25% or more of the voting rights exercised, the board of directors undertakes to engage with dissenting shareholders to ascertain the reasons therefor and address legitimate and reasonable objections and concerns.

The methods for determining the various remuneration components are as follows:

Total guaranteed package ("TGP")	Executive directors	Fixed	Compensation, at market-related levels, for directors performing their specific roles	TGPs are benchmarked at the median of the peer group. The committee considers the following when reviewing TGPs: • inflation over the period; • market for the specific employee's skills; • individual performance; and • group performance including growth in distributions per share. TGPs are reviewed annually in November and increases are effective 1 January.
	Management	Fixed	Compensation, at market-related levels, for employees performing their specific roles	TGPs are benchmarked at the median of the peer group. The committee considers the following when reviewing TGPs: • inflation over the period; • market for the specific employee's skills; • individual performance. • changes in responsibilities; and • gains in experience. TGPs are reviewed annually in November and increases are effective 1 January.
Short-term incentive plan ("STIP")	Executive directors and management	Variable	Achievement of short-term organisational goals	The committee awards cash and/or share bonuses to management based on key performance indicators including, but not limited to: • financial performance such as growth in distributions or net asset value; • operational performance such as limiting vacancies or maintaining low tenant arrears; • debt risk management such as hedging a minimum level of interest rate exposure; and • other quantitative and qualitative factors determined by the board.

<table>
<tr><th colspan="3">Long-term incentive plan ("LTIP")
Alignment of long-term organisational goals and pursuing sustainable long-term total stakeholder returns.</th></tr>
<tr><td>Executive directors and management</td><td colspan="2">Variable</td></tr>
<tr><td>Salient features</td><td colspan="2">Based on pre-determined criteria employees are awarded shares.

Employees take full market risk on the shares from date of issue. This aligns the interests of employees and stakeholders more closely.

Backdating of share-based incentives is not permitted.

Share incentive scheme allocations will be made once per annum outside closed periods.</td></tr>
<tr><td>Factors used in determination of quantum</td><td colspan="2">Relative performance; and compound annual growth in distributions ("CAGR") over a benchmark</td></tr>
<tr><td rowspan="2">Relative performance</td><td>Peer group</td><td>Top five European property companies by size, excluding "associated" companies</td></tr>
<tr><td>Peer group calculation</td><td>50% of annual package if total shareholder return ("TSR") is in the first quartile and 25% of annual package if TSR is in the second quartile relative to the peer group</td></tr>
<tr><td rowspan="4">Growth in distributions</td><td>Benchmark</td><td>Inflation plus 3%</td></tr>
<tr><td>Inflation</td><td>3-year CAGR in inflation</td></tr>
<tr><td>Distributions</td><td>3-year CAGR in distributions</td></tr>
<tr><td>Performance calculation</td><td>20% of annual package for every 1% distribution outperformance over the benchmark</td></tr>
<tr><td>Maximum LTIP entitlement</td><td colspan="2">300% of annual package</td></tr>
<tr><td rowspan="2">Participant options</td><td>Option 1</td><td>Receive entitlement in shares</td></tr>
<tr><td>Option 2</td><td>Gear-up the entitlement up to a maximum of 4 times the entitlement</td></tr>
<tr><th colspan="3">Option 1</th></tr>
<tr><td>Discount</td><td colspan="2">Up to 5%</td></tr>
<tr><td>Vesting period</td><td colspan="2">Over 5 years</td></tr>
<tr><td>Market risk</td><td colspan="2">100% assumed by the participant</td></tr>
<tr><th colspan="3">Option 2</th></tr>
<tr><td>Discount</td><td colspan="2">Up to 5%</td></tr>
<tr><td>Vesting period</td><td colspan="2">Over 5 years</td></tr>
<tr><td>Market risk</td><td colspan="2">100% assumed by the participant</td></tr>
<tr><td>Subsidy in the event of an interest shortfall</td><td colspan="2">None</td></tr>
<tr><td>Loan repayment</td><td colspan="2">Earlier of seven years or termination of employment</td></tr>
<tr><td>Interest rate</td><td colspan="2">Weighted-average cost of funding for the group</td></tr>
<tr><td>Maximum loan to a participant in total</td><td colspan="2">20 times annual remuneration</td></tr>
</table>

Greenbay endeavours to maintain transparent and constructive dialogue with its shareholders and their representative bodies. Greenbay engaged with its major shareholders during the drafting of the remuneration policy and will continue to do so in the future should any material changes be considered.

REMUNERATION COMMITTEE REPORT continued

Service contracts

All employees and/or consultants, including executive directors, are required to sign service contracts with the group. These contracts set out the working hours, remuneration, leave entitlement, notice and probation periods and other relevant information. There is no restraint of trade clause in any of the service contracts. Executive directors do not receive directors' or sub-committee fees.

Pay date

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

Tax allowances

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

IMPLEMENTATION REPORT

Executive directors' remuneration

	Remuneration (paid by the group) 2017 EUR	Bonus (paid by the group) 2017 EUR	Remuneration (paid by the group) 2016 EUR	Bonus (paid by the group) 2016 EUR
Stephen Delport	**112 952**	**94 688**	28 226	–
Paul May [1]	**70 825**	**–**	19 541	–
Kobus van Biljon [2]	**8 429**	**34 375**	–	–
Jan Wandrag	**103 635**	**25 392**	11 378	–
	295 841	**154 455**	59 145	–

[1] Paul May resigned from the board on 16 August 2017. The remuneration was included only up to the date of his resignation from the board.

[2] Kobus van Biljon was appointed to the board on 16 August 2017. The remuneration was included from the date he was appointed to the board.

The bonuses reflected in the table above relate to the performances during the 2017 financial year, were provided for in the 2017 financial year and will be paid in the 2018 financial year.

Details of the allocations of shares to directors in terms of the previous management incentive loans ("MILs") on which debt remained outstanding at 30 September 2017 are as follows:

	Number of shares	Date of issue	Issue price EUR
Kobus van Biljon	**4 180 602**	**8 Jun 2016**	**0,066**

Short-term performance incentives relating to the 2017 financial year, that will be paid to directors in 2018, are as follows:

		Stephen Delport		Kobus van Biljon		Jan Wandrag	
	Result	Weight %	Result %	Weight %	Result %	Weight %	Result %
Financial performance		**80,0**	**80,0**	**65,0**	**65,0**	**65,0**	**65,0**
Growing distributions in excess of 20% per annum	#	60,0	100,0	45,0	100,0	45,0	100,0
Ensuring that at least 80% of the group's direct property exposure to interest rate movement is hedged	100,0%	5,0	100,0	5,0	100,0	5,0	100,0
Ensuring an average interest rate hedge term exceeding four years	Achieved	5,0	100,0	5,0	100,0	5,0	100,0
Ensuring non-EUR denominated distributable income receivable is at least 80% hedged (%)	Achieved	5,0	100,0	5,0	100,0	5,0	100,0
Loan-to-value ratio below 45%	10,1	5,0	100,0	5,0	100,0	5,0	100,0
Operational performance		**10,0**	**5,00**	**15,0**	**7,5**	**20,0**	**10,0**
Limiting vacancies to less than 5% of total GLA in Slovenia and 3% of GLA in Portugal (%)	*	5,0	0,0	7,5	0,0	10,0	0,0
Property as % of investment portfolio > 50%	50,9	5,0	100,0	7,5	100,0	10,0	100,0
Qualitative factors		**10,0**	**10,0**	**20,0**	**20,0**	**15,0**	**15,0**
Publication of financial results within seven weeks of the end of the financial period	Achieved	5,0	100,0	10,0	100,0	5,0	100,0
Compliance	Achieved	5,0	100,0	10,0	100,0	10,0	100,0
Total KPI		**100,0**	**95,0**	**100,0**	**92,5**	**100,0**	**90,0**
Total bonus (EUR)			**94 688**		**34 375**		**25 392**

** Achieved in Portugal but not in Slovenia due to planned reconfiguration.*

 # 2016 is not an appropriate basis for comparison.

REMUNERATION COMMITTEE REPORT continued

Non-executive directors' remuneration

Non-executive directors' remuneration consists of an annual fee. The remuneration committee recommends non-executive directors' fees to the board, which in turn proposes the fees for shareholder approval at the annual general meeting. Attendance of directors at the various board and sub-committee meetings is disclosed on page 31.

Non-executive directors do not participate in the MIL or the LTIP nor is there any other remuneration paid to non-executive directors, including remuneration linked to the performance of the group.

		For services as a director (paid by the company) 2017 EUR	For services as a director (paid by the company) 2016 EUR
Terry Warren [1]	Chairman	**5 729**	852
Karen Bodenstein [2]	Audit committee chairperson Risk committee chairperson Nomination committee member	**5 792**	–
Jorge da Costa [3]		**–**	3 885
Teddy Lo Seen Chong [4]	Remuneration committee member Risk committee member Social and ethics committee member	**–**	–
Mark Olivier [5]	Investment committee chairman Nomination committee chairman Audit committee member Remuneration committee member	**5 729**	1 587
Ronnie Porter [6]		**5 030**	3 427
Barry Stuhler [7]	Remuneration committee chairman Social and ethics committee chairman Audit committee member Investment committee member Nomination committee member	**699**	–
		22 979	9 751

[1] *Terry Warren was appointed to the board as chairman on 11 August 2016.*

[2] *Karen Bodenstein was appointed to the board, as chairperson of the audit and risk committees and as a member of the nomination committee on 27 September 2016.*

[3] *Jorge da Costa resigned from the board and relevant committees on 27 September 2016.*

[4] *Teddy Lo Seen Chong was appointed to the board on 1 March 2016. He was appointed as a member of the audit and risk committees on 11 May 2016, a member of the remuneration and social and ethics committees on 11 August 2016. Teddy resigned as a member of the audit committee with effect from 27 September 2016. Teddy's remuneration is incorporated into the fees paid by the company to Intercontinental Trust Ltd, the company's company secretary.*

[5] *Mark Olivier was appointed to the board as chairman of the audit committee and as a member of the nomination committee on 28 June 2016. On 27 September 2016, Mark resigned as chairman of the audit committee, was appointed chairman of the nomination and investment committees, and as a member of the remuneration committee.*

[6] *Ronnie Porter was appointed to the board on 11 March 2016. He was appointed as chairman of the audit, remuneration and social and ethics committees and as a member of the nomination and investment committees with effect from 11 May 2016. On 28 June 2016 he resigned as chairman of the audit committee and was appointed chairman of the risk committee on 11 August 2016. Ronnie resigned from the risk committee on 27 September 2016. Ronnie resigned from the board and all relevant committees on 16 August 2017.*

[7] *Barry Stuhler was appointed to the board on 16 August 2017. He was appointed as chairman of the remuneration and social and ethics committees and as a member of the audit, nomination and investment committees.*

Proposed non-executive directors' fees to be voted on in the forthcoming annual general meeting are as follows:

Participation	Member/ Chairman	Annual remu-neration EUR	Terry Warren EUR	Karen Boden-stein EUR	Teddy Lo Seen Chong EUR	Mark Olivier EUR	Barry Stuhler EUR	Total EUR
Board of directors	Member	**12 000**		**12 000**	**–***	**12 000**	**12 000**	**36 000**
Board of directors	Chairman	**24 000**	**24 000**					**24 000**
Audit committee	Member	**3 000**				**3 000**	**3 000**	**6 000**
Audit committee	Chairperson	**5 000**		**5 000**				**5 000**
Risk committee	Member	**2 000**			**–***			**–**
Risk committee	Chairperson	**3 000**		**3 000**				**3 000**
Investment committee	Member	**3 000**					**3 000**	**3 000**
Investment committee	Chairman	**5 000**				**5 000**		**5 000**
Remuneration committee	Member	**2 000**			**–***	**2 000**		**2 000**
Remuneration committee	Chairman	**3 000**					**3 000**	**3 000**
Nomination committee	Member	**2 000**		**2 000**			**2 000**	**4 000**
Nomination committee	Chairman	**3 000**				**3 000**		**3 000**
Social and ethics committee	Member	**1 000**			**–***			**–**
Social and ethics committee	Chairman	**2 000**					**2 000**	**2 000**
			24 000	**22 000**	**–***	**25 000**	**25 000**	**96 000**

** The all-inclusive fee, which is payable to Intercontinental Trust Ltd for their services in Mauritius, includes this fee.*

Payments to past directors

There were no payments to past directors in 2017.

Payments for loss of office

There were no payments for loss of office to any employees or past directors in 2017.

RISK COMMITTEE REPORT

The risk committee is pleased to submit its report for the year ended 30 September 2017.

RISK COMMITTEE

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

The risk management plan is in line with industry practice, reviewed annually and the risk matrix is presented and discussed at each meeting. The risk committee is satisfied that the company has complied, in all material respects, with its risk management policy.

The risk committee consists of Karen Bodenstein (chairperson and independent non-executive director), Teddy Lo Seen Chong, a non-independent non-executive director and an executive director, Stephen Delport. The board has determined that the committee members have the necessary skills and experience to contribute to the effective implementation of the risk committee charter.

The risk committee's responsibilities and duties are governed by a charter that was reviewed by the board in 2017.

Details on the composition of the committee and attendance at meetings are set out on page 31.

The committee is satisfied that it has fulfilled its responsibilities.

Karen Bodenstein
Chairperson of the risk committee

13 November 2017

SOCIAL AND ETHICS COMMITTEE REPORT

The social and ethics committee is pleased to submit its report for the year ended 30 September 2017.

SOCIAL AND ETHICS COMMITTEE

The social and ethics committee's focus is to monitor compliance with labour legislation as well as corporate social responsibilities and corporate citizenship. The social and ethics committee also serves the function of ensuring that the reporting requirements on corporate governance are in accordance with the principles of the Code.

The social and ethics committee comprises Barry Stuhler (chairman and independent non-executive director), Teddy Lo Seen Chong, a non-independent non-executive director and Jan Wandrag, an executive director.

The social and ethics committee's responsibilities and duties are governed by a charter that was reviewed by the board in 2017.

Details on the composition of the committee and attendance at meetings are set out on page 31.

SUSTAINABILITY REPORTING

At Greenbay, our approach to the concept of sustainability relates to the maintenance and enhancement of environmental, social and economic resources in order to meet the needs of current and future generations. This is founded on a commitment to being a good corporate citizen, and operating in a commercially sensible and socially responsible manner.

ENVIRONMENTAL

Greenbay has adopted an environmental policy which sets out its intentions and commitment to sustainability through the reduction of electricity consumption and water usage. This policy is monitored by executive management. Energy efficiency is foremost in our sustainability endeavours.

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

Where possible we are utilising newer, more efficient lighting systems incorporating rational design principles to maximise the lighting levels. We have and will continue to retrofit our buildings on a replacement basis with more efficient technologies.

Greenbay undertakes construction both in the form of new developments and redevelopments of existing properties. Our aim is to minimise the impact on the environment.

SOCIAL

Our employees

Our employees are as intrinsic to our business as our assets. We strive to create a productive working environment. We aim to attract and retain high-calibre, motivated employees. The remuneration of our employees is elaborated on in the remuneration report on pages 35 to 41.

As discussed in note 5 to the financial statements, Greenbay has management incentive loans which are granted to employees to enable them to purchase shares in Greenbay. We believe that empowering our employees in this way aligns their interests even more closely to those of shareholders.

Our communities

The impact of developments on surrounding communities is carefully considered and we engage directly with these communities where possible. Residential developments are designed to incorporate green areas and parks in an urban environment.

The committee is satisfied that it has fulfilled its responsibilities.

Barry Stuhler
Chairman of the social and ethics committee

13 November 2017

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

THE DIRECTORS ACKNOWLEDGE THEIR RESPONSIBILITIES FOR:

- adequate accounting records and maintenance of effective internal control systems;
- the preparation of consolidated annual financial statements and annual financial statements of Greenbay Properties Ltd which fairly present the state of affairs of the group and company as at the end of the financial year and the results of its operations and cash flows for that year which comply with International Financial Reporting Standards ("IFRS"); and
- the selection of appropriate accounting policies supported by reasonable and prudent judgements. The external auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

THE DIRECTORS REPORT THAT:

- adequate accounting records and an effective system of internal controls and risk management have been maintained;
- appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
- IFRS has been adhered to. Any departure in the interest of fair presentation has been disclosed, explained and quantified; and
- the Code of Corporate Governance has been adhered to. Reasons have been provided where there has not been compliance.

GOING CONCERN

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

STATEMENT OF COMPLIANCE

We, the directors of Greenbay, confirm to the best of our knowledge that the company has complied with all of its obligations and requirements under the Code of Corporate Governance.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY

The consolidated annual financial statements of the group and annual financial statements of the company were approved by the board of directors on 13 November 2017 and signed on its behalf by:

Stephen Delport
Chief executive officer

Kobus van Biljon
Chief financial officer

COMPANY SECRETARY'S CERTIFICATE

FOR THE YEAR ENDED 30 SEPTEMBER 2017

We certify that, to the best of our knowledge and belief, the company has filed with the Registrar of Companies all such returns as are required of the company under the Companies Act 2001.

Intercontinental Trust Ltd
Company secretary

13 November 2017

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GREENBAY PROPERTIES LTD

This report is made solely to the members of Greenbay Properties Ltd (the "company"), as a body, in accordance with section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Greenbay Properties Ltd (the "group"), and the company's separate financial statements on pages 48 to 93, which comprise the statements of financial position as at 30 September 2017, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 48 to 93 give a true and fair view of the financial position of the group and of the company as at 30 September 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the group and of the company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants ("IESBA Code")* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

THE GROUP

Valuation of investment properties

Key audit matter

Investment property held by the group, carried at fair value, amounted to EUR57,5 million at 30 September 2017. The valuation exercise involves significant accounting estimates and a range of judgemental assumptions and has thus been considered as a key audit matter.

Audit response

We have reviewed the valuation report issued by the professional valuer and assessed the reasonableness of the basis and key assumptions used in the valuation exercise.

We verified that the adjustments arising from the valuation were correctly accounted for and disclosed in the financial statements. The results of these procedures did not identify any issues with the valuation of the property in the financial statements.

THE GROUP AND THE COMPANY

Cash and cash equivalents

Key audit matter

Cash and cash equivalents held by the group and the company represent a material balance of EUR407 million and EUR219 million respectively.

Equity derivative margin held by the group and the company represents a material balance of EUR234 million and EUR132 million, representing 68% and 39% of total assets respectively.

Given the size of the cash and cash equivalents balance and the importance of the capital structure for continued growth, cash and cash equivalents are considered a key audit matter.

Audit response

Our audit procedure consisted of testing significant movements and obtaining confirmations from both the company's and the group's banks and brokers to confirm all cash balances and equity derivative margin.

Investments

Key audit matter

As at 30 September 2017, the group and the company had investments amounting to EUR159 million and EUR75 million respectively. The significance of investments on the statement of financial position resulted in them being identified as a key audit matter. Investments are measured initially at cost, including transaction costs. Subsequent to initial recognition, investments are carried at fair value, based on market value at closing date.

Audit response

Our audit procedure consisted of testing, on a sample basis, additions and disposals during the year.

INDEPENDENT AUDITOR'S REPORT continued

We have agreed all investment balances to confirmations from brokers. We also verified, on a sample basis, the share price used in the valuation of investments at 30 September 2017.

THE COMPANY

Investments in and loans to subsidiaries

Key audit matter

At 30 September 2017, investments in and loans to subsidiaries amounted to EUR477 million. Investments in subsidiaries are carried at cost, less impairment. Loans receivable from related parties are carried at amortised cost/ fair value. The amounts are significant to the company's financial statements and thus considered as a key audit matter.

Audit response

We assessed the impairment of the investments and loans with regard to the underlying asset values of the subsidiaries.

We have assessed and discussed with management the recoverability of the balances based on management's knowledge of future conditions that may impact expected receipts.

We discussed, evaluated and concluded with management that future cash flows will be available from the related companies to repay these debts.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the corporate governance report, which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Other information also comprises the reports such as, about this Integrated Report; stakeholder profile; fact sheet and 2017 highlights; portfolio overview; business model and strategy; schedule of properties; schedule of top 10 investments; holding structure; risks and opportunities; chairman's statement; directors' report; share performance; corporate governance report; board of directors; reports of the audit, investment, nomination, remuneration, risk and social and ethics committees; directors' responsibility for the annual financial statements; shareholder analysis and corporate information, which is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information, which will be made available to us after the date of this auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the group and the company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with, or interests in, the company or any of its subsidiaries, other than in our capacity as auditor and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the company as far as it appears from our examination of those records.

Financial Reporting Act 2004

The directors are responsible for preparing the corporate governance report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance as disclosed in the Integrated Report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the Integrated Report is consistent with the requirements of the Code.

BDO & CO
Chartered Accountants
Port Louis, Mauritius.

Rookaya Ghanty, FCCA
Licensed by FRC

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2017

	Note	GROUP 2017 EUR	GROUP Restated 2016 EUR	GROUP Restated 2015 EUR	COMPANY 2017 EUR	COMPANY Restated 2016 EUR	COMPANY Restated 2015 EUR
ASSETS							
Non-current assets		**290 757 701**	75 716 763	2 186 332	**552 355 344**	77 837 458	1 164 709
Investment property	3	**57 498 838**	56 750 707	1 584 605	**–**	–	–
Straight-lining of rental revenue adjustment	3	**1 162**	1 479	–	**–**	–	–
Investment property under development	3	**13 942 548**	13 319 446	–	**–**	–	–
Investment in and loans to joint venture	4	**59 361 010**	–	–	**–**	–	–
Greenbay management incentive loans	5	**505 679**	2 549 487	–	**505 679**	2 549 487	–
Investments	6	**159 448 464**	3 095 644	601 727	**74 530 500**	3 095 644	601 727
Investment in and loans to subsidiaries	7	**–**	–	–	**477 319 165**	72 192 327	562 982
Current assets		**644 871 133**	310 058 034	405 575	**358 197 960**	306 645 618	1 302
Equity derivative margin	8	**233 825 666**	86 226 838	–	**131 801 287**	86 226 838	–
Trade and other receivables	9	**4 457 081**	7 534 350	34 819	**7 390 769**	4 535 706	1 302
Cash and cash equivalents	10	**406 588 386**	216 296 846	370 756	**219 005 904**	215 883 074	–
Total assets		**935 628 834**	385 774 797	2 591 907	**910 553 304**	384 483 076	1 166 011
EQUITY AND LIABILITIES							
Total equity attributable to equity holders		**893 778 890**	383 936 503	1 309 707	**903 500 964**	383 932 308	1 149 818
Stated capital	11	**892 382 767**	364 806 890	1 190 082	**892 382 767**	364 806 890	1 190 082
Non-distributable reserve		**(36 075 289)**	19 034 695	(25 373)	**(28 374 589)**	19 048 847	(25 373)
Currency translation reserve		**(11 028 779)**	(20 758 845)	55 331	**(11 028 765)**	(20 758 845)	–
Retained earnings		**48 500 191**	20 853 763	89 667	**50 521 551**	20 835 416	(14 891)
Total liabilities		**41 849 944**	1 838 294	1 282 200	**7 052 340**	550 768	16 193
Non-current liabilities		**25 144 714**	–	1 072 032	**–**	–	–
Interest-bearing borrowings	12	**24 714 857**	–	1 072 032	**–**	–	–
Deferred tax		**429 857**	–	–	**–**	–	–
Current liabilities		**16 705 230**	1 838 294	210 168	**7 052 340**	550 768	16 193
Interest-bearing borrowings	12	**1 374 996**	–	59 039	**–**	–	–
Trade and other payables	13	**14 670 411**	1 706 317	151 106	**6 392 517**	422 307	16 170
Income tax payable		**659 823**	131 977	–	**659 823**	128 461	–
Bank overdraft		**–**	–	23	**–**	–	23
Total equity and liabilities		**935 628 834**	385 774 797	2 591 907	**910 553 304**	384 483 076	1 166 011

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	GROUP		COMPANY	
		For the year ended 30 September 2017 EUR	Restated for the year ended 30 September 2016 EUR	For the year ended 30 September 2017 EUR	Restated for the year ended 30 September 2016 EUR
Net rental and related revenue		**3 930 167**	424 942	**–**	–
Recoveries and contractual rental revenue		**5 964 147**	567 077	**–**	–
Straight-lining of rental revenue adjustment		**1 162**	1 479	**–**	–
Rental revenue		**5 965 309**	568 556	**–**	–
Property operating expenses		**(2 035 142)**	(143 614)	**–**	–
Income from equity derivatives	14	**27 803 793**	4 712 857	**21 302 229**	4 712 857
Income from investments		**255 367**	–	**129 960**	–
Fair value (loss)/gain on investment property, investments and derivatives		**(12 402 800)**	16 625 894	**(4 929 226)**	16 677 809
Adjustment resulting from straight-lining of rental revenue		**(1 162)**	(1 479)	**–**	–
Fair value gain on investment property		**766 017**	–	**–**	–
Fair value loss on investments		**(4 108 359)**	(226 394)	**(2 057 374)**	(226 394)
Fair value gain on currency derivatives		**303 668**	–	**57 504**	–
Fair value (loss)/gain on equity derivatives		**(9 362 964)**	16 853 767	**(2 929 356)**	16 904 203
Operating expenses		**(2 432 819)**	(255 801)	**(2 154 493)**	(240 145)
Listing costs		**–**	(319 039)	**–**	(319 039)
(Loss)/profit on disposal of subsidiary	19	**–**	(30 283)	**–**	94 795
Dividends received from group companies		**–**	–	**5 000 000**	–
Foreign exchange (loss)/gain		**(22 377 572)**	19 034 695	**(23 161 465)**	19 048 847
Income from joint venture		**1 579 188**	–	**–**	–
Operating (loss)/profit		**(3 644 676)**	40 193 265	**(3 812 995)**	39 975 124
Net finance (costs)/income		**(1 985 705)**	(274 826)	**7 265 106**	86 169
Finance income		**5 571 105**	633 771	**12 815 471**	951 041
Interest on Greenbay management incentive loans		**65 748**	143 017	**65 748**	143 017
Fair value gain on interest rate derivatives		**267 437**	–	**267 437**	–
Interest income from group companies		**–**	–	**7 417 008**	328 229
Interest received		**5 237 920**	490 754	**5 065 278**	479 795
Finance costs		**(7 556 810)**	(908 597)	**(5 550 365)**	(864 872)
Interest on borrowings		**(7 556 810)**	(908 597)	**(5 550 365)**	(864 872)
(Loss)/profit before income tax	15	**(5 630 381)**	39 918 439	**3 452 111**	40 061 293
Income tax	16	**(1 414 429)**	(149 606)	**(770 666)**	(136 766)
(Loss)/profit for the year attributable to equity holders of the company		**(7 044 810)**	39 768 833	**2 681 445**	39 924 527
Other comprehensive income net of tax:					
Items that may subsequently be reclassified to profit or loss					
Exchange differences on translation of foreign operations		**(14)**	–	**–**	–
		(14)	–	**–**	–
Total comprehensive income for the year attributable to equity holders of the company		**(7 044 824)**	39 768 833	**2 681 445**	39 924 527
Weighted average number of shares in issue		**6 123 109 544**	1 079 376 274	**6 123 109 544**	1 079 376 274
Basic (loss)/earnings per share (EUR cents)	21	**(0,12)**	3,68	**0,04**	3,70
Headline (loss)/earnings per share (EUR cents)	22	**(0,13)**	3,69	**0,04**	3,69

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	GROUP				
	Stated capital EUR	Non-distributable reserve EUR	Currency translation reserve EUR	Retained earnings EUR	Total EUR
Balance at 30 Sep 2015	1 190 082	29 958	–	89 667	1 309 707
Transactions with equity holders	363 616 808	–	–	–	363 616 808
9 765 210 shares on 27 Nov 2015	781 239				781 239
3 333 333 333 shares on 8 Jun 2016	220 324 996				220 324 996
1 562 500 000 shares on 29 Sep 2016	142 510 573				142 510 573
Translation of historical equity on change of reporting currency			(20 758 845)		(20 758 845)
Total comprehensive income for the year	–	(29 958)	–	39 798 791	39 768 833
Profit for the year				39 768 833	39 768 833
Other comprehensive income for the year		(29 958)		29 958	–
Transfer to non-distributable reserve		19 034 695		(19 034 695)	–
Restated at 30 Sep 2016	364 806 890	19 034 695	(20 758 845)	20 853 763	383 936 503
Transactions with equity holders	**507 845 070**	**–**	**–**	**–**	**507 845 070**
1 324 503 311 shares on 27 Mar 2017	**144 979 034**				**144 979 034**
620 000 000 shares on 12 Jun 2017	**75 747 807**				**75 747 807**
2 284 263 959 shares on 22 Aug 2017	**287 118 229**				**287 118 229**
Translation of historical equity on change of reporting currency			**9 730 080**		**9 730 080**
Total comprehensive income for the year	**–**	**–**	**(14)**	**(7 044 810)**	**(7 044 824)**
Loss for the year				**(7 044 810)**	**(7 044 810)**
Other comprehensive income for the year			**(14)**		**(14)**
Dividend paid – Dec 2016	**5 588 558**	**–**	**–**	**(5 873 040)**	**(284 482)**
Scrip issue – 56 962 424 shares	**5 588 558**			**(5 588 558)**	**–**
Cash				**(284 482)**	**(284 482)**
Dividend paid – Jun 2017	**14 142 249**	**–**	**–**	**(14 545 706)**	**(403 457)**
Scrip issue – 115 613 498 shares	**14 142 249**			**(14 142 249)**	**–**
Cash				**(403 457)**	**(403 457)**
Transfer to non-distributable reserve		**(55 109 984)**		**55 109 984**	**–**
Balance at 30 Sep 2017	**892 382 767**	**(36 075 289)**	**(11 028 779)**	**48 500 191**	**893 778 890**

	COMPANY				
	Stated capital EUR	Non-distributable reserve EUR	Currency translation reserve EUR	Retained earnings EUR	Total EUR
Balance at 30 Sep 2015	1 190 082	(25 373)	–	(14 891)	1 149 818
Transactions with equity holders	363 616 808	–	–	–	363 616 808
9 765 210 shares on 27 Nov 2015	781 239				781 239
3 333 333 333 shares on 8 Jun 2016	220 324 996				220 324 996
1 562 500 000 shares on 29 Sep 2016	142 510 573				142 510 573
Translation of historical equity on change of reporting currency			(20 758 845)		(20 758 845)
Total comprehensive income for the year	–	25 373	–	39 899 154	39 924 527
Profit for the year				39 924 527	39 924 527
Other comprehensive income for the year		25 373		(25 373)	–
Transfer to non-distributable reserve		19 048 847		(19 048 847)	–
Restated at 30 Sep 2016	364 806 890	19 048 847	(20 758 845)	20 835 416	383 932 308
Transactions with equity holders	**507 845 070**	**–**	**–**	**–**	**507 845 070**
1 324 503 311 shares on 27 Mar 2017	**144 979 034**				**144 979 034**
620 000 000 shares on 12 Jun 2017	**75 747 807**				**75 747 807**
2 284 263 959 shares on 22 Aug 2017	**287 118 229**				**287 118 229**
Translation of historical equity on change of reporting currency			**9 730 080**		**9 730 080**
Profit for the year				**2 681 445**	**2 681 445**
Dividend paid – Dec 2016	**5 588 558**	**–**	**–**	**(5 873 040)**	**(284 482)**
Scrip issue – 56 962 424 shares	**5 588 558**			**(5 588 558)**	**–**
Cash				**(284 482)**	**(284 482)**
Dividend paid – Jun 2017	**14 142 249**	**–**	**–**	**(14 545 706)**	**(403 457)**
Scrip issue – 115 613 498 shares	**14 142 249**			**(14 142 249)**	**–**
Cash				**(403 457)**	**(403 457)**
Transfer to non-distributable reserve		**(47 423 436)**		**47 423 436**	**–**
Balance at 30 Sep 2017	**892 382 767**	**(28 374 589)**	**(11 028 765)**	**50 521 551**	**903 500 964**

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

		GROUP		COMPANY	
	Note	For the year ended 30 September 2017 EUR	Restated for the year ended 30 September 2016 EUR	For the year ended 30 September 2017 EUR	Restated for the year ended 30 September 2016 EUR
Operating activities					
Cash generated from operations	17.1	**23 877 566**	368 521	**4 556 319**	2 860 812
Interest received		**5 237 920**	490 754	**5 065 278**	479 795
Interest on borrowings		**(7 556 810)**	(908 597)	**(5 550 365)**	(864 872)
Income tax paid	17.2	**(525 847)**	(9 324)	**(239 304)**	–
Dividends paid		**(687 939)**	–	**(687 939)**	–
Cash inflow/(outflow) from operating activities		**20 344 890**	(58 646)	**3 143 989**	2 475 735
Investing activities					
Greenbay management incentive loans settled		**2 109 556**	7 122 909	**2 109 556**	7 122 909
Proceeds on disposal of subsidiary net of cash and cash equivalents		**–**	324 500	**–**	635 529
Increase in investment in and loans to subsidiaries		**–**	–	**(397 709 830)**	(71 841 853)
Loans advanced to joint venture		**(13 655 684)**	–	**–**	–
Investment in joint venture	17.3	**(44 126 138)**	–	**–**	–
Acquisition of investment property		**–**	(68 554 077)	**–**	–
Development of investment property		**(623 102)**	(399 351)	**–**	–
Increase in equity derivative position		**(156 961 806)**	(69 058 990)	**(48 503 805)**	(69 058 991)
Acquisition of investments		**(160 461 179)**	(2 861 784)	**(73 492 230)**	(2 861 784)
Cash outflow from investing activities		**(373 718 353)**	(133 426 793)	**(517 596 309)**	(136 004 190)
Financing activities					
Increase in interest-bearing borrowings		**26 089 853**	–	**–**	–
Proceeds from share issuances		**517 575 150**	349 411 552	**517 575 150**	349 411 552
Cash inflow from financing activities		**543 665 003**	349 411 552	**517 575 150**	349 411 552
Increase in cash and cash equivalents		**190 291 540**	215 926 113	**3 122 830**	215 883 097
Cash and cash equivalents at the beginning of the year		**216 296 846**	370 733	**215 883 074**	(23)
Cash and cash equivalents at the end of the year		**406 588 386**	216 296 846	**219 005 904**	215 883 074
Cash and cash equivalents consist of:					
Current accounts	10	**406 588 386**	216 296 846	**219 005 904**	215 883 074

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

REPORTING ENTITY

Greenbay Properties Ltd (the "company") is a public company limited by shares incorporated in Mauritius on 14 August 2014. The company holds a Category One Global Business Licence issued by the Financial Services Commission. The consolidated financial statements of the company for the year ended 30 September 2017 comprise the company, its subsidiaries and joint venture (together referred to as the "group"). The financial statements were authorised for issue by the directors on 13 November 2017.

The group's main activity is to invest in direct property and infrastructure assets as well as in listed real estate and infrastructure securities. Its registered office is C401, 4th Floor, La Croisette, Grand Baie, Mauritius. These financial statements will be submitted for consideration and approval at the forthcoming AGM.

BASIS OF PREPARATION

Basis of measurement

The financial statements are prepared on the historical-cost basis, except financial instruments designated as financial instruments at fair value through profit or loss, investment properties and other relevant financial assets and financial liabilities, which are measured at fair value or carried at amortised cost, as appropriate.

Statement of compliance

The statutory financial statements of the group are prepared in accordance with IFRS and its interpretations adopted by the International Accounting Standards Board ("IASB"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and with the Mauritian Companies Act 2001.

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

This report was compiled under the supervision of Kobus van Biljon CA(SA), the chief financial officer.

Functional and presentation currency

The functional currency of Greenbay is the Euro ("EUR"), and the group has elected to present its financial statements in EUR, being the denomination of the issued stated capital of the group.

On 13 April 2017 the company announced that it had changed its reporting and functional currency from Pounds Sterling ("GBP") to EUR as approved by the Registrar of Companies effective as from 11 April 2017. In accordance with IAS 21: *The Effects of Changes in Foreign Exchange Rates*, the change in functional and presentation currency has been accounted for retrospectively and the financial results of the group will subsequently be presented in EUR.

In order to satisfy the requirement of IAS 21 with regard to a change in presentation currency, the comparative financial information was restated from GBP to EUR using the following exchange rates:

	September 2016
EUR/GBP exchange rate	
Closing	0,8661
Average	0,8135

USE OF ESTIMATES AND JUDGEMENTS

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

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

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

1. ACCOUNTING POLICIES

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 September 2017 and the comparative information presented for the year ended 30 September 2016.

1.1 Basis of consolidation

Subsidiaries

The consolidated annual financial statements incorporate the annual financial statements of the company and entities controlled by the company and its subsidiaries.

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

The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

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

Investments in subsidiaries of the company are reflected at cost less accumulated impairment losses in the company's separate financial statements.

In preparing the consolidated financial statements, intragroup balances and any unrealised gains and losses arising from intragroup transactions with subsidiaries and joint ventures are eliminated to the extent of the group's interest in these entities.

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

Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated to the group's presentation currency at exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences are recognised in other comprehensive income and accumulated in equity in the currency translation reserve. Such translation differences are recognised in profit or loss in the period in which the entity is disposed of.

Investment in associates and joint ventures

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

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

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

On acquisition of the investment in an associate or joint venture, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

Where necessary, appropriate adjustments are made to the financial statements of the associate or joint venture to bring the accounting policies in line with those adopted by the group.

Transactions eliminated on consolidation

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

1.2 Investment property

Investment property

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

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

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

When the group redevelops an existing investment property for continued future use as investment property, the property is temporarily transferred to investment property under development until completion of the project.

Investment property under development

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

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

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

1.3 Financial instruments

Financial assets and liabilities are recognised in the group's statements of financial position when the group has become party to the contractual provisions of the instrument. Financial instruments acquired for trading purposes are stated at fair value. Resulting gains or losses are recognised directly in profit or loss. Financial instruments presented in the financial statements include cash and cash equivalents, equity derivative margin, investments in listed security investments, loans, trade and other receivables, trade and other payables and interest-bearing borrowings. Financial instruments are initially recognised at fair value including transaction costs, except for those carried at fair value through profit or loss.

Subsequent to initial recognition, these instruments are measured as detailed below:

Financial assets

The classification of financial assets depends on their nature and purpose and is determined at the time of initial recognition.

Financial investments at fair value through profit or loss – Financial investments at fair value through profit or loss are financial assets held-for-trading and those designated at fair value through profit or loss at inception. These assets are carried at fair value being the quoted closing price at the statement of financial position date. Realised gains/(losses) on disposal of investments and unrealised gains and losses arising from changes in the fair value of these investments are recognised in profit or loss in the period in which they arise. Attributable transaction costs are recognised in profit or loss as incurred.

Loans and trade receivables – Loans, trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents – Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purposes of the statements of cash flows. Cash and cash equivalents are carried at amortised cost.

Impairment of financial assets – Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively impacted.

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

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised and the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss initially been recognised.

Derecognition of financial assets – A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where the contractual rights to receive cash flows from the asset have expired, the group retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement or the group has transferred its rights to receive cash flows from the asset and either:

- has transferred substantially all the risks and rewards from the asset; or
- has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Financial liabilities

Classification as debt or equity – Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Trade and other payables – Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities – All other financial liabilities, with the exception of derivatives, are accounted for at amortised cost using the effective interest method.

Financial liabilities (or a portion thereof) are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Where an existing liability from a lender is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amount is recognised in profit or loss.

On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is recognised directly in profit or loss.

Effective interest method – The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial liability, or, where appropriate, a shorter period.

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

1.4 Derivative financial instruments

The group uses equity derivatives to obtain exposure to listed securities.

Derivatives are recognised initially at fair value on the date the derivative contracts are entered into. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for through profit or loss. Directly attributable transactions costs are recognised in profit or loss when incurred.

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

1.5 Stated capital

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

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

1.6 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

1.7 Revenue

Revenue is recognised when it can be reliably measured and it is probable that the economic benefits will flow to the entity. Revenue is recognised at the fair value of the consideration received or receivable.

Group and company

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

Other revenues earned by the group are recognised on the following bases:

- Income from investments – this represents dividend income and is recognised when the shareholder's right to receive payment is established; and
- Income from equity derivatives – when the derivative holder's right to receive payment is established.

The equity swap mirrors the economic benefits associated with holding the underlying counter while accruing a funding cost. As such, cash flows from the equity swap mirroring underlying counter income declarations are recognised under income from equity derivatives, while the funding cost is recognised under interest on borrowings. Contractually such flows are settled as part of the net mark-to-market cash flows associated with the equity derivative contractual arrangements which are legally capital in nature as they represent cumulative fair value movements in the underlying counter.

Expenses

Service costs and property operating expenses

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

Lease payments

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

1.8 Finance income and finance costs

Finance income comprises interest receivable and is recognised as it accrues, taking into account the effective yield on the asset. Finance costs comprise interest payable on borrowings calculated using the effective interest rate method.

1.9 Tax

Current tax comprises tax payable calculated on the basis of the expected taxable income for the period, using the tax rates and laws enacted or substantively enacted at the reporting date, and any adjustment of tax payable in respect of previous years. Deferred tax is recognised for all taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

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

Deferred tax is charged to profit or loss except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred tax of any changes in tax rates is recognised in the statements of comprehensive income, except to the extent that it relates to items previously charged or credited directly to equity.

For the purpose of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured at fair value, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

1.10 Translation of foreign currencies

The functional currency of Greenbay is EUR. Accordingly, transactions denominated in currencies other than EUR are translated at the average rate of exchange during the month in which the transaction occurs. The prevailing rate of exchange on the date of a significant transaction is however utilised where significant fluctuations in the rate of exchange occur during the month in which the transaction occurs.

Monetary assets and liabilities denominated in foreign currencies (other than monetary items that form part of the net investment in a foreign operation) are translated at the rates of exchange ruling at the reporting date, with gains and losses recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the rates of exchange ruling at the date of the transaction.

1.11 Dividends to shareholders

A dividend to the company's shareholders is recognised as a liability in the group's financial statements in the period in which the dividend is declared.

1.12 Operating segments

A segment is a distinguishable component of the group that is engaged in providing services (business segment) or in providing services within a particular economic environment (geographic segment), which is subject to risks and returns that are different from those of other segments. The group's primary segment is based on geographic segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the board. The board reviews the group's internal reporting in order to assess performance. Management has determined the operating segments based on these reports.

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

1.13 Related parties

Related parties in the case of the group include any shareholder who is able to exert a significant influence on the operating policies of the group. Directors, their close family members and any employee who is able to exert significant influence on the operating policies of the group are also considered to be related parties.

In the case of the company, related parties would also include subsidiaries and joint ventures.

1.14 Earnings per share

The group presents basic and diluted earnings per share. It also presents headline and diluted headline earnings per share.

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

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

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

1.15 Distributable earnings per share

The group presents distributable earnings per share, in accordance with its distribution policy.

Distributable earnings per share is calculated by dividing the distributable profit (earnings plus deferred tax, less/plus fair value increases/decreases, less/plus capital gains/losses on disposal and other adjustments that the board may consider necessary) for the period by the number of shares in issue which are entitled to dividends at the end of the period.

1.16 Non-distributable reserve

All realised/unrealised losses of a capital nature are transferred to a non-distributable reserve.

2. FINANCIAL RISK MANAGEMENT

The group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. Further quantitative disclosures are included throughout these financial statements (refer to note 25).

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

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

Credit risk

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

Investments

The group invests in listed securities by means of direct investments and by utilising equity swap derivatives with recognised financial institutions. The group limits its exposure to credit risk in its direct investments by only investing in liquid securities listed on a recognised stock exchange. The group has policies and procedures in place to mitigate the credit risk associated with equity swaps. Counterparty credit risk is monitored and any changes thereto are analysed and policies are in place to mitigate any risks associated with increased counterparty credit risk.

Trade and other receivables and investment income receivable

Trade and other receivables relate mainly to dividends from investments accrued by the group as at the end of the period but which have not yet been received. The credit risk associated with these receivables is monitored as part of the group's investment strategy. The group ensures that the companies in which it invests are listed on a recognised stock exchange, are liquid and solvent and appear to be trading as a going concern for the foreseeable future.

The majority of rental revenue is derived from a retail property situated in Slovenia.

Management has established a credit policy under which each new tenant is analysed individually for creditworthiness before the group's standard payment terms and conditions are offered.

When available, the group's review includes external ratings.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, industry, size of business and existence of previous financial difficulties.

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

Deposits refundable to tenants may be withheld by the group in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract.

Greenbay management incentive loans

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

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

Cash and cash equivalents

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

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations, comprising interest-bearing borrowings and trade and other payables, as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. In this respect, the group prepares cash flow analyses and forecasts which enable the directors to assess the level of financing required in future periods.

The board of directors agrees on gearing parameters for the group and the gearing levels are consistently monitored, taking into account the fluctuations in the underlying investments.

Typically the group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. The group generates a significant amount of cash from dividends received from listed security investments. Management is able to accurately budget the respective cash inflows as the dividend policies of the underlying investments are published in advance. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

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

The group invests in derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the investment committee. The investment committee, together with the risk committee, determines parameters by which investments in listed securities are made taking into account an appropriate margin of safety regarding the collateral pool to ensure the portfolio is able to withstand volatile market movements.

Currency risk

The group is exposed to foreign currency risk on investments denominated in Pound Sterling, United States Dollar, Singapore Dollar, Hong Kong Dollar, Australian Dollar and the Canadian Dollar. The group mitigates a portion of the risk associated with exposure to foreign currency fluctuations by borrowing in the same currency as the underlying investment. In addition, the group hedges its exposure to currency fluctuations on distributable income through the use of currency forwards.

Interest rate risk

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

Interest-bearing borrowings and cash and cash equivalents bear interest at rates linked to the base lending rate in the jurisdiction to which they relate. However, the group adopts a policy of ensuring that at least 80% of its direct property exposure to interest rate movements is hedged.

Equity price risk

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

Fair values

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current closing price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Specific valuation techniques used to value financial instruments include:

- quoted market prices or dealer quotes for similar instruments; or
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The nominal values less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

Investment property

The group's investment properties are valued internally by management at interim reporting periods and externally by an independent valuer for year-end reporting.

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

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

Capital management

The group considers the equity attributable to equity holders as the permanent capital of the group. The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board also monitors the level of dividends to shareholders. The board seeks to maintain a balance between the higher returns that may be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The board's objectives when managing capital are:

- to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

3. INVESTMENT PROPERTY, STRAIGHT-LINING OF RENTAL REVENUE ADJUSTMENT AND INVESTMENT PROPERTY UNDER DEVELOPMENT

	GROUP		COMPANY	
	2017 EUR	**2016 EUR**	**2017 EUR**	**2016 EUR**
Investment in property comprises:				
Investment property	**57 498 838**	56 750 707	**–**	–
Straight-lining of rental revenue adjustment	**1 162**	1 479	**–**	–
	57 500 000	56 752 186	**–**	–
Investment property under development	**13 942 548**	13 319 446	**–**	–
Total investment property	**71 442 548**	70 071 632	**–**	–
Details of the investment property are as follows:				
At cost	**56 732 821**	56 750 707	**–**	–
Cumulative revaluation	**766 017**	–	**–**	–
Straight-lining of rental revenue adjustment	**1 162**	1 479	**–**	–
Investment property at fair value	**57 500 000**	56 752 186	**–**	–
Movement in investment property is as follows:				
Carrying amount at the beginning of the year	**56 752 186**	1 584 605	**–**	–
Additions and costs capitalised	**(19 365)**	56 750 707	**–**	–
Revaluation adjustment	**766 017**	–	**–**	–
Disposals	**–**	(1 584 605)	**–**	–
Straight-lining of rental revenue adjustment	**1 162**	1 479	**–**	–
	57 500 000	56 752 186	**–**	–
Details of investment property under development are as follows:				
Carrying amount at the beginning of the year	**13 319 446**	–	**–**	–
Additions and costs capitalised	**623 102**	13 319 446	**–**	–
	13 942 548	13 319 446	**–**	–

A register of investment property is available for inspection at the registered office of the company (refer to pages 10 and 11).

The group's investment property was externally valued by Jožef Murko of Dodomo d.o.o., a professional valuer in Slovenia. The valuation was done on an open-market basis and with consideration to the future earnings potential and an appropriate capitalisation rate for the property. The fair value of investment property determined is supported by market evidence. Other than subtracting capital expenditure to be incurred on extensions, the valuation provided by the external valuer has been recorded without adjustment.

Investment properties are categorised as level 3 in the fair value hierarchy. Refer to note 25.5.

Investment property with a market value of EUR57,5 million is mortgaged to secured borrowing facilities (refer to note 12).

4. INVESTMENT IN AND LOANS TO JOINT VENTURE

Joint venture: Locaviseu-Sociedade De Gestão De Imóveis, S.A.

	GROUP	
	2017 EUR	**2016 EUR**
Carrying value		
Cost	**44 126 138**	–
Share of post-acquisition reserves	**1 078 972**	–
Loan advanced	**14 155 900**	–
	59 361 010	–

On 31 May 2017 the group acquired a 50% interest in Locaviseu. The group exercises joint control over the arrangement as a result of a contractual agreement between the group and Resilient, its joint venture partner.

The loan advanced is unsecured, bears interest at three-month Euribor plus 3,06% and the loan is repayable on 30 June 2020.

The carrying value of the investment in Locaviseu represents the market value of the investment.

Financial information of Locaviseu

	September 2017 EUR
Summarised statement of financial position*	
Non-current assets	**226 000 000**
Current assets	**7 620 893**
Equity	**69 948 233**
Non-current liabilities	**157 325 344**
Current liabilities	**6 347 316**

	for the four months ended September 2017 EUR
Summarised statement of comprehensive income*	
Revenue	**4 509 314**
Profit before net finance costs	**4 036 757**
Net finance costs	**(1 267 373)**
Profit before income tax	**2 769 384**
Income tax	**(611 438)**
Profit for the period	**2 157 946**

** The information was extracted from the audited financial statements of Locaviseu for the nine months ended September 2017.*

Locaviseu is a company incorporated in Portugal and is the holding company of two subsidiaries that own Forum Coimbra and Forum Viseu, two retail centres in Portugal.

The investment in Locaviseu has been accounted for using the equity method.

5. GREENBAY MANAGEMENT INCENTIVE LOANS

The purpose of the scheme is to provide employees with an incentive linked to the growth of the company's long-term value as measured by the share price. This form of long-term incentivisation is designed to provide an incentive programme that will contribute to the achievement of the company's objectives and enhance shareholder value. Employees are provided with a 10-year loan to facilitate the purchase of Greenbay shares which are pledged as security for the aforesaid loan. Dividends received on these shares are applied to settle the interest payable on the loans and any excess is then utilised to reduce the outstanding liability balance.

	GROUP AND COMPANY		
	2017 % of issued shares	2017 Number of shares	2017 Loan balance EUR
Shares issued to directors and employees in terms of the MIL	**0,09**	**8 361 204**	**505 679**

	2016 % of issued shares	2016 Number of shares	2016 Loan balance EUR
Shares issued to directors and employees in terms of the MIL	0,8	41 806 020	2 549 487

The participants in the MIL carry the risk associated with the shares issued to them.

The MIL loans bear interest at 5% for the year ended 30 September 2017. The loans are secured by 8,361 million (2016: 41,806 million) shares in Greenbay with a fair value of EUR1,242 million (2016: EUR3,763 million). The value of security held for each individual loan exceeds the amount of the related loan.

The loans are repayable on the tenth anniversary of the loans being granted.

No shares were issued to directors or employees in terms of the Greenbay Management Incentive Scheme during the year ended 30 September 2017.

Details of the allocations of shares to directors on which debt remained outstanding at 30 September 2017 are as follows:

	Number of shares issued	Date of issue	Issue price – EUR per share (excluding costs)	Employee asset as recorded in financials EUR
Kobus van Biljon	**4 180 602**	**8 Jun 16**	**0,0662**	**252 839**

6. INVESTMENTS

Listed security investments are categorised as financial assets measured at fair value through profit or loss. The fair values of the listed security investments are determined based on quoted prices in active markets.

	GROUP		COMPANY	
	2017 Total EUR	2016 Total EUR	2017 Total EUR	2016 Total EUR
Cumulative carrying amount	**164 370 852**	3 322 038	**77 329 633**	3 322 038
Decrease in fair value	**(4 922 388)**	(226 394)	**(2 799 133)**	(226 394)
Total investment balance	**159 448 464**	3 095 644	**74 530 500**	3 095 644
Non-current (level 1)	**159 448 464**	3 095 644	**74 530 500**	3 095 644

The currency profile of listed security investments is disclosed in note 20, segmental reporting. Changes in fair values are recorded in profit or loss and none of the financial assets are impaired.

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FOR THE YEAR ENDED 30 SEPTEMBER 2017

7. INVESTMENT IN AND LOANS TO SUBSIDIARIES

Subsidiaries	Main business	Incorporated in and place of business
Greenbay Investments 1 [1)]	Investment holding company	Republic of Mauritius
Greenbay Investments 2 [1)]	Finance company	Republic of Mauritius
Greenbay Investments UK Limited [2) 3)]	Investment holding company	United Kingdom
Greenbay Netherlands B.V. [1) 4)]	Investment holding company	Netherlands
Greenbay Investments d.o.o. [1) 5)]	Property owning company	Slovenia
Greenbay Tivoli d.o.o. [1) 5)]	Property owning company	Slovenia

[1)] *30 September year-end*
[2)] *30 June year-end*
[3)] *Share capital held through Greenbay Investments 1, wholly owned subsidiary.*
[4)] *Share capital held through Greenbay Investments UK Limited, wholly owned subsidiary.*
[5)] *Share capital held through Greenbay Netherlands B.V., wholly owned subsidiary.*

Class of shares held in subsidiary companies are all ordinary share capital.

Amounts owing by subsidiaries are unsecured, bear interest at rates agreed from time to time and the terms of repayment are specific to individual tranches advanced, ranging from one to ten years.

COMPANY					
Effective interest 2017 %	Effective interest 2016 %	Investment 2017 EUR	Loan amount 2017 EUR	Total 2017 EUR	Total 2016 EUR
100	100	**8 250 113**	**263 414 083**	**271 664 196**	8 250 000
100	100	**113**	**205 635 576**	**205 635 689**	63 942 327
100	100	**–**	**19 280**	**19 280**	–
100	100	**–**	**–**	**–**	–
100	100	**–**	**–**	**–**	–
100	100	**–**	**–**	**–**	–
		8 250 226	**469 068 939**	**477 319 165**	72 192 327

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FOR THE YEAR ENDED 30 SEPTEMBER 2017

8. EQUITY DERIVATIVE MARGIN

	GROUP		COMPANY	
	2017 EUR	2016 EUR	2017 EUR	2016 EUR
Equity derivative collateral				
– Merrill Lynch	**56 773 236**	41 510 013	**56 773 236**	41 510 013
– Bank of America	**75 028 051**	44 716 825	**75 028 051**	44 716 825
– Morgan Stanley	**102 024 379**	–	**–**	–
Total equity derivative margin	**233 825 666**	86 226 838	**131 801 287**	86 226 838
Gross exposure to listed investments	**669 411 060**	300 804 290	**414 150 923**	300 804 290
Implied interest-bearing borrowings	**435 585 394**	214 577 452	**282 349 636**	214 577 452

The company utilises equity swap derivatives to obtain exposure to listed real estate and infrastructure securities, for which a margin of between 25% and 37,5% of the gross exposure is required.

The margin requirement is specific to each underlying security.

Group
Interest on borrowings of EUR7 556 810 (2016: EUR908 597) includes interest of EUR6 367 353 (2016: EUR857 265) on the implied interest-bearing borrowings of EUR435 585 394 (2016: 214 577 452).

Company
Interest expense of EUR5 550 365 (2016: EUR864 872) includes interest of EUR5 333 431(2016: EUR857 265) on the implied interest-bearing borrowings of EUR282 349 636 (2016: 214 577 452).

9. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2017 EUR	2016 EUR	2017 EUR	2016 EUR
Trade and other receivables include the following:				
VAT receivables	**–**	2 819 575	**–**	–
Income from equity derivatives receivable	**1 449 066**	1 489 541	**1 183 782**	1 489 541
Management incentive loans – settlement of shares sold	**–**	2 040 986	**–**	2 040 986
Trade receivables	**80 890**	179 069	**–**	–
Other receivables	**641 369**	–	**369 695**	–
Intercompany dividend	**–**	–	**5 000 000**	–
Prepayments	**464 420**	–	**–**	–
Interest rate derivatives debtor	**267 437**	–	**267 437**	–
Currency derivatives debtor	**303 668**	–	**57 504**	–
Mark-to-market settlement of equity derivatives	**1 250 231**	1 005 179	**512 351**	1 005 179
Total trade and other receivables	**4 457 081**	7 534 350	**7 390 769**	4 535 706

The maximum exposure to credit risk at the reporting date pertaining to these receivables is the fair value of the receivables. The company does not hold any collateral as security.

10. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2017 EUR	**2016 EUR**	**2017 EUR**	**2016 EUR**
Cash and cash equivalents comprise the following:				
Cash at bank – current accounts	**406 588 386**	216 296 846	**219 005 904**	215 883 074
Total cash and cash equivalents	**406 588 386**	216 296 846	**219 005 904**	215 883 074

11. STATED CAPITAL

	GROUP AND COMPANY	
	2017 EUR	**2016 EUR**
Authorised		
15 721 669 363 (2016: 7 475 000 000) ordinary shares of no par value		
Issued		
9 322 176 525 (2016: 4 920 833 333) ordinary shares at an average of approximately EUR0,096 (2016: EUR0,074) per share*	**892 382 767**	364 806 890

** Transaction costs recognised as a deduction from equity in the current year amounted to EUR1,43 million (2016: EUR0,41 million).*

	2017 Shares	**2016 Shares**
Reconciliation of movement in issued shares during the year		
Balance at the beginning of the year	**4 920 833 333**	15 234 790
Shares issued by way of scrip dividend	**172 575 922**	–
6 Dec 2016	**56 962 424**	–
14 Jun 2017	**115 613 498**	–
Shares issued by way of bookbuild	**4 228 767 270**	4 897 237 339
27 Nov 2015	–	9 765 210
8 Jun 2016	–	3 324 972 129
29 Sep 2016	–	1 562 500 000
27 Mar 2017	**1 324 503 311**	–
12 Jun 2017	**620 000 000**	–
22 Aug 2017	**2 284 263 959**	–
Shares issued in MIL on 8 Jun 2016	–	8 361 204
Balance at the end of the year	**9 322 176 525**	4 920 833 333

Refer to www.greenbayprop.mu for additional disclosures related to the shares issued by way of bookbuild.

12. INTEREST-BEARING BORROWINGS

The group's interest-bearing borrowings comprise short-term interest-bearing borrowings as well as long-term facilities. The borrowing facilities, together with shareholder stated capital, are used to fund the company's investment activities. The company's investment mandate allows the company to have borrowings of up to 45% of the total asset value.

Interest-bearing borrowings are measured at amortised cost.

The company's exposure to interest rate, foreign currency and liquidity risk is discussed in note 25.

	GROUP			
	Nominal interest rate	Maturity	Fair value 2017 EUR	Carrying amount 2017 EUR
Interest-bearing borrowings				
Koper Mall – term loan	Euribor plus 2,75%	5 years	**26 089 853**	**26 089 853**
Current portion included in current liabilities			**(1 374 996)**	**(1 374 996)**
			24 714 857	**24 714 857**

	GROUP	
	2017 Investment property EUR	2017 Total EUR
Interest-bearing borrowings are secured by the following:		
Interest-bearing borrowings – current and long-term	**57 500 000**	**57 500 000**
	57 500 000	**57 500 000**

Koper Mall – NLB Bank

The group contracted a secured loan facility from Nova Ljubljanska banka d.d. for Koper Mall in the amount of EUR27,5 million, which matures in December 2026 and is repayable in monthly instalments with a balloon payment of 50% on maturity.

Security: Mortgage over the property; general security over the rental income of Koper Mall; suretyship by Greenbay Properties Ltd; pledge of share capital in Greenbay Investments d.o.o.

Covenants: Loan-to-value ratio of maximum 50%; debt service cover ratio of minimum 1,8; equity ratio at least 0,5; interest cover ratio of minimum 1,4.

13. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2017 EUR	2016 EUR	2017 EUR	2016 EUR
Trade and other payables include the following:				
Interest accrued on equity swaps	**707 479**	235 421	**495 750**	235 421
Accrued expenses	**579 395**	187 001	**397 643**	186 886
Tenant deposits	**146 662**	165 692	**–**	–
Property transfer tax payable	**–**	1 118 203	**–**	–
Amounts received in advance	**17 821**	–	**–**	–
Trade and other payables	**6 240 179**	–	**1 870 881**	–
Mark-to-market settlement of equity derivatives	**6 887 317**	–	**3 628 243**	–
VAT payable	**91 558**	–	**–**	–
Total trade and other payables	**14 670 411**	1 706 317	**6 392 517**	422 307

14. INCOME FROM EQUITY DERIVATIVES

Income from equity derivatives relates to dividend income from the underlying equities recognised by the company during the year in accordance with the recognition and measurement criteria in IAS 18 and the accounting policy in note 1.7. The geographical spread of this amount is provided in note 20, segmental reporting.

15. (LOSS)/PROFIT BEFORE INCOME TAX

	GROUP	COMPANY	GROUP AND COMPANY
	2017 EUR	2017 EUR	2016 EUR
(Loss)/profit before income tax is stated after charging:			
Auditor's remuneration			
– audit fee	**(14 826)**	**(14 826)**	(2 922)
– other services*	**–**	**–**	(37 503)
Directors' remuneration			
– services as director (non-executive)	**(22 980)**	**(22 980)**	(9 751)
– other services (executive)	**(450 296)**	**(407 492)**	(59 144)
Salaries	**(145 915)**	**(30 824)**	(27 747)
Travel and accommodation	**(257 462)**	**(257 462)**	(14 476)

* *Non-audit services relate mainly to professional services with regard to the company's listing on the Alternative Exchange of Johannesburg Stock Exchange in November 2015. These were rendered by Moore Stephens, the company's previous auditor.*

16. INCOME TAX

	GROUP		COMPANY	
	2017 EUR	**2016 EUR**	**2017 EUR**	**2016 EUR**
Current tax	**(984 572)**	(149 606)	**(770 666)**	(136 766)
Deferred tax	**(429 857)**	–	**–**	–
Total income tax charge	**(1 414 429)**	(149 606)	**(770 666)**	(136 766)

Reconciliation of tax rate

The tax on the company's loss before taxation differs from the theoretical amount that would arise using the basic rate of the company as follows:

	GROUP		COMPANY	
	2017 %	**2016 %**	**2017 %**	**2016 %**
Standard tax rate	**15,00**	15,00	**15,00**	15,00
Foreign tax credit*	**(12,00)**	(12,00)	**(12,00)**	(12,00)
Difference in foreign tax rates	**(10,34)**	0,07	**–**	–
Permanent differences	**(22,48)**	(2,72)	**19,05**	(2,68)
Under provision prior year	**(0,20)**	–	**0,27**	–
Effective tax rate	**(30,02)**	0,35	**22,32**	0,32

* *The company is subject to 15% income tax in Mauritius according to the provisions of the Income Tax Act 1995 as amended. As the company holds a Category One Global Business Licence, the Income Tax (Foreign Tax Credit) Regulations 1996 provides for the setting off of any underlying tax, withholding tax or tax sparing credit by the company against the 15% tax or a deemed 80% foreign tax credit on the company's foreign source income where written evidence of foreign tax charged is not presented to the tax authorities in Mauritius. Gains on sale of securities are exempted from tax in Mauritius.*

17. NOTES TO THE STATEMENTS OF CASH FLOWS

17.1 Cash generated from operations

	GROUP		COMPANY	
	2017 EUR	2016 EUR	2017 EUR	2016 EUR
(Loss)/profit before income tax expense	**(5 630 381)**	39 918 439	**3 452 111**	40 061 293
Adjusted for:				
Fair value loss/(gain) on equity derivatives	**9 362 964**	(16 853 767)	**2 929 356**	(16 904 203)
Fair value loss on investments	**4 108 359**	336 825	**2 057 374**	336 825
Fair value gain on investment property	**(766 017)**	–	**–**	–
Interest received on the Greenbay management incentive loans	**(65 748)**	(143 017)	**(65 748)**	(143 017)
Interest on borrowings	**7 556 810**	908 597	**5 550 365**	864 872
Loss/(profit) on sale of subsidiary	**–**	30 283	**–**	(94 795)
Interest income on intercompany loans	**–**	–	**(7 417 008)**	(328 229)
Interest received	**(5 237 920)**	(490 754)	**(5 065 278)**	(479 795)
Income from joint venture	**(1 579 188)**	–	**–**	–
Foreign exchange gain	**–**	(16 091 273)	**–**	(16 091 273)
	7 748 879	7 615 333	**1 441 172**	7 221 678
Changes in working capital				
Decrease/(increase) in trade and other receivables	**3 146 390**	(7 516 541)	**(2 855 063)**	(4 534 404)
Increase in trade and other payables	**12 982 297**	269 729	**5 970 210**	173 538
Cash generated from operations	**23 877 566**	368 521	**4 556 319**	2 860 812

17.2 Income tax paid

	GROUP		COMPANY	
	2017 EUR	2016 EUR	2017 EUR	2016 EUR
Income tax payable at the beginning of the year	**131 977**	–	**128 461**	–
Charged to the statement of comprehensive income during the year	**984 572**	149 606	**770 666**	136 766
Foreign exchange difference on translation from GBP to EUR	**–**	(8 305)	**–**	(8 305)
Income tax prepaid at the end of the year – included in other receivables	**69 121**	–	**–**	–
Income tax payable at the end of the year	**(659 823)**	(131 977)	**(659 823)**	(128 461)
Income tax paid	**525 847**	9 324	**239 304**	–

17. NOTES TO THE STATEMENTS OF CASH FLOWS continued

17.3 Investment in joint venture

On 31 May 2017 the group acquired a 50% interest in Locaviseu-Sociedade De Gestão De Imóveis, S.A. Locaviseu is a company incorporated in Portugal and is the holding company of two subsidiaries that own Forum Coimbra and Forum Viseu, two retail centres in Portugal.

	GROUP	
	2017 EUR	2016 EUR
Investment property	(113 000 000)	–
Trade and other receivables	(1 074 320)	–
Cash and cash equivalents	(2 779 828)	–
Deferred tax	13 918 281	–
Trade and other payables	3 217 360	–
Interest-bearing borrowings	50 588 491	–
Goodwill*	(10 230 994)	–
	(59 361 010)	–
Loans advanced	13 655 684	–
Share of post-acquisition reserves	1 579 188	–
Cash flow effect of investment in joint venture	(44 126 138)	–

* *The goodwill relates to the deferred tax liability partially assumed on acquisition. Typically these transactions entail the disposal of companies instead of underlying properties and as such it is management's view that the deferred tax in the Locaviseu group will not become payable. As such the goodwill balance was not impaired.*

18. CONTINGENT LIABILITIES

There are no contingent liabilities at 30 September 2017.

19. DISPOSAL OF SUBSIDIARY

On 10 June 2016, the company disposed of its 100% holding in Banstead Property Holdings Limited for a cash consideration of EUR635 529.

	GROUP		COMPANY	
	2017 EUR	2016 EUR	2017 EUR	2016 EUR
Carrying value of assets sold				
Investment in and loans to subsidiaries	–	–	–	540 734
Investment property	–	1 584 605	–	–
Cash and cash equivalents	–	311 029	–	–
Trade and other receivables	–	17 010	–	–
Trade and other payables	–	(115 757)	–	–
Interest-bearing borrowings	–	(1 097 854)	–	–
Net carrying amount	–	699 033	–	540 734
(Loss)/profit on disposal	–	(30 283)	–	94 795
Other comprehensive income realised on disposal	–	(33 221)	–	–
	–	635 529	–	635 529
Consideration received				
Cash	–	635 529	–	635 529
Net cash flow on disposal of subsidiary				
Consideration received	–	635 529	–	635 529
Less: Cash and cash equivalents disposed of	–	(311 029)	–	–
Proceeds on disposal of subsidiary	–	324 500	–	635 529

20. SEGMENTAL REPORTING

Segmental statement of financial position as at 30 September 2017

	GROUP						
	Investment in and loans to joint venture EUR	Greenbay management incentive loans EUR	Direct property investments* EUR	Listed security investments EUR	Cash and cash equivalents including equity derivative margin EUR	Trade and other receivables EUR	Total assets EUR
Geographical segment							
Australia	–	–	–	–	1 496 868	284 738	1 781 606
Canada	–	–	–	–	378 673	1 372 017	1 750 690
Europe	59 361 010	–	71 442 548	93 328 318	576 921 814	816 984	801 870 674
Hong Kong				9 651 696	4 333	–	9 656 029
Singapore	–	–	–	–	1 466 401	–	1 466 401
United Kingdom	–	–	–	3 168 675	1 569 783	–	4 738 458
United States of America	–	–	–	53 299 775	57 677 564	1 042 541	112 019 880
Corporate	–	505 679	–	–	898 616	940 801	2 345 096
Total assets	59 361 010	505 679	71 442 548	159 448 464	640 414 052	4 457 081	935 628 834

** Direct property investments include investment property, straight-lining of rental revenue adjustment and investment property under development.*

	GROUP					
	Deferred tax EUR	Total equity attributable to equity holders EUR	Interest-bearing borrowings EUR	Trade and other payables EUR	Income tax payable EUR	Total equity and liabilities EUR
Geographical segment						
Australia	–	–	–	395 007	–	395 007
Canada	–	–	–	122 212	–	122 212
Europe	429 857	–	26 089 853	1 716 722	–	28 236 432
Singapore	–	–	–	463 770	–	463 770
United Kingdom	–	–	–	146 202	–	146 202
United States of America	–	–	–	11 415 370	–	11 415 370
Corporate	–	893 778 890	–	411 128	659 823	894 849 841
Total equity and liabilities	429 857	893 778 890	26 089 853	14 670 411	659 823	935 628 834

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 SEPTEMBER 2017

20. SEGMENTAL REPORTING continued

Segmental statement of comprehensive income for the year ended 30 September 2017

	GROUP								
	Income from joint venture EUR	Income from invest-ments EUR	Net finance costs EUR	Net rental and related revenue EUR	Income from equity derivatives EUR	Fair value loss on investment property, invest ments and derivatives EUR	Foreign exchange loss and operating expenses EUR	Income tax EUR	Total segment result EUR
Geographical segment									
Australia	–	–	(614 420)	–	1 519 718	1 122 275	–	–	2 027 573
Canada	–	–	(649 268)	–	2 268 680	(106 429)	–	–	1 512 983
Europe	1 579 188	111 056	(454 475)	3 930 167	5 270 329	(2 880 935)	(266 422)	(643 763)	6 645 145
Hong Kong	–	42 818	(57)	–	–	104 130	–	–	146 891
Singapore	–	–	(131 270)	–	573 100	(84 198)	–	–	357 632
United Kingdom	–	248	(54 323)	–	1 095 640	(39 636)	(11 412)	–	990 517
United States of America	–	101 245	(3 747 249)	–	17 076 326	(10 518 007)	–	–	2 912 315
Corporate	–	–	3 665 357	–	–	–	(24 532 557)	(770 666)	(21 637 866)
Total segment result	1 579 188	255 367	(1 985 705)	3 930 167	27 803 793	(12 402 800)	(24 810 391)	(1 414 429)	(7 044 810)

Segmental statement of financial position as at 30 September 2016

	GROUP					
	Greenbay manage-ment incentive loans EUR	Direct property investments* EUR	Listed security investments EUR	Cash and cash equivalents including equity derivative margin EUR	Trade and other receivables EUR	Total assets EUR
Geographical segment						
Australia	–	–	–	(23 268)	(29 522)	(52 790)
Canada	–	–	–	223 699	810 357	1 034 056
Europe	–	70 071 632	3 088 866	(449 001)	3 728 092	76 439 589
Singapore	–	–	–	(117 343)	313 916	196 573
United Kingdom	–	–	6 778	233 706 258	2 004 375	235 717 411
United States of America	–	–	–	68 809 919	707 132	69 517 051
Corporate	2 549 487	–	–	373 420	–	2 922 907
Total assets	2 549 487	70 071 632	3 095 644	302 523 684	7 534 350	385 774 797

* *Direct property investments include investment property, straight-lining of rental revenue adjustment and investment property under development.*

20. SEGMENTAL REPORTING continued

Segmental statement of financial position as at 30 September 2016 continued

	GROUP				
	Total equity attributable to equity holders EUR	Interest–bearing borrowings EUR	Trade and other payables EUR	Income tax payable EUR	Total equity and liabilities EUR
Geographical segment					
Australia	–	–	12 331	–	12 331
Canada	–	–	25 270	–	25 270
Europe	–	–	1 323 193	3 516	1 326 709
Singapore	–	–	6 008	–	6 008
United Kingdom	–	–	20 651	–	20 651
United States of America	–	–	163 292	–	163 292
Corporate	383 936 503	–	155 572	128 461	384 220 536
Total equity and liabilities	383 936 503	–	1 706 317	131 977	385 774 797

Segmental statement of comprehensive income for the period ended 30 September 2016

	GROUP								
	Net finance costs EUR	Loss on disposal of subsidiary EUR	Listing costs EUR	Net rental and related revenue EUR	Income from equity derivatives EUR	Fair value gain on investment property, invest-ments and derivatives EUR	Foreign exchange gain and operating expenses EUR	Income tax EUR	Total segment result EUR
Geographical segment									
Australia	(28 003)	–	–	–	55 530	226 508	–	–	254 035
Canada	(87 769)	–	–	–	346 220	1 775 457	–	–	2 033 908
Europe	12 676	–	–	424 942	401 317	2 430 463	(3 598)	(12 839)	3 252 961
Singapore	(23 737)	–	–	–	154 362	694 223	–	–	824 848
United Kingdom	(59 922)	–	–	–	448 525	2 752 108	(12 224)	–	3 128 487
United States of America	(525 277)	–	–	–	3 306 903	8 747 135	–	–	11 528 761
Corporate	437 206	(30 283)	(319 039)	–	–	–	18 794 716	(136 767)	18 745 833
Total segment result	(274 826)	(30 283)	(319 039)	424 942	4 712 857	16 625 894	18 778 894	(149 606)	39 768 833

21. (LOSS)/EARNINGS AND DILUTED (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share for the year ended 30 September 2017 is based on the loss attributable to ordinary equity holders of EUR7,045 million (2016: earnings of EUR39,769 million) and the weighted average of 6 123 109 544 (2016:1 079 376 274) ordinary shares in issue during the year. The company has no dilutionary instruments in issue.

The weighted average number of shares for basic and diluted earnings per share purposes is presented below:

		GROUP AND COMPANY		
2017	**Event**	**Number of shares**	**% of year**	**Weighted average**
Saturday, 1 Oct 2016	Opening balance	**4 920 833 333**	**100**	**4 920 833 333**
Tuesday, 6 Dec 2016	Scrip dividend	**56 962 424**	**82**	**46 662 369**
Monday, 27 Mar 2017	Bookbuild	**1 324 503 311**	**52**	**682 209 925**
Monday, 12 Jun 2017	Bookbuild	**620 000 000**	**30**	**188 547 945**
Wednesday, 14 Jun 2017	Scrip dividend	**115 613 498**	**30**	**34 525 675**
Tuesday, 22 Aug 2017	Bookbuild	**2 284 263 959**	**11**	**250 330 297**
Saturday, 30 Sep 2017	Year-end	**9 322 176 525**		**6 123 109 544**
2016	**Event**			
Thursday, 1 Oct 2015	Opening balance	15 234 790	100	15 234 790
Friday, 27 Nov 2015	Private placement	9 765 210	84	8 244 399
Wednesday, 8 Jun 2016	Bookbuild	3 333 333 333	31	1 047 358 834
Thursday, 29 Sep 2016	Bookbuild	1 562 500 000	1	8 538 251
Friday, 30 Sep 2016	Year-end	4 920 833 333		1 079 376 274

	GROUP		COMPANY	
	2017 EUR	**2016 EUR**	**2017 EUR**	**2016 EUR**
Basic (loss)/earnings per share (EUR cents)	**(0,12)**	3,68	**0,04**	3,70

22. HEADLINE (LOSS)/EARNINGS AND DILUTED HEADLINE (LOSS)/EARNINGS PER SHARE

The calculation of basic headline (loss)/earnings per share for the year ended 30 September 2017 is based on headline loss of EUR7,665 million (2016: earnings of EUR39,799 million) and the weighted average of 6 123 109 544 (2016:1 079 376 274) ordinary shares in issue during the year. The company has no dilutionary instruments in issue.

Reconciliation of (loss)/profit for the year to headline (loss)/earnings

	GROUP		COMPANY	
	2017 EUR	**2016 EUR**	**2017 EUR**	**2016 EUR**
Basic earnings – (loss)/profit for the year attributable to equity holders	**(7 044 810)**	39 768 833	**2 681 445**	39 924 527
Adjusted for:				
– loss/(profit) on sale of subsidiary	**–**	30 283	**–**	(94 795)
– fair value gain on investment property	**(766 017)**	–	**–**	–
– income tax effect	**145 543**	–	**–**	–
Headline (loss)/earnings	**(7 665 284)**	39 799 116	**2 681 445**	39 829 732
Headline (loss)/earnings per share (EUR cents)	**(0,13)**	3,69	**0,04**	3,69

23. SUBSEQUENT EVENTS

The directors are not aware of any other events besides the declaration of the dividend as noted in the directors' report, subsequent to 30 September 2017, not arising in the normal course of business, which are likely to have a material effect on the financial information contained in this report.

24. OPERATING LEASE RENTALS

	GROUP	
	2017 EUR	**2016 EUR**
Contractual rental revenue from tenants can be analysed as follows:		
Within one year	**3 904 050**	3 747 343
Within two to five years	**7 801 475**	10 650 431
More than five years	**1 788 318**	3 393 195
Total operating lease rentals	**13 493 843**	17 790 969

25. FINANCIAL INSTRUMENTS

25.1 Credit risk

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

	GROUP		COMPANY	
	2017 EUR	**2016 EUR**	**2017 EUR**	**2016 EUR**
Investments	**159 448 464**	3 095 644	**74 530 500**	3 095 644
Greenbay management incentive loans	**505 679**	2 549 487	**505 679**	2 549 487
Trade and other receivables	**4 457 081**	7 534 350	**7 390 769**	4 535 706
Loan to joint venture	**14 155 900**	–	**–**	–
Loans to subsidiaries	**–**	–	**469 068 938**	63 942 096
Equity derivative margin	**233 825 666**	86 226 838	**131 801 287**	86 226 838
Cash and cash equivalents	**406 588 386**	216 296 846	**219 005 904**	215 883 074
	818 981 176	315 703 165	**902 303 077**	376 232 845
The maximum exposure to credit risk for loans at the reporting date was:				
Greenbay management incentive loans	**505 679**	2 549 487	**505 679**	2 549 487
Shares pledged as security	**(1 242 370)**	(4 344 335)	**(1 242 370)**	(4 344 335)
Loans to joint venture	**1)**	–	**–**	–
Loans to subsidiaries	**–**	–	**2)**	2)
Net exposure	**–**	–	**–**	–

1) The exposure to the loan to the joint venture is indirectly secured as a result of the net asset value of underlying investment exceeding the outstanding loan amount.

2) The exposure to the subsidiary loans is indirectly secured as a result of the net asset value of underlying subsidiaries exceeding the outstanding loan amounts.

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

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

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

	GROUP		COMPANY	
	2017 EUR	**2016 EUR**	**2017 EUR**	**2016 EUR**
Australia	**284 738**	(29 522)	**–**	(29 522)
Canada	**1 372 017**	810 357	**731 917**	810 357
Europe	**816 984**	3 728 092	**–**	729 448
Singapore	**–**	313 916	**–**	313 916
United Kingdom	**–**	2 004 375	**–**	2 004 375
United States of America	**1 042 541**	707 132	**964 215**	707 132
Corporate	**940 801**	–	**5 694 637**	–
Total receivables	**4 457 081**	7 534 350	**7 390 769**	4 535 706

25. FINANCIAL INSTRUMENTS continued

25.1 Credit risk continued

The ageing of all net receivables at the reporting date was less than 90 days.

The company believes that no additional impairment allowance is necessary in respect of trade receivables as a comprehensive analysis of outstanding amounts is performed on a regular basis and impairment losses are accounted for timeously. The company believes that where trade receivables pertain to investment income receivable, the respective companies to which these amounts relate are liquid and solvent and will be able to pay the distribution declared on the prescribed payment date.

There are no significant concentrations of credit risk.

	GROUP		COMPANY	
	2017 EUR	2016 EUR	2017 EUR	2016 EUR
Gross receivables:				
Not past due	**4 457 081**	7 534 350	**7 390 769**	4 535 706
Past due – impaired	**178 530**	–	**–**	–
Total gross receivables	**4 635 611**	7 534 350	**7 390 769**	4 535 706

25.2 Liquidity risk

The following are the contractual maturities of financial liabilities, excluding interest payments:

	Carrying value EUR	Contractual outflows EUR	1 – 12 months EUR	2 – 5 years EUR	More than 5 years EUR
Group – 2017					
Interest-bearing borrowings	**26 089 853**	**26 089 853**	**1 374 996**	**24 714 857**	**–**
Trade and other payables	**14 578 853**	**14 578 853**	**14 578 853**	**–**	**–**
Group – 2016					
Interest-bearing borrowings	–	–	–	–	–
Trade and other payables	1 706 317	1 706 317	1 706 317	–	–
Company – 2017					
Interest-bearing borrowings	**–**	**–**	**–**	**–**	**–**
Trade and other payables	**6 392 517**	**6 392 517**	**6 392 517**	**–**	**–**
Company – 2016					
Interest-bearing borrowings	–	–	–	–	–
Trade and other payables	422 307	422 307	422 307	–	–

25. FINANCIAL INSTRUMENTS continued

25.2 Liquidity risk continued

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

	GROUP		COMPANY	
	2017 EUR	2016 EUR	2017 EUR	2016 EUR
Permitted borrowings for the company				
Total assets	**935 628 834**	385 774 797	**910 553 304**	384 483 076
45% (2016: 35%) of total assets	**421 032 975**	135 021 179	**409 748 987**	134 569 077
Total borrowings	**(26 089 853)**	–	**–**	–
Unutilised borrowing capacity	**394 943 122**	135 021 179	**409 748 987**	134 569 077

25.3 Market risk

25.3.1 Interest rate risk

	GROUP		COMPANY	
	2017 EUR	2016 EUR	2017 EUR	2016 EUR
Interest-bearing instruments comprise:				
Variable rate instruments				
Cash and cash equivalents	**406 588 386**	216 296 846	**219 005 904**	215 883 074
Equity derivative margin	**233 825 666**	86 226 838	**131 801 287**	86 226 838
Interest-bearing borrowings*	**(695 500 913)**	(300 804 290)	**(414 150 924)**	(300 804 290)
Net interest-bearing instruments	**(55 086 861)**	1 719 394	**(63 343 733)**	1 305 622

** Includes gross exposure to equity derivatives.*

The exposure of the group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

	1 – 12 months EUR	2 – 5 years EUR	More than 5 years EUR	Total EUR
2017				
Total borrowings	**1 374 996**	**24 714 857**	**–**	**26 089 853**
2016				
Total borrowings	–	–	–	–

Details of existing interest rate derivatives are:

	Cap maturity	Nominal amount EUR	Average cap rate %	Fair value EUR
2017	**Jan 2021**	**27 385 417**	**0,0**	**267 437**
2016		–	–	–

25. FINANCIAL INSTRUMENTS continued

25.3 Market risk continued

25.3.1 Interest rate risk continued

Cash flow sensitivity analysis for variable rate instruments

Interest

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) the profit or loss before income tax by the amounts shown below.

This analysis assumes that all other variables remain constant.

	PROFIT OR LOSS BEFORE INCOME TAX	
	Increase EUR	Decrease EUR
Group		
2017		
Cash and cash equivalents (including equity derivative margin)	**6 404 141**	**(6 404 141)**
Interest-bearing borrowings	**(6 955 009)**	**6 955 009**
Cash flow sensitivity (net)	**(550 868)**	**550 868**
2016		
Cash and cash equivalents (including equity derivative margin)	3 025 237	(3 025 237)
Interest-bearing borrowings	(3 008 043)	3 008 043
Cash flow sensitivity (net)	17 194	(17 194)
Company		
2017		
Cash and cash equivalents (including equity derivative margin)	**3 508 072**	**(3 508 072)**
Interest-bearing borrowings	**(4 141 509)**	**4 141 509**
Cash flow sensitivity (net)	**(633 437)**	**633 437**
2016		
Cash and cash equivalents (including equity derivative margin)	3 021 099	(3 021 099)
Interest-bearing borrowings	(3 008 043)	3 008 043
Cash flow sensitivity (net)	13 056	(13 056)

25.3.2 Equity price risk

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

	GROUP		COMPANY	
	2017 EUR	2016 EUR	2017 EUR	2016 EUR
Listed security investments*	**828 859 524**	303 899 934	**488 681 423**	303 899 934

** Includes exposure to gross listed security investments as disclosed in note 8.*

25. FINANCIAL INSTRUMENTS continued

25.3 Market risk continued

25.3.2 Equity price risk continued

A one percent change in the market value of investments would have increased/(decreased) profit or loss by the amounts shown below.

This analysis assumes that all other variables remain constant.

	PROFIT OR LOSS BEFORE INCOME TAX	
	1% increase EUR	1% decrease EUR
Group		
2017		
Listed security investments	**8 288 595**	**(8 288 595)**
2016		
Listed security investments	3 038 999	(3 038 999)
Company		
2017		
Listed security investments	**4 886 814**	**(4 886 814)**
2016		
Listed security investments	3 038 999	(3 038 999)

25.3.3 Currency risk

The company has assets and liabilities in currencies other than the Euro, its reporting currency.

The company is mainly exposed to foreign exchange risk arising due to fluctuation of the Euro versus other currencies. The group hedges 90% of its currency exposure on distributable income by utilising forward exchange contracts.

At 30 September 2017 the foreign exchange contracts were EUR303 668 in-the-money (2016: n/a).

At 30 September 2017 if the Euro had weakened/strengthened by 1% against the other currencies with all variables constant, profit or loss before income tax for the year would have been impacted as follows:

	PROFIT OR LOSS BEFORE INCOME TAX	
	EUR weakened 1%	EUR strengthened 1%
Group		
2017		
Investments at fair value through profit or loss	**661 201**	**(661 201)**
Receivables	**36 401**	**(36 401)**
Cash and cash equivalents (including equity derivative margin)	**634 922**	**(634 922)**
	1 332 524	**(1 332 524)**
Company		
2017		
Investments at fair value through profit or loss	**255 216**	**(255 216)**
Receivables	**23 908**	**(23 908)**
Cash and cash equivalents (including equity derivative margin)	**561 975**	**(561 975)**
	841 099	**(841 099)**

25. FINANCIAL INSTRUMENTS continued

25.3 Market risk continued

25.3.3 Currency risk continued

	PROFIT OR LOSS BEFORE INCOME TAX	
	EUR weakened 1%	EUR strengthened 1%
Group		
2016		
Investments at fair value through profit or loss	68	(68)
Receivables	38 063	(38 063)
Cash and cash equivalents (including equity derivative margin)	3 029 727	(3 029 727)
	3 067 858	(3 067 858)
Company		
2016		
Investments at fair value through profit or loss	68	(68)
Receivables	38 063	(38 063)
Cash and cash equivalents (including equity derivative margin)	688 174	(688 174)
	726 305	(726 305)

The currency profile of the company's assets and liabilities is disclosed in note 20, segmental reporting.

25.4 Fair values

The fair values of all financial instruments are substantially the same as the carrying amounts reflected on the statements of financial position.

	Designated at fair value EUR	Loans and receivables EUR	Amortised cost EUR	Total carrying amount EUR
Group				
2017				
Financial investments at fair value through profit or loss	**159 448 464**	**–**	**–**	**159 448 464**
Greenbay management incentive loans	**–**	**505 679**	**–**	**505 679**
Equity derivative margin	**233 825 666**			**233 825 666**
Trade and other receivables	**–**	**4 457 081**	**–**	**4 457 081**
Cash and cash equivalents	**–**	**–**	**406 588 386**	**406 588 386**
Interest-bearing borrowings	**–**	**–**	**(26 089 853)**	**(26 089 853)**
Trade and other payables	**–**	**–**	**(14 578 853)**	**(14 578 853)**
	393 274 130	**4 962 760**	**365 919 680**	**764 156 570**

25. FINANCIAL INSTRUMENTS continued

25.4 Fair values continued

	Designated at fair value EUR	Loans and receivables EUR	Amortised cost EUR	Total carrying amount EUR
Company				
2017				
Financial investments at fair value through profit or loss	**74 530 500**	**–**	**–**	**74 530 500**
Greenbay management incentive loans	**–**	**505 679**	**–**	**505 679**
Equity derivative margin	**131 801 287**	**–**	**–**	**131 801 287**
Loans to subsidiaries	**–**	**469 068 939**	**–**	**469 068 939**
Trade and other receivables	**–**	**7 390 769**	**–**	**7 390 769**
Cash and cash equivalents	**–**	**–**	**219 005 904**	**219 005 904**
Trade and other payables	**–**	**–**	**(6 392 517)**	**(6 392 517)**
	206 331 787	**476 965 387**	**212 613 387**	**895 910 561**

	Designated at fair value EUR	Loans and receivables EUR	Amortised cost EUR	Total carrying amount EUR
Group				
2016				
Financial investments at fair value through profit or loss	3 095 644	–	–	3 095 644
Greenbay management incentive loans	–	2 549 487	–	2 549 487
Equity derivative margin	86 226 838	–	–	86 226 838
Trade and other receivables	–	7 534 350	–	7 534 350
Cash and cash equivalents	–	–	216 296 846	216 296 846
Trade and other payables	–	–	(1 706 317)	(1 706 317)
	89 322 482	10 083 837	214 590 529	313 996 848
Company				
2016				
Financial investments at fair value through profit or loss	3 095 644	–	–	3 095 644
Greenbay management incentive loans	–	2 549 487	–	2 549 487
Equity derivative margin	86 226 838	–	–	86 226 838
Trade and other receivables	–	4 535 706	–	4 535 706
Cash and cash equivalents	–	–	215 883 074	215 883 074
Trade and other payables	–	–	(422 307)	(422 307)
	89 322 482	7 085 193	215 460 767	311 868 442

25. FINANCIAL INSTRUMENTS continued

25.5 Fair value hierarchy for financial instruments and investment property

The table below analyses financial instruments, investment property and investment property under development carried at fair value, by valuation method. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	GROUP		
	Level 1 EUR	Level 2 EUR	Level 3 EUR
2017			
Assets			
Investment property	**–**	**–**	**57 500 000**
Investment property under development	**–**	**–**	**13 942 548**
Investments	**159 448 464**	**–**	**–**
Mark-to-market settlement of equity derivatives	**1 250 231**	**–**	**–**
Interest rate derivatives debtor	**–**	**267 437**	**–**
Currency derivatives debtor	**–**	**303 668**	**–**
	160 698 695	**571 105**	**71 442 548**
Liabilities			
Mark-to-market settlement of equity derivatives	**(6 887 317)**	**–**	**–**
2016			
Assets			
Investment property	–	–	56 752 186
Investment property under development	–	–	13 319 446
Investments	3 095 644	–	–
Mark-to-market settlement of equity derivatives	1 005 179	–	–
	4 100 823	–	70 071 632
Liabilities			
Mark-to-market settlement of equity derivatives	(3 628 243)	–	–

25. FINANCIAL INSTRUMENTS continued

25.5 Fair value hierarchy for financial instruments and investment property continued

The following table show the valuation techniques used in measuring level 2 and 3 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Investment property and investment property under development	Fair value is determined by capitalising the net revenue stream evidenced by market-related rentals and deducting market-related expenses. Spare land value added to the capitalised value is based on comparative sales of similar land. Assumptions are made on the expiry of leases for some vacancy. Capital costs in respect of fit-outs for new tenants as well as agency commission fees are calculated into the cash flow. Among other factors, the capitalisation rate estimation considers the quality of the building, its location, the tenants' credit quality and their lease terms.	• Estimated rentals at the end of the lease • Assumptions regarding vacancy levels • Maintenance costs • Capitalisation rate	The estimated fair value would increase if: • the expected market rental growth increased; • vacant periods were shorter; • maintenance costs were lower; or • the capitalisation rate declined.
Derivative assets and liabilities: interest rate caps	Valued by discounting the future cash flows using the applicable swap curve at the dates when the cash flows will take place.*	Not applicable	Not applicable
Derivative assets and liabilities: forward exchange contracts	Valued by discounting the forward rates applied at year-end to the open hedged positions.*	Not applicable	Not applicable

** The valuations of the interest rate and currency derivatives have been performed externally by independent experts.*

There were no transfers between levels 1, 2 and 3 during the year. The group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

Refer to note 3 for the movement in investment property.

26. ACCOUNTING ESTIMATES AND JUDGEMENTS

Management discusses with the audit committee the development, selection and disclosure of the company's critical accounting policies and estimates and the application of these policies and estimates. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial years are discussed below.

26.1 Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the company's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the company's view of possible near-term market changes that cannot be predicted with any certainty.

26.2 Valuation of investment properties

The group carries its investment properties at fair value with changes in fair value being recognised in profit or loss. The group engaged an independent valuation specialist to determine fair value as at 30 September 2017. The valuation techniques used are discussed in note 3.

The revaluation of investment property requires judgement in the determination of future cash flows from leases and an appropriate capitalisation rate. A capitalisation rate of 7,20% was used in the calculation at 30 September 2017 (2016: n/a). Changes in the capitalisation rate attributable to changes in market conditions can have a significant impact on property valuations.

A 25 basis points increase in the capitalisation rate will decrease the value of investment property by EUR1,929 million (2016: n/a).

A 25 basis points decrease in the capitalisation rate will increase the value of investment property by EUR2,068 million (2016: n/a).

26.3 Impairment of assets

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

26.4 Classification of Locaviseu as a joint venture

Locaviseu is a public limited liability company whose legal form confers separation between the parties to the joint arrangement and the company itself. Furthermore, there are no contractual arrangements or any other facts or circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Instead the parties have rights to the net assets of the company. Accordingly, Locaviseu is classified as a joint venture of the group.

26. ACCOUNTING ESTIMATES AND JUDGEMENTS continued

26.5 Trade receivables

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

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

27. RELATED PARTY TRANSACTIONS

Identity of related parties with whom material transactions have occurred

The subsidiaries and directors are related parties. The subsidiaries of the company are identified in note 7. The directors are set out on pages 28 to 30.

Material related party transactions

Loans to subsidiaries are set out in note 7.

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

Remuneration paid to directors is set out on pages 38 to 41 and in note 15.

Greenbay management incentive loans to directors are set out in note 5.

Interest paid by directors to the Greenbay share incentive scheme amounts to EUR38 775 (2016: EUR33 581).

Related party transactions are made in the normal course of business.

For the year ended 30 September 2017, the group and the company have not recorded any impairment of receivables relating to amounts owed by related parties (2016: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which it operates.

28. STANDARDS AND INTERPRETATIONS

Statement of compliance with International Financial Reporting Standards ("IFRS")

The group applies all applicable IFRSs as issued by the International Accounting Standards Board ("IASB") in preparing the financial statements. Consequently, all IFRS statements that were effective at the date of issuing this report and are relevant to Greenbay's operations have been applied.

28.1 Standards not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2017 or later periods, but which the company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Standard			Effective date
IFRS 1	*First-time Adoption of International Financial Reporting Standards*	Amendments resulting from Annual Improvements 2014 – 2016 Cycle (removing short-term exemptions)	Annual periods beginning on or after 1 January 2018
IFRS 2	*Share-based Payment*	Amendments to clarify the classification and measurement of share-based payment transactions	Annual periods beginning on or after 1 January 2018

28. STANDARDS AND INTERPRETATIONS continued

28.1 Standards not yet effective continued

Standard			Effective date
IFRS 9	*Financial Instruments*	Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition.	Annual periods beginning on or after 1 January 2018
IFRS 12	*Disclosure of Interests in Other Entities*	Amendments resulting from Annual Improvements 2014 – 2016 Cycle (clarifying scope)	Annual periods beginning on or after 1 January 2017
IFRS 15	*Revenue from Contracts with Customers*	Original issue	Applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2018 (see below)
IFRS 15	*Revenue from Contracts with Customers*	Amendments to defer the effective date to 1 January 2018	Annual periods beginning on or after 1 January 2018
IFRS 15	*Revenue from Contracts with Customers*	Clarifications to IFRS 15	Annual periods beginning on or after 1 January 2018
IFRS 16	*Leases*	Original issue	Annual periods beginning on or after 1 January 2019
IFRS 17	*Insurance Contracts*	Original issue	Annual periods beginning on or after 1 January 2021
IAS 7	*Statement of Cash Flows*	Amendments as result of the Disclosure initiative	Annual periods beginning on or after 1 January 2017
IAS 12	*Income Taxes*	Amendments regarding the recognition of deferred tax assets for unrealised losses	Annual periods beginning on or after 1 January 2017
IAS 28	*Investments in Associates and Joint Ventures*	Amendments resulting from Annual Improvements 2014 – 2016 Cycle (clarifying certain fair value measurements)	Annual periods beginning on or after 1 January 2018
IAS 40	*Investment Property*	Amendments to clarify transfers of property to, or from, investment property	Annual periods beginning on or after 1 January 2018
IFRIC 22	*Foreign Currency Transactions and Advance Consideration*	Clarifications to IFRIC 22	Annual periods beginning on or after 1 January 2018
IFRIC 23	*Uncertainty over Income Tax Treatments*	Original issue	Annual periods beginning on or after 1 January 2019

None of these standards are expected to have a material impact on the consolidated financial statements.

28. STANDARDS AND INTERPRETATIONS continued

28.1 Standards not yet effective continued

Specific consideration has been given to the following standards:

IAS 12: *Income Taxes*

IAS 12 was amended to clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- a temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period;
- an entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit;
- where the tax laws restrict the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type; and
- tax deductions resulting from the reversal of deferred tax assets are excluded from the estimate future taxable profit that is used to evaluate the recoverability of those assets.

The group does not expect the amendment to have a material impact on its financial statements.

IFRS 9: *Financial Instruments*

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of this standard was issued in July 2014 and replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income with no recycling.

There is now a new expected credit losses model that replaces the incurred impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in a company's own credit risk in other comprehensive income and for liabilities designated at fair value through profit or loss.

The group expects IFRS 9 to have an immaterial impact on the accounting for financial assets and liabilities. The group does not recognise any available-for-sale financial assets. In addition to this, the group measures investments in equity instruments at fair value through profit and loss.

It is noted that IFRS 9 relaxes the requirements for hedge effectiveness. However, these amendments will not affect the group as the group does not utilise hedge accounting in respect of interest rate and currency derivatives utilised to hedge risk.

IFRS 15: *Revenue from Contracts with Customers*

This standard deals with revenue recognition and establishes principles for the reporting of useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of the good or service and thus has the ability to direct the use and obtain the benefits from the good or service. This standard replaces IAS 18: *Revenue* and IAS 11: *Construction Contracts and Related Interpretations*.

The group does not expect IFRS 15 to have a significant impact on the provision of services that fall under the scope of IFRS 15. Rental revenue from investment property will continue to be recognised in profit or loss on a straight-line basis over the term of the lease.

28. STANDARDS AND INTERPRETATIONS continued

28.1 Standards not yet effective continued

IFRS 16: *Leases*

For lessees, this standard will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases will be removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals is recognised. The only exceptions are short-term and low-value leases. In contrast to lessee accounting, the IFRS 16 lessor accounting requirements remain largely unchanged from IAS 17, which continue to require a lessor to classify a lease either as an operating lease or a finance lease.

The group is a lessor and since the accounting requirements for a lessor have remained largely unchanged the group does not expect a significant impact on current accounting practices.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 26.

29. DISTRIBUTABLE EARNINGS PER SHARE

The calculation of distributable earnings per share was based on the loss after tax, adjusted as shown in the table below, to arrive at the distributable earnings and the number of shares in issue at 30 September 2017.

	Unaudited 2017 EUR
Loss for the year attributable to equity holders	**(7 044 810)**
Basic loss for the year	**(7 044 810)**
Foreign exchange loss	**22 377 572**
Fair value loss on equity derivatives	**9 362 964**
Fair value loss on investments	**4 108 359**
Fair value gain on currency derivatives	**(303 668)**
Fair value gain on interest rate derivatives	**(267 437)**
Fair value gain on investment property	**(766 017)**
Dividends accrued	**2 794 275**
Antecedent dividend – six months ended 31 March 2017	**3 127 867**
Antecedent dividend – six months ended 30 September 2017	**5 290 796**
Distributable earnings for the year	**38 679 901**
Less:	**(36 546 043)**
Interim dividend declared	**(14 545 706)**
Final dividend declared	**(22 000 337)**
Earnings not distributed	**2 133 858**
Number of shares entitled to distribution	**9 322 176 525**
Distributable earnings per share (EUR cents)	**0,4951**
Less (EUR cents per share):	**(0,4668)**
Interim dividend per share (EUR cents) – declared	**(0,2308)**
Final dividend per share (EUR cents) – declared	**(0,2360)**
Distributable earnings per share not distributed (EUR cents)	**0,0283**

SHAREHOLDER ANALYSIS

SHAREHOLDER SPREAD AT 30 SEPTEMBER 2017 AS DEFINED IN TERMS OF THE SEM AND JSE LISTINGS REQUIREMENTS

	Number of shareholders	Number of shares held	Percentage of issued shares
Public	3 296	9 140 338 324	98,0
Directors and employees	14	181 838 201	2,0
	3 310	**9 322 176 525**	**100,0**

	Number of shareholders	Number of shares held	Percentage of issued shares
SIZE OF HOLDING			
1 to 2 500 shares	408	320 973	0,0
2 501 to 10 000 shares	454	2 734 749	0,0
10 001 to 100 000 shares	1 337	53 484 679	0,6
100 001 to 1 000 000 shares	684	242 706 758	2,6
1 000 001 to 3 500 000 shares	209	396 838 710	4,3
More than 3 500 000 shares	218	8 626 090 656	92,5
	3 310	**9 322 176 525**	**100,0**

	Number of shares held	Percentage of issued shares
REGISTERED SHAREHOLDERS OWNING 5% OR MORE OF ISSUED SHARES		
Resilient Properties Proprietary Limited	1 490 460 000	16,0
Fortress Income 2 Proprietary Limited	612 728 565	6,6
Public Investment Corporation SOC Ltd	514 216 127	5,5
	2 617 404 692	**28,1**

	Number of shares controlled	Percentage of issued shares
CONTROL OF MORE THAN 5% OF ISSUED SHARES		
Resilient Properties Proprietary Limited	1 490 460 000	16,0
Fortress Income 2 Proprietary Limited	612 728 565	6,6
Public Investment Corporation SOC Ltd	514 216 127	5,5
	2 617 404 692	**28,1**

CORPORATE DIARY

FINAL 2017

Financial year-end	**Saturday**	**30 September 2017**
Publication of preliminary summarised results – SENS	**Wednesday**	**15 November 2017**
Last day to trade shares inclusive of dividend (*cum* dividend)	**Tuesday**	**12 December 2017**
Shares trade *ex*-dividend from	**Wednesday**	**13 December 2017**
Last day to update share register for dividend (record date)	**Friday**	**15 December 2017**
Dividend payment	**Wednesday**	**20 December 2017**
Integrated Report and notice of annual general meeting posted on	**Friday**	**22 December 2017**
Annual general meeting	**Wednesday**	**31 January 2018**

FIRST QUARTER 2018

Quarter ends	**Sunday**	**31 December 2017**
Announcement of quarterly results (provisional)	**Friday**	**9 February 2018**

NOTICE OF ANNUAL GENERAL MEETING

GREENBAY PROPERTIES LTD
(Incorporated in the Republic of Mauritius on 14 August 2014)
(Registration number C124756 C1/GBL)
SEM share code: GFP.N0000 JSE share code: GRP
ISIN: MU0461N00007
("Greenbay" or "the company")

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take arising from the following resolutions, please consult your stockbroker, banker, attorney, accountant or other professional advisor immediately. Greenbay has its primary listing on both the Official Market of the Stock Exchange of Mauritius Ltd ("SEM") and the Johannesburg Stock Exchange Limited ("JSE").

Notice is hereby given that the third annual general meeting of shareholders of Greenbay ("annual general meeting") will be held at the company's registered office at C1-401, 4th Floor, La Croisette, Grand Baie, Mauritius on Wednesday, 31 January 2018 at 11h00 Mauritian time (09h00 South African time) for the purpose of:

- presenting the audited company and group financial statements for the year ended 30 September 2017 together with the reports of the directors, the audit committee and the auditor; and
- considering and, if deemed fit, adopting, with or without modification, the shareholder resolutions set out below.

Unless otherwise stated, in order for the ordinary resolutions to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required and in order for special resolutions to be adopted, the majority of not less than 75% of the votes cast by all shareholders entitled to do so, present in person or represented by proxy at the annual general meeting is required to pass such resolution.

ORDINARY RESOLUTION NUMBER 1

Receiving and adopting the audited company and group financial statements for the year ended 30 September 2017.

ORDINARY RESOLUTION NUMBER 2

RESOLVED THAT the following directors, who retire in terms of clause 12.4.2 of the company's Constitution and who offer themselves for re-election be and are hereby re-elected, each by way of a separate vote:

2.1 Terry Warren (62)

Independent non-executive director and chairman

Date of appointment: 11 August 2016

Terry has over 25 years' experience in the retail and wholesale industry. He started his career with the Spar Group before joining their wholesale division. Terry was one of the founding members and executive directors of CCW Wholesalers, later to become CBW Wholesalers under the Massmart Group, where he remained as an executive director. He went into residential property development on the KwaZulu-Natal South Coast and in 2010 relocated to Mauritius.

2.2 Kobus van Biljon (41)

Chief financial officer

CA(SA), CFA, CAIA, CGMA

Date of appointment: 16 August 2017

Kobus commenced his career at KPMG in Johannesburg, completed his articles in 2003 and focused on the banking and real estate sectors. In 2006 he transferred to KPMG in New York City, where he spent several years as consultant to global real estate and private equity asset management firms. He joined Rockcastle in 2014, initially working on Zambian retail property investments. In March 2015, he joined the Resilient Africa team in Lagos, Nigeria, as chief financial officer.

2.3 Stephen Delport (36)

Chief executive officer

BSc (Hons) Mathematics

Date of appointment: 1 March 2016

Stephen has a BSc with a financial orientation, majoring in mathematics, mathematical statistics and economics; and a BSc (Hons) Mathematics from the University of Johannesburg. Stephen started his career in 2003 in the asset management industry as a research analyst. He has gained a thorough insight into the global listed real estate industry, having managed several types of portfolios to date including collective investment schemes, exchange trade funds and hedge funds. Stephen joined Resilient in 2007 and Rockcastle in 2012 and has been part of a successful and consistent property investment philosophy and process.

2.4 Jan Wandrag (38)

Chief operating officer

BCom (Law)

Date of appointment: 22 August 2016

Jan joined Greenbay in 2016 from Maitland in Mauritius where he managed their operations and business development from 2013. Jan served as a director and trustee on numerous companies and trusts set up on behalf of high net worth individuals and families, corporations and various funds. Before joining Maitland, Jan managed a team at GMG Trust Company which provided independent administration services to corporate structures, including syndications, securitisations, BEE structures, hedge funds, property investment trusts and debenture trusts from 2009. During this time, he served as director of various JSE-listed entities, including financial vehicles created by banks and other blue-chip organisations. From 2006 to 2009, Jan worked as a legal officer at Integer and was part of the teams responsible for providing legal advice, collections, credit processes and product development.

2.5 Barry Stuhler (60)

Independent non-executive director

BCom, BAcc, CA(SA)

Date of appointment: 16 August 2017

Barry is a chartered accountant who completed his articles with Arthur Young. Barry's experience includes management of the Part Bond Scheme and Gilt Fund for Hill Samuel Merchant Bank. He was financial director of Integrated Property Resources and managing director of Intaprop Management Services, the property management company for the Intaprop group. In 1994 Barry co-founded Inline Properties, a property management and corporate property advisory company. Barry is a founding director of Resilient, of which he is currently a non-independent non-executive director. In 2004 he became managing director of Property Fund Managers Limited ("PFM"), the asset manager of Capital. He joined the Pangbourne Properties Limited board as executive director in 2007 and served as the managing director of the company from 2008 to 2015. After the merger with Pangbourne, Barry was reappointed as managing director of PFM. Post the merger between Capital and Fortress, Barry retired as an executive director.

2.6 Karen Bodenstein (36)

Independent non-executive director

BCom (Accounting Sciences)

Date of appointment: 27 September 2016

Karen completed her articles at BDO Spencer Steward in South Africa in 2004 and rose to the position of senior auditor, gaining invaluable experience in a wide variety of South African businesses. She has 12 years' experience in the construction and development industry, having been closely involved working as the management accountant in a number of property-related companies, including a leading Mauritian property development organisation and medium-sized South African construction company. For the past three years she has been managing her own business providing consulting and accounting services to a range of global business companies in Mauritius. Karen has been living in Mauritius since 2007.

2.7 Teddy Lo Seen Chong (49)

Non-independent non-executive director

Date of appointment: 1 March 2016

Teddy is the finance director of Intercontinental Trust Ltd. He was previously the manager of the fund administration department. He worked for six years in a firm of chartered accountants in London where his areas of responsibility were auditing, accounting and taxation. He also worked for Deloitte in Mauritius where he was involved in the listing of a major local bank on the Stock Exchange of Mauritius. He spent 11 years in Canada where he gathered valuable experience in the field of accounting and finance in North America. He is a member of the Institute of Chartered Accountants in England and Wales and of the Canadian Institute of Chartered Accountants. He also holds a Mauritius Stockbroker Examination Certificate and is currently pursuing the business valuators designation.

2.8 Mark Olivier (49)

Independent non-executive director

CA(SA)

Date of appointment: 28 June 2016

Mark has over 20 years' experience in managing debt, property and private equity assets and providing corporate finance and strategic advice, predominantly to public companies in the United Kingdom. Prior to founding Hibridge Capital (a London-based boutique, private equity and advisory business) in 2003, Mark was a shareholder and employee of Hawkpoint Partners, which was previously the corporate finance division of NatWest Markets. Mark worked for BoE Limited where he served on the executive committee of the group's international business, headquartered in London. Mark is a qualified chartered accountant and in his early career worked at KPMG as a manager in their London offices. Mark is the chairman of Trellidor, the largest physical barrier security business in South Africa. He was a non-executive director of the Dynasty Group of companies, which is owned and managed by Macquarie and Blackstone Inc., which was the first ever wholesale international vehicle established to invest in retail properties in China. He is an independent non-executive director of African Rainbow Capital Investments Limited, a company which is to be listed on the JSE.

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

ORDINARY RESOLUTION NUMBER 3

RESOLVED THAT BDO & Co be and is hereby re-appointed as the auditor of the company with Ms Rookaya Ghanty currently being the designated audit partner. The audit committee has assessed and confirmed the suitability for the re-appointment of BDO & Co and Ms Rookaya Ghanty in accordance with paragraph 3.84(h)(iii) of the JSE Listings Requirements.

ORDINARY RESOLUTION NUMBER 4

RESOLVED THAT the directors be and are hereby authorised to determine the remuneration of the group's auditor.

ORDINARY RESOLUTION NUMBER 5

RESOLVED THAT fees to be paid by the company to the non-executive directors for their services as directors and as members of the company's sub-committees be and are hereby approved as follows:

Participation	Member/ Chairman	Annual remuneration EUR	Terry Warren	Karen Bodenstein	Teddy Lo Seen*	Mark Olivier	Barry Stuhler
Board of directors	Member	12 000		12 000		12 000	12 000
Board of directors	Chairman	24 000	24 000				
Audit committee	Member	3 000				3 000	3 000
Audit committee	Chairperson	5 000		5 000			
Risk committee	Member	2 000					
Risk committee	Chairperson	3 000		3 000			
Investment committee	Member	3 000					3 000
Investment committee	Chairman	5 000				5 000	
Remuneration committee	Member	2 000				2 000	
Remuneration committee	Chairman	3 000					3 000
Nomination committee	Member	2 000		2 000			2 000
Nomination committee	Chairman	3 000				3 000	
Social and ethics committee	Member	1 000					
Social and ethics committee	Chairman	2 000					2 000
			24 000	22 000	–	25 000	25 000

* *The administration fee, which is payable to Intercontinental Trust Ltd for their services in Mauritius, includes this fee.*

ORDINARY RESOLUTION NUMBER 6

RESOLVED THAT, subject to the provisions of the Mauritian Companies Act 2001, the SEM Listing Rules, the JSE Listings Requirements, the Mauritian Securities Act 2005 and the rules made thereunder by the Mauritian Financial Services Commission, where applicable, and pursuant to, *inter alia*, the company's Constitution, the board of directors of the company be and is hereby authorised to allot and issue up to 7 500 000 000 additional shares of the company at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, until this authority lapses, which shall be at the next annual general meeting or 15 months from the date hereof, whichever is the earlier.

ORDINARY RESOLUTION NUMBER 7

RESOLVED THAT, subject to the provisions of the Mauritian Companies Act 2001, the SEM Listing Rules and the JSE Listings Requirements, and pursuant to, *inter alia*, the company's Constitution, the board of directors of the company be and is hereby authorised to allot and issue additional shares of the company for cash, until this authority lapses, which shall be at the next annual general meeting or 15 months from the date hereof, whichever is the earlier, and which authority is subject to the restrictions below:

(a) The allotment and issue of shares must be made to persons qualifying as public shareholders and not to related parties, as defined in the JSE Listings Requirements;

(b) The shares which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;

(c) The total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 1 398 326 478 shares, being 15% (fifteen percent) of the total issued share capital. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 1 398 326 478 shares the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;

(d) In the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;

(e) The maximum discount at which the shares may be issued is 10% (ten percent) of the weighted average traded price of such shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares; and

(f) After the company has issued shares for cash which represent, on a cumulative basis, within the period that this authority is valid, 5% (five percent) or more of the number of shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including the number of shares issued, the average discount to the weighted average trade price of the shares over the 30 (thirty) days prior to the date that the issue is agreed in writing and an explanation, including supporting documentation (if any), of the intended use of the funds.

For the avoidance of doubt, the number of shares that may be issued for cash in terms of this resolution shall exclude any shares issued in terms of the Greenbay Properties Ltd Incentive Plan as approved at the general meeting held on 31 July 2017.

In terms of the JSE Listings Requirements, in order for ordinary resolution number 7 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

ORDINARY RESOLUTION NUMBER 8

RESOLVED THAT, in accordance with the JSE Listings Requirements and the King IV Report on Corporate Governance, and through a non-binding advisory vote, the remuneration policy be and is hereby approved.

The remuneration policy is disclosed in detail in the remuneration report on pages 35 to 38 of the Integrated Report.

ORDINARY RESOLUTION NUMBER 9

RESOLVED THAT, in accordance with the JSE Listings Requirements and the King IV Report on Corporate Governance, and through a non-binding advisory vote, the remuneration implementation report be and is hereby approved. The remuneration implementation report is disclosed in detail in the remuneration report on pages 38 to 41 of the Integrated Report.

Should ordinary resolutions 8 and 9, which are of an advisory nature, be voted against by 25% or more of the voting rights exercised, the board of directors undertakes to engage with those shareholders who voted against ordinary resolutions 8 and/or 9 in order to ascertain the reasons therefor and to address legitimate and reasonable objections or concerns.

The directors consider that the passing of resolutions 1 to 9 is in the best interests of the company and its shareholders as a whole and accordingly recommend that you vote in favour of all the resolutions to be proposed at the annual general meeting.

ORDINARY RESOLUTION NUMBER 10

RESOLVED THAT any director of the company or the company secretary be and is hereby authorised to do all such things and sign all such documents as may be required to give effect to ordinary resolutions numbers 1 to 9 and to special resolutions numbers 1 and 2.

SPECIAL RESOLUTION NUMBER 1

RESOLVED THAT, to the extent required by the Mauritian Companies Act 2001 ("the Companies Act"), the board of directors of the company may, subject to compliance with the requirements of the company's Constitution, the Companies Act, the JSE Listings Requirements and the SEM Listing Rules, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance in terms of section 81 of the Companies Act and section 82 of the Companies Act by way of loans, guarantees, the provisions of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related to the company for any purpose or in connection with any matter, such authority to endure until the next annual general meeting of the company.

The reason for and effect of special resolution number 1

The company provides loans to and/or guarantees loans or other obligations of companies in the group. The company believes it necessary that it continues to have the ability to provide financial assistance to, *inter alia*, ensure that the company's subsidiaries and other related and interrelated companies and corporations have access to financing and/or financial backing from the company (as opposed to banks) and is accordingly proposing special resolution number 1.

Therefore, the reason for, and effect of, special resolution number 1 is to permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 81 of the Companies Act and section 82 of the Companies Act) to the entities referred to in special resolution number 1 above.

In terms of section 81 of the Companies Act, if the resolution is adopted, the board of directors will only be entitled to authorise such financial assistance if it is satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and, immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act.

NOTICE OF ANNUAL GENERAL MEETING continued

SPECIAL RESOLUTION NUMBER 2

RESOLVED THAT the company or any of its subsidiaries be and are hereby authorised by way of a general authority to acquire shares issued by the company, subject to the SEM Listing Rules, the Securities (Purchase of Own Shares) Rules 2007, the JSE Listings Requirements and subject to the following provisions of the JSE Listings Requirements:

(a) Any acquisition of shares shall be implemented through the order book of the JSE or the SEM and without prior arrangement;

(b) This general authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 months from the date of passing this special resolution;

(c) The company (or any subsidiary) is duly authorised by its Constitution to do so;

(d) Acquisitions of shares in the aggregate in any one financial year may not exceed 20% (or 10% where the acquisitions are effected by a subsidiary) of the company's issued ordinary share capital as at the date of passing this special resolution;

(e) In determining the price at which shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% of the weighted average of the market value of the shares on the JSE over the five business days immediately preceding the repurchase of such shares;

(f) At any point in time the company (or any subsidiary) may appoint only one agent to effect repurchases on its behalf;

(g) Repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the JSE Listings Requirements) unless a repurchase programme is in place (where the dates and quantities of shares to be repurchased during the prohibited period are fixed) and has been submitted to the JSE and the SEM in writing prior to commencement of the prohibited period;

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

(i) The board of directors of the company must resolve that the repurchase is authorised, the company and its subsidiaries have passed the solvency and liquidity test and since that test was performed, there have been no material changes in the financial position of the group.

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

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

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

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

- Major beneficial shareholders – page 94
- Stated capital of the company – page 69

The reason for and effect of special resolution number 2

The reason for special resolution number 2 is to afford the company a general authority to effect a repurchase of the company's shares on the SEM and the JSE.

The effect of the resolution will be that the directors will have the authority, subject to the SEM Listing Rules, the JSE Listings Requirements, the Companies Act and the company's Constitution, to effect repurchases of the company's shares.

Directors' responsibility statement

The directors whose names appear on page 30 of the Integrated Report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the JSE Listings Requirements and the SEM Listing Rules.

MATERIAL CHANGES

There have been no material changes in the affairs or financial position of the company and its subsidiaries between the date of release of the preliminary summarised audited consolidated financial statements for the year ended 30 September 2017 and the date of this notice.

The salient dates and times in relation to the annual general meeting are set out below:

Record date to receive the notice of the annual general meeting	Friday, 15 December 2017
Notice of annual general meeting posted to shareholders*	Friday, 22 December 2017
Record date to be recorded in the register in order to be entitled to vote at the annual general meeting	Friday, 26 January 2018
Last day to lodge forms of proxy for the annual general meeting by 10h00 Mauritian time (08h00 South African time)	Tuesday, 30 January 2018
Annual general meeting held at 11h00 Mauritian time (09h00 South African time)	Wednesday, 31 January 2018
Results of annual general meeting released on JSE and SEM	Wednesday, 31 January 2018

** Members who have consented to receive communications by electronic means will be emailed accordingly.*

VOTING AND PROXIES

Members holding shares in dematerialised form in "own-name":

- may attend and vote at the annual general meeting; alternatively
- may appoint an individual as a proxy (who need not also be a member of the company) to attend, participate in and speak and vote in your place at the annual general meeting by completing the attached form of proxy and returning it to the company secretary, by no later than 10h00 Mauritian time (08h00 South African time) on Tuesday, 30 January 2018. Alternatively, the form of proxy may be handed to the chairman of the annual general meeting at the annual general meeting or at any time prior to the commencement of the annual general meeting. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy. Please also note that the attached form of proxy must be delivered to the company secretary or handed to the chairman of the annual general meeting, before your proxy may exercise any of your rights as a member of the company at the annual general meeting.

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

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

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

- If you wish to attend the annual general meeting you must contact your CSDP, CDS or broker, and obtain the relevant letter of representation from it; alternatively
- If you are unable to attend the annual general meeting but wish to be represented at the annual general meeting, you must contact your CSDP, CDS or broker, and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP, CDS or broker, within the time period required by your CSDP, CDS or broker.
- CSDPs, CDSs or brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and return it to the company secretary, by no later than 10h00 Mauritian time (08h00 South African time) on Tuesday, 30 January 2018. Alternatively, the form of proxy may be handed to the chairman of the annual general meeting at the annual general meeting at any time prior to the commencement of the annual general meeting.

NOTICE OF ANNUAL GENERAL MEETING continued

VOTING AT THE ANNUAL GENERAL MEETING

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

By order of the board

Intercontinental Trust Ltd
Company secretary

22 December 2017

Address of registered office
C1-401 4th Floor, La Croisette
Grand Baie, Mauritius

Address of transfer secretaries
Link Market Services South Africa Proprietary Limited
13th Floor, Rennie House, 19 Ameshoff Street
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)
South Africa

FORM OF PROXY

GREENBAY PROPERTIES LTD

(Incorporated in the Republic of Mauritius on 14 August 2014)
(Registration number C124756 C1/GBL)
SEM share code: GFP.N0000 JSE share code: GRP
ISIN: MU0461N00007
("Greenbay" or "the company")

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

For use by the holders of the company's dematerialised shares held through a Central Securities Depository Participant ("CSDP"), broker or the Central Depository and Settlement Company Limited ("CDS") who have selected "own-name" registration ("own-name dematerialised shareholders"), at the annual general meeting of members of the company to be held at the company's registered office, C1-401, 4th Floor, La Croisette, Grand Baie, Mauritius, on Wednesday, 31 January 2018 at 11h00 Mauritian time (09h00 South African time), or at any adjournment thereof if required. Additional forms of proxy are available from the company's registered office.

Not for use by dematerialised shareholders who have not selected "own-name" registration. Such shareholders must contact their CSDP, CDS or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary Letter of Representation to do so, or provide the CSDP, CDS or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP, CDS or broker to vote in accordance with their instructions at the annual general meeting.

I/We ____ (name/s in block letters)

of ____ (address)

being the registered holder of ____________ ordinary shares in the capital of the company do hereby appoint:

1. ____ or failing him/her,

2. ____ or failing him/her,

3. the chairperson of the annual general meeting.

as my/our proxy to act for me/us on my/our behalf at the annual general meeting to be held on Wednesday, 31 January 2018 at 11h00 Mauritian time (09h00 South African time) or any adjournment thereof, which will be held for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat as detailed in the notice of annual general meeting; and to vote for and/or against such resolutions and/or to abstain from voting for and/or against the resolutions in respect of the shares registered in my/our name in accordance with the following instructions:

	Number of votes		
	For	Against	Abstain
Ordinary resolution number 1 (Receiving and adopting the audited company and group financial statements)			
Ordinary resolution number 2.1 (Re-election of Terry Warren as a director)			
Ordinary resolution number 2.2 (Re-election of Kobus van Biljon as a director)			
Ordinary resolution number 2.3 (Re-election of Stephen Delport as a director)			
Ordinary resolution number 2.4 (Re-election of Jan Wandrag as a director)			
Ordinary resolution number 2.5 (Re-election of Barry Stuhler as a director)			
Ordinary resolution number 2.6 (Re-election of Karen Bodenstein as a director)			

FORM OF PROXY continued

	Number of votes		
	For	Against	Abstain
Ordinary resolution number 2.7 (Re-election of Teddy Lo Seen Chong as a director)			
Ordinary resolution number 2.8 (Re-election of Mark Olivier as a director)			
Ordinary resolution number 3 (Re-appointment of auditor)			
Ordinary resolution number 4 (Authorising directors to determine auditor’s remuneration)			
Ordinary resolution number 5 (Approving non-executive directors’ fees)			
Ordinary resolution number 6 (Control over unissued shares)			
Ordinary resolution number 7 (General authority to issue shares for cash)			
Ordinary resolution number 8 (Non-binding advisory vote on remuneration policy)			
Ordinary resolution number 9 (Non-binding advisory vote on remuneration implementation report)			
Ordinary resolution number 10 (Authority for directors or company secretary to implement resolutions)			
Special resolution number 1 (Approval to provide financial assistance to related or inter-related companies)			
Special resolution number 2 (Approval of the repurchase of shares)			

Signed at ______________________________ on ______________________________ 2018

Signature ____

Assisted by (where applicable) ______________________________

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

Please read the notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY

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

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

3. A member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the member in the appropriate box(es) provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairperson, to vote or abstain from voting as deemed fit and in the case of the chairperson to vote in favour of the resolution.

4. A member or his/her proxy is not obliged to use all the votes exercisable by the member, but the total of the votes cast or abstained may not exceed the total of the votes exercisable in respect of the shares held by the member.

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

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

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

8. The completion and lodging of this form of proxy will not preclude the relevant member from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.

9. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company or the company secretary or waived by the chairperson of the annual general meeting.

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

11. Where there are joint holders of shares, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted and only that holder whose name appears first in the register in respect of such shares needs to sign this form of proxy.

Forms of proxy must be deposited at, posted, faxed or emailed to:

The company secretary
Greenbay Properties Ltd
Level 3, Alexander House
35 Cybercity, Ebene, 72201
Mauritius

Tel: +230 403 0800
Fax: +230 403 0801

Email: greenbay@intercontinentaltrust.com to be received by no later than 10h00 Mauritian time (08h00 South African time) on Tuesday, 30 January 2018.

CORPORATE INFORMATION

COMPANY DETAILS AND REGISTERED OFFICE

Greenbay Properties Ltd
Registration number: C124756 C1/GBL
SEM share code: GFP.N0000
ISIN: MU0461N00007
JSE share code: GRP
C1-401-4th Floor, La Croisette
Grand Baie
Mauritius

info@greenbay.mu
Tel: +230 269 6619
Fax: +230 403 0801

www.greenbayprop.mu

NETHERLANDS OFFICE

Zuidplein 36
Regus World Trade Center
1077XV
Amsterdam
The Netherlands

COMMERCIAL BANKERS

Standard Bank Mauritius
Level 9, Tower A
1 Cybercity
Ebene, 72201
Mauritius

Afrasia Bank Limited
3rd Floor, NexTeracom Tower 3
Ebene, 72201
Mauritius

TRANSFER SECRETARY

Link Market Services South Africa Proprietary Limited
13th Floor Rennie House
19 Ameshoff Street
Braamfontein
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)
South Africa

JSE SPONSOR

Java Capital
6A Sandown Valley Crescent
Sandown, Sandton, 2196
(PO Box 2087, Parklands, 2121)
South Africa

MAURITIAN MANAGEMENT COMPANY AND COMPANY SECRETARY

Intercontinental Trust Ltd
Level 3, Alexander House
35 Cybercity
Ebene, 72201
Mauritius

AUDITOR

BDO & Co
DCDM Building
10 Frère Fèlix de Valois Street
Port Louis
Mauritius

SEM AUTHORISED REPRESENTATIVE AND SPONSOR

Perigeum Capital Ltd
Level 3, Alexander House
35 Cybercity
Ebene, 72201
Mauritius


FORUM
COIMBRA

www.greenbayprop.mu