Grit Real Estate Income Group Limited
Half Year abridged unaudited results for the six months ended 31 December 2018

GRIT REAL ESTATE INCOME GROUP LIMITED
(Registered by continuation in the Republic of Mauritius)
(Registration number: C128881 C1/GBL)
SEM share code: DEL.N0000
JSE share code: GTR
LSE share code: GR1T
ISIN: MU0473N00036
("**Grit**" or the "**Company**" or the "**Group**")

Date: 14 February 2019
Half Year abridged unaudited results for the six months ended 31 December 2018

Grit Real Estate Income Group Limited, is a real estate income group operating in carefully selected African countries and is currently listed on the Main Market of the London Stock Exchange ("LSE"), the Main Board of the Johannesburg Stock Exchange Limited ("JSE") and the Official Market of the Stock Exchange of Mauritius Ltd ("SEM").

Grit has a robust property portfolio with diversification across sectors and geography, backed by comprehensive risk mitigation policies and procedures.

Grit optimises its structured investments underpinned by solid property fundamentals to achieve compelling US Dollar returns and its ability to sustain distribution is supported by predominantly US Dollar and EURO-denominated long-term leases, with blue chip multinational tenants delivering strong sustainable income.

Forward-looking statements

This document may contain certain forward-looking statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Actual outcomes and results may differ materially from any outcomes or results expressed or implied by such forward-looking statements.

Any forward-looking statements made by, or on behalf of, Grit speak only as of the date they are made and no representation or warranty is given in relation to them, including as to their completeness or accuracy or the basis on which they were prepared. Grit does not undertake to update forward-looking statements to reflect any changes in its expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Information contained in this document relating to Grit or its share price, or the yield on its shares, should not be relied upon as an indicator of future performance.

Any forward-looking statements and the assumptions underlying such statements are the responsibility of the Board of directors and have not been reviewed or reported on by the Company's external auditors.

Results for period ended 31 December 2018

Grit Real Estate Income Group Limited, a leading pan-African real estate company focused on investing in and actively managing a diversified portfolio of assets underpinned by predominantly US$ and Euro denominated long-term leases with high quality multi-national tenants, today announces its results for the six months ended 31 December 2018.

Financial highlights

- Distributable earnings of US$6.06 cps for the period (Dec 2017: US$6.07 cps)
- Half year dividend per share declared of US$5.25 cps representing 87% of distributable earnings generated (Dec 2017:US$ 6.07cps)
- European Public Real Estate Association ("EPRA") NAV[1] portfolio performance increased by 5.15% to US$143.1 cps
- Gross rental income increased by 25.9% to US$18.7 million (Dec 2017: US$14.9 million)
- Profit from operations increased by 75.7% to US$7.3 million (Dec 2017: US$4.1 million)
- Operating cost to income ratio (including associates) of 15.2% (30 June 2018: 18.6%)
- Weighted average cost of debt at 6.31% (30 June 2018: 5.75%) versus a 1.26% increase in Libor
- Loan-to-value ratio of 43.4% (30 June 2018: 51.4%)
- Adjusted[2] administration cost to income producing asset value equates to 1.3% (30 June 2018: 1.4%)
- Successful admission to the Main Market of the London Stock Exchange on 31 July 2018, raising gross capital amounting to

US$132.2 million

Portfolio highlights

- Property portfolio now comprises a total of 25 investments
- Portfolio Weighted Average Lease Expiry ("WALE") of 6.5 years (June 2018: 7.4 years)
- Weighted average annual rent escalations at 3.1% (30 June 2018: 3.1%)
- EPRA portfolio occupancy rate at 96.0% as at 31 Dec 2018 (30 June 2018: 96.7%), 96.6% at 31 January 2019

[1] See note 16 for EPRA NAV calculations

[2] See note 15

Bronwyn Corbett, Chief Executive Officer of GRIT Real Estate Income Group Limited, commented:

"This has been another busy and successful period in which the Group continued to implement its investment strategy, delivering a robust operational, strategic and financial performance following our successful listing on the main market of the London Stock Exchange on the 31 July 2018.

The Company continues to deliver on its targets of annual income distribution and total annual return growth and is well positioned to capitalise on the significant potential growth from its unique high quality portfolio of properties as well as further attractive investment opportunities across the African continent. Given the strength of the Group's existing portfolio, the Company expects to continue to deliver annual rental growth as well as possible capital value increases through yield compression.

Through opportunities presented by the Group's recent LSE listing, the Company is well positioned to continue to add high quality assets to its portfolio selectively, focused on assets leased to multinational corporates and attracting hard currency rental streams, ensuring that potential investments are value accretive. The Company is well placed to continue to benefit from its strong position in the market and deliver attractive returns to our shareholders over the short and longer term."

FOR FURTHER INFORMATION, PLEASE CONTACT:

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The Company's LEI is: 21380084LCGHJRS8CN05

NOTES:

Grit Real Estate Income Group Limited is a leading pan-African real estate company focused on investing in and actively managing a diversified portfolio of assets in carefully selected African countries (excluding South Africa). These high quality assets are underpinned by predominantly US$ and Euro denominated long-term leases with a wide range of blue-chip multi-national tenant covenants across a diverse range of robust property sectors.

The Company is committed to delivering strong and sustainable income for shareholders, with the potential for income and capital growth. The Company is targeting an annual dividend yield in USD of 8%+ and a net total shareholder return inclusive of NAV growth of 12.0%+ p.a.*

Grit is listed on the London Stock Exchange main market (LSE: GR1T), the Johannesburg Stock Exchange main board (JSE: GTR) and the Stock Exchange of Mauritius Ltd official market (SEM: DEL.N0000).

Further information on the Company is available at http://grit.group/

*These are targets only and not a profit forecast and there can be no assurance that they will be met.

Directors:
Peter Todd+ (Chairman), Bronwyn Corbett (Chief Executive Officer)*, Leon van de Moortele (Chief Financial Officer)*, Ian Macleod+, Matshepo More, Nomzamo Radebe, Catherine McIlraith+, David Love+ and Bright Laaka (Permanent Alternate Director to Nomzano Radebe).
(* Executive Director) (+ independent Non-Executive Director)

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Registrar and transfer agent (Mauritius): Intercontinental Secretarial Services Limited
JSE sponsor: PSG Capital Proprietary Limited
Sponsoring broker: Axys Stockbroking Limited
SEM authorised representative and sponsor: Perigeum Capital Ltd

This notice is issued pursuant to the LSE Listing Rules, the JSE Listings Requirements, SEM Listing Rule 11.3 and the Mauritian Securities Act 2005. The Board of Directors of the Company accepts full responsibility for the accuracy of the information contained in this communiqué.

CHIEF EXECUTIVE'S STATEMENT

This has been another busy and successful period in which the Group continued to implement its investment strategy, delivering a robust operational, strategic and financial performance following our successful listing on the main board of the London Stock Exchange on the 31 July 2018.

15% of our shareholders are currently new institutional shareholders from the UK following our main market LSE listing where we raised US$132.2 million of new equity, further diversifying the shareholder base and improving liquidity. The Group is targeting its inclusion on a number of additional major indices, and while we are already the fourth largest company in the Mauritius SEM 10, we are targeting inclusion to a number of others including the SAPY Index in South Africa.

The Group is continuing to focus on delivering on its investment strategy and remains on track to meet its full year target annual income distribution growth of between 3% and 5% and a minimum total annual net shareholder return target of 12%+ in US Dollars. The Group's earnings and dividends are underpinned by the secure and growing income of our high quality portfolio. The Group has delivered good growth in the valuations of our investment assets and continues to focus on delivering on a target loan to value ratio of between 35% and 40% at the end of the financial year. The Group is currently in the process of refinancing a number of the debt facilities which will see an overall reduction in financing costs and the delivery of a longer tenure debt profile. With the deployment of the capital raise there has been a significant reduction in the gearing of the Group at the period end to 43.4% (30 June 2018: 51.4%).

As the Group has continued to grow and diversify the portfolio both geographically and by sector, we have continued to strengthen the Company's management and reporting. The highly skilled team and infrastructure that is now in place has the capacity to manage not only the current asset base of over US $700 million, but also absorb significant future growth. The Company's administration cost to asset value is currently at 1.3% and will continue to be further reduced to a target of 0.7%.

The group has successfully deployed the US$132.2m capital raised from the London Stock Exchange Listing in July 2018 to complete strategic acquisitions in Ghana and Mozambique. The acquisition in Mozambique, being the corporate accommodation residence to both a global petroleum company and an US government agency, had a positive impact on net asset value in the period notwithstanding the fact that the capital raise had an offsetting dilutive impact as a result of being pregnant with distribution.

The Company has access to a significant and growing pipeline of potential investments that meet its strict investment criteria set out below:

1) Geographic and asset class diversification, which is delivered by our expansion into Ghana. The Group's portfolio is now situated between North, West, East and SADAC Africa. These regions are all driven by different economic drivers and do not track the same cycles. The Group is not heavily reliant on the commodity cycle and is exposed to other industries/sectors including retail, hospitality and financial services. The Group has a soft hurdle of not being more than 25% exposed to one geography. The expansion of the Ghanaian office portfolio and further investment into corporate accommodation further diversified the asset classes of the Group.

2) The Group targets to have 50% of its portfolio located in investment grade countries in Africa, being Botswana, Morocco and Mauritius, characterised by the ease of doing business and more sophisticated capital markets. The Company remains focused on continuing to identify further potential investment pipeline in these markets.

3) The investment pipeline remains focused on assets with multinational tenants and on securing revenues in hard currencies. The Company currently has 92.3% of its rental income from multinational tenants and collects 93.2% of the revenue stream in hard currency (including pegged currencies).

In a challenging retail market, shareholder value has been protected through active management of the day to day operational activities including the tenant mix, extension of leases and exiting of non-performing brands, whilst at the same time progressing our strategy of focusing on convenience retail that services the basic needs of the underlying communities. This can be seen in the asset valuations.

The Group current vacancy rate of 3.4% is expected to be significantly reduced with the completion of Anfa which is targeted for mid-2019. The redevelopment is on track and on budget and we expect to see a valuation uplift at completion, which will deliver a prime, family focused and affordable retail centre in the catchment area of Casablanca. The weighted average lease expiry of 6.5 years in the period was impacted by the lease lengths of the recent acquisitions, but the Company continues actively to renew leases and actively pursuing various asset management initiatives, which are expected to drive longer lease lengths and higher quality tenants. Our tenant relationships are important to the long term success of the Company and the executive team and founders manage this very closely. Currently close to 70% of the revenue is collected from the Company's top 15 tenants.

The countries on which the Company focuses its investment continue to see good GDP growth, including Mozambique, which despite a number of macro challenges over the previous years, is now growing off a lowered base. We are seeing a significant improvements in the economic environment with major contracts being signed with international global players for foreign investment into Mozambique. This has had a direct impact on the demand for office space specifically in Maputo, the capital of Mozambique, and we have seen significant lease uptake and interest in office space by these global organisations.

The Group has access to a large attractive pipeline of potential investments, which we continue to grow selectively. The Company continues to maintain strong capital discipline by turning down a number of these opportunities as a result of the Group's detailed due diligence process and not meeting our strict investment criteria and/or risk mitigation requirements. The Group's ability to source high quality investment opportunities is significant and we remain focusing on assets let to high quality multinational tenants on hard currency leases that will deliver further value to our shareholders over the short and longer term.

The Group has a well established compliance and risk management team that not only manages the complex regulatory environments but also the continuous monitoring of the countries of investment.

During the period, the Company implemented a fully integrated and automated property management system.

Outlook

The Company continues to deliver on its targets of annual income distribution and total annual return growth and is well positioned to capitalise on significant potential growth from its unique high quality portfolio of properties as well as further attractive investment opportunities across the African continent. Given the strength of the Group's existing portfolio the it expects to continue to deliver annual rental growth as well as possible capital value increases through yield compression.

The Group is on track to move trading in its shares to the premium listing segment of the main market of the London Stock Exchange in the last quarter of 2019 as well as inter posing a UK Holdco structure, which is expected to facilitate the Group's eligibility for inclusion in the FTSE UK Index Series, which, in turn, is anticipated to improve significantly the liquidity in the Company's shares and further diversify the Company's shareholder base.

The Group is continuing to focus on cost optimization both at a property and corporate level to reduce the overall cost base and deliver further value to our shareholders. We will continue to focus on identifying potential investments where the Company has the current infrastructure cost base in place as well as the potential for the full internalization of the Company's property management function across all markets.

We expect retail to remain challenging in both the occupier and investment markets against the backdrop of an uncertain economic outlook, but we expect to deliver value by continuing to focus on maximising the yield of the current portfolio and unlocking value through the Company's operational expertise, financial strength and proactive asset management.

Through opportunities presented by the Group's recent LSE listing, the Company is well positioned to continue to add high quality assets to its portfolio selectively, focused on assets leased to multinational corporates and attracting hard currency rental streams, ensuring that potential investments are value accretive. The Company is well placed to continue to benefit from its strong position in the market and deliver attractive returns to our shareholders over the short and longer term.

Bronwyn Corbett
Chief Executive Officer

BUSINESS REVIEW

Property diversification

The Group has continued to diversify its geographical and sectoral splits with two new acquisitions in Ghana (office) and one acquisition in Mozambique (corporate accommodation) during the period. The Group is strategically re-positioning itself with a more balanced geographic and sectoral profile.

Geographical split by property value	31-Dec-17	31-Dec-18
Mozambique	31.4%	38.1%
Mauritius	26.9%	22.7%
Morocco	15.3%	13.2%
Kenya	3.8%	4.9%
Zambia	22.5%	12.8%
Ghana	0.0%	7.9%
Botswana	0.1%	0.4%
Total	**100%**	**100%**

Sector split by property value	31-Dec-17	31-Dec-18
Office	32.4%	28.7%
Retail	37.7%	31.6%
Light industrial	5.0%	4.6%
Hospitality	24.2%	20.5%
Held for sale	0.0%	0.5%
Corporate accommodation	0.0%	13.7%
Other	0.7%	0.4%
Total	**100%**	**100%**

WALE

WALE has reduced from 7.4 years at June 2018 to 6.5 years at December 2018. The WALE was reduced by the acquisitions of 5th Avenue and CADS II commercial offices due to the remaining period of the initial five year lease at acquisition date. The Group has however identified future potential NAV opportunities due to the strength of the counterparties occupying these properties and believes that it will have the opportunity to extend the leases on the properties to create future revenue growth.

Asset management

The Group has reduced the operating cost to income ratio (including associates) from 18.6% in 2018 to 15.2% for the period ending December 2018. This ratio is primarily the result of the triple net and double net lease structures within the portfolio and active asset management with regards to cost efficiencies has started to show results, particularly in Mozambique.

The challenging retail market conditions across the African continent had an adverse impact on the Group's EPRA occupancy rates resulting in the occupancy rates dropping by 0.7% to 96% for the period ended December 2018. The primary contributor to the slight reduction in occupancy rate was the liquidation of the anchor supermarket tenancy, at Zimpeto Shopping Centre. Subsequent to our interim period end, the anchor has been successfully replaced with a strong global supermarket anchor brand, Spar, on an initial five year lease. The occupancy rate of 96.6% at 31 January 2019 demonstrates that the Group is actively managing the portfolio through proactive lease renewals with high quality tenants. The breakdown of the tenant mix below illustrates Grit's continuous ability to partner with high quality tenants across the portfolio.

Classification	**%GLA**	**% Rentals**
Forbes 2000	24.00%	34.67%
Other Global	17.81%	43.39%
Pan African	51.40%	14.52%
National	4.73%	5.25%
Local	2.06%	2.17%
Total Classified	**100.0%**	**100.0%**

Whilst the portfolio has experienced a challenging retail environment in general, lease negotiations (renewals, new leases and lease extensions) have successfully introduced new global counterparties into the portfolio tenancy mix and/or lengthened some of our lease periods – the benefits of which is reflected in a positive valuation uplift of 2.5%.

Notable new leases entered into by the Group during the period includes:

Mozambique:

Global Petroleum Company	Leased premises expansion on remaining ten year lease
Swiss Embassy	New five year lease
Spar	New supermarket anchor at Zimpeto for five years
ENI	Three Units at Acacia Estate

Morocco:

Marks & Spencer	Five year extension in final negotiations (9 years remaining on current lease)
Terranova	New nine year lease

FINANCIAL REVIEW

Financial overview

The financial results for the six months ended 31 December 2018 have shown a solid return delivering a distributable earnings per share of US$6.06 cps (Dec 2017: US$6.07 cps). The results reflect the resilient property portfolio's robust performance in challenging African market conditions, particularly in relation to retail performance. The EPRA NAV return from operations showed an increase of US$7.5 cps although this was diluted by the impact of the $132.2m capital raised in July 2018, which resulted in a net decrease of US$3.8 cps (being the reduction due to the capital raise of US$4.6 cps less the resultant value uptick, net of costs, from the acquired properties of US$0.6 cps). A further reduction in the NAV was due to the US$6.3 cps dividend paid in the period. Included in the above is the impact of the Euro vs the US Dollar amounting to (US$ 1.1 cps).

The Group utilised the proceeds of the capital raised to complete the asset acquisitions of 80.1% of Acacia Estate (a housing compound in Maputo, Mozambique leased to the US State Department and a global petroleum company on long term corporate leases - US$38.8 million), 5th Avenue (an office complex in Accra Ghana anchored by the American Tower Corporation and GCNet - US$11.5 million) and 50% of CADS II Office Building (in Accra, Ghana fully let to Tullow Oil - US$8.5 million) in 2018. The Group also settled the debt amounting to US$46.4 million which resulted in a material reduction in the Group's LTV position to 43.4% at 31 December 2018 compared to 51.7% at 30 June 2018. The balance of the proceeds was utilised to pay a construction deposit on a warehouse in Nairobi, Kenya and for capital calls for Gateway Delta (a development company which the Group owns 19.98%).

Presentation of financial results

The financial statements have been prepared in accordance with IFRS, in accordance with best practice in the sector, alternative performance measures have also been provided to supplement IFRS, based on the recommendations of European Public Real Estate Association ("EPRA"). EPRA's Best Practice Recommendations have been adopted widely throughout this report and are used within the business when considering our operational performance of the properties. Full reconciliations between IFRS and EPRA figures are provided in note 16.

To ensure consistent and comparable information, the Group has elected to adjust the amounts for the six months ended 31 December 2017 to reflect the impact of the restatements to the financial statements and the change in accounting policy adopted as part of the Historic Financial Information as disclosed in the prospectus for the London Stock Exchange listing. Full information regarding the restatements can be found within note 42 of the 2018 Annual Report of the Group.

Income statement

Gross rental income, including associates, increased by US$8.4 million to US$29.9 million (six months ending December 2017: US$21.5 million). This increase is attributable to escalations and new leases from the portfolio US$0.8 million, the impact of the retail vacancies (US$0.4 million), the full period impact of assets acquired in 2018 (US$5.3 million) and assets acquired in this current financial period (US$2.7 million). Property operating expenses, including associates, increased by US$0.6 million, attributable to decreases from the portfolio (US$0.1 million), increase from the full period impact of assets acquired in 2018 (US$0.5 million) and assets acquired in the current financial period (US$0.2 million). Net property income including associates increased to US$25.4 million from US$17.5 million in the prior year.

Despite vacancies across the portfolio remaining low, the strategic vacancies within Anfa Place Shopping Centre (in line with the upgrade to the centre) limited the increase in overall revenue. The final phase of the redevelopment is expected to be completed by 30 June 2019 when operations are expected to normalise and vacancies to reduce to less than 5% at Anfa.

Operating costs on the entire portfolio (included assets held in associated companies) as a percentage of revenue decreased in the period from 18.6% for the period ended December 2017 to 15.2% in the period ended December 2018. This has been achieved through the acquisition of triple net lease assets and cost savings initiatives and synergies across the geographic al locations.

	Revised six months ended 31 Dec 2017 Subsidiaries US$'000	Revised six months ended 31 Dec 2017 Associates US$'000	Revised six months ended 31 Dec 2017 Total US$'000	Revised six months ended 31 Dec 2018 Subsidiaries US$'000	Revised six months ended 31 Dec 2018 Associates US$'000	Revised six months ended 31 Dec 2018 Total US$'000
Revenue	15,287	6,178	21,465	19,375	10,560	29,935
Operating expenses	(3,280)	(706)	(3,986)	(3,977)	(577)	(4,554)
Net operating income	**12,007**	**5,473**	**17,480**	**15,398**	**9,983**	**25,381**
Operating costs ratio	21.5%	11.4%	18.6%	20.5%	5.5%	15.2%

The Group incurred a 4.5% comparable increase in administration expenses during the period to US$8.1 million, largely attributable to costs associated with the Group's admission to the LSE, costs within Freedom Asset Management (a company controlled by the Group, but with no ownership interests) and transactional fees incurred. Adjusted administration costs[1] attributable to the shareholders of the Group increased by 35.4% to US$5.4 million.

The Group has delivered on its commitment to ensure the staffing complement is sufficient to absorb the recent and future expected growth of the portfolio. This is demonstrated by the comparative head count of staff. Staff in all departments have been bolstered prior to the LSE listing and has been structured to absorb additional growth in assets. Staff increases are attributable to the on boarding of Ghana as an investment destination, the internalizing of the property management in Mozambique and to ensure continued compliance with the financial reporting and strict corporate governance requirements with additional staff in the compliance and finance functions.

1 Adjusted administration costs are defined and calculated as administration costs less non-controlling administration costs, acquisition cost and initial setup costs is disclosed in note 15.

DEPARTMENT	as at 31 Dec 2017	as at 31 Dec 2018	Movement
Legal & Compliance	1	4	3
Operations	7	18	11
Communications	1	2	1
Finance	9	17	8
Investment	5	8	3

Admin	6	9	3
Management	4	5	1
Business Development	1	1	-
Human Resources	1	1	-
	35	**65**	**30**

With the Group's active on-site approach to asset and property management in the various jurisdictions, it has attracted a number of highly skilled and experienced staff to manage the portfolio. The annualised adjusted administration costs as a percentage of income producing assets have reduced from 1.4% in 2018 to 1.3% for the period ended 31 December 2018, showing the commitment by the Group to proactively manage the cost base.

Total profit for the period attributable to shareholders was US$20.6 million compared with US$18.1 million for the previous period.

Dividend

The robust financial performance and distributable earning has resulted in distributable earnings of US$6.06 cps for the period (Dec 2017: US$6.07 cps). Considering the importance of the completion of the Anfa Shopping Centre's redevelopment, the Board has elected to take a prudent approach and retain a portion of the distribution to the end of year to ensure there is sufficient cash reserves should any unforeseen overruns occur on the redevelopment. The Board has thus declared an interim distribution of US$5.25 cps (i.e. 87% of distributable earnings). The Group maintains its targeted annual dividend growth of 3% - 5% in 2019.

Net asset value

NAV per share decreased by 0.8% year-on-year, or US$1.1 cps, from US$135.6 cps to US$134.5 cps. EPRA NAV decreased by 1.8% or US$2.6 cps from US$145.7 cps to US$143.1 cps. The movement in net asset value per share is shown in the table below:

Net Asset Value Movement	**IFRS US$ cps**	**EPRA US$ cps**
Opening Balance 1 June 2018	135.6	145.7
Dividend paid	(6.3)	(6.3)
Capital raise impact		
- Share issue at US$1.43	(0.8)	(0.8)
- Share issue costs	(3.6)	(3.6)
- Valuation impact of new acquisitions net of costs	(0.7)	0.6
Total Capital raise impact	**(5.1)**	**(3.8)**
Portfolio performance		
- Distributable earnings	5.5	5.5
- Fair value adjustments	4.6	3.3
- Other non-cash items	0.2	(1.3)
Total Portfolio performance impact	**10.2**	**7.5**
Closing Balance 31 December 2018	**134.5**	**143.1**
	(0.8%)	(1.8%)

Valuations including associates

Fair Value Movement excluding contractual receipts from vendors	**Retail US$'000**	**Office US$'000**	**Hospitality US$'000**	**Light Industrial US$'000**	**Corporate Accommodation US$'000**	**Land US$'000**	**TOTAL US$'000**	**% Increase/ (decrease)**
Mauritius	-	(101)	5,608	-	-	-	**5,507**	3.5%
Mozambique	(932)	4,002	-	-	3,848	-	**6,918**	2.6%

Morocco	(656)	-	-	-	-	-	**(656)**	(0.7%)
Zambia	(147)	-	-	-	-	-	**(147)**	(0.2%)
Kenya	-	-	-	998	-	20	**1,018**	3.7%
Ghana	-	1,657	-	-	-	-	**1,657**	3.3%
TOTAL	**(1,735)**	**5,558**	**5,608**	**998**	**3,848**	**20**	**14,297**	2.5%
% Increase / (decrease)	(0.8%)	3.6%	4.0%	3.9%	3.9%	0.6%	2.5%	

Retail

Retail assets decline is in line with the retail market in general. The outlook for the retail sector remain under pressure in the coming months although the upgrade to Anfa Place Shopping Centre should produce positive valuation growth by year end.

Office

Mozambique assets have benefited from securing long term global tenancies and the increased demand for office space consequent to the commencement of the LNG construction phase in the Rovuma Basin.

Hospitality

Increased sale activity in the Mauritian market at 7% cap rates has provided additional market comparisons to underpin recent valuations.

Light Industrial

Normal lease escalations in Kenya are driving the uptick in the property value.

Corporate accommodation

Acquisition value upside driven by the letting activities and the full occupancy following the transfer date.

Impact of the Euro vs United States Dollar

The Net exposure of Group to the Euro is US$66.6 million (being total Euro based assets of US$180.6 million versus debt of US$114.0 million) compared to June 2018 of US$54.9 million (being total Euro based assets of US$180.7 million versus debt of US$ 125.8 million). The 2.1% movement of the Euro versus the US Dollar from 30 June 2018 to 31 December 2018 has reduced the NAV growth of the Group by US$ 1.1 cps during the period.

Total investment in income generating assets has increased from US$642.3 million in June 2018 to US$796.4 million in December 2018. This include the impact of the change in accounting of the Makubu Mall. The Group obtained effective control over the asset on 31 December and have consolidated the asset as per the relevant IFRS accounting standards and have recognised the minority stake as a movement in the non-controlling interest in the period. The impact, based on the fair value of the assets on 31 December 2018, amounted to an increase in income generating assets of US$37.7million. Additional material movements include the acquisitions of Acacia Estate (80.1%), 5th Avenue and CADS II (50%).

COMPOSITION OF INCOME PRODUCING ASSETS	30-Jun-18 US$'m	31-Dec-18 US$'m
Investment properties	383.1	**552.8**
Deposits paid on investment properties	11.1	**15.4**
Other investments	4.2	**4.2**
Investment property included within 'Investment of associates'	201.3	**174.0**
Other loans receivable*	42.1	**42.1**
Intangible assets (right of use of land)	0.5	**0.5**
Current assets including non-current assets held sale	-	**7.4**
	642.3	**796.4**

* This includes receivable balances from partners in Zambia relating to the back-to-back loan from Bank of China of $77m used to fund the acquisition and loans advanced to Gateway Delta.

Net debt, cash flow and financing

The Group raised an additional US$98.3 million of debt in the period to fund acquisitions. As financing is integral to our business model, the Group has continued to develop strong relationships with financiers. The multi-bank approach adopted by Grit has continued, with the main banking partners being Bank of China, Standard Bank, Barclays Bank and SBM (Mauritius) Ltd. The breakdown of the interest-bearing borrowings is listed in note 7.

The Group's loan-to-value ("LTV") has decreased to 43.4% in six months ended December 2018 (30 June 2018: 51.4%). This was driven by the settlement of the short-term funding facilities from the proceeds of the successful fundraising in July 2018. Gearing has also been impacted by the new debt raised relating to the acquisitions of Acacia Estate, 5th Avenue and CADS II, a revolving credit facility with Standard Bank and the consolidation of Makubu Mall.

In the year, the Group refinanced debt of US$51.3 million held with Standard Bank South Africa and SBM (Mauritius) Ltd to ensure the Group manages the weighted average costs of debt ("WACD"). The 3 month USD Libor rates increased from 1.49% at 30 June 2018 to 2.75% at 31 December 2018. The 1.26% increase in USD Libor rates in the period resulted in the Group's WACD increased to 6.31% (2018: 5.69%). The increase in WACD was also driven by the repayment of low interest rate Euro based revolving credit facilities in August 2018. Euro based exposures are entered into to match the currency of the underlying assets with the funding source.

The Group has embarked on various refinance initiatives, most notably the increase in gearing of Euro based assets (which will reduce the net exposure to Euro Dollar fluctuations) and to refinance the Mozambique portfolio through a syndicated loan structure resulting in an estimated reduction in cost of funding of approximately 1% on the Mozambique portfolio.

Leon van de Moortele
Chief Financial Officer

PRINCIPAL RISKS AND UNCERTAINTIES

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

The principal risks of the business are set out on pages 41-45 of the 2018 Annual Report alongside their potential impact and related mitigations. These risks fall into four categories: compliance; strategic; financial and operational.

The Board has reviewed the principal risks in the context of the second half of the current financial year. The Board believes there has been no material change to the risk categories outlined in the 2018 Annual Report of the Group and that the existing mitigation actions remain appropriate to manage them.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors confirm that the condensed consolidated half year financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the International Accounting Standards Board ("IASB") and that the half year management report includes a fair review of the information required by the Disclosure Guidance and Transparency Rules ("DTR") 4.2.7R and DTR 4.2.8R, namely:

important events that have occurred during the first six months and their impact on the condensed set of half year financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

material related party transactions in the first six months and a fair review of any material changes in the related party transactions described in the last Annual Report.

The maintenance and integrity of the Grit website is the responsibility of the directors.

Legislation in Mauritius governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions. The directors of the Group are listed in its Annual Report for the year ended 30 June 2018. A list of current directors is maintained on the Grit website: www.grit.group.

On behalf of the Board

Bronwyn Corbett Chief Executive Officer	Leon van de Moortele Chief Financial Officer

	Unaudited Revised	Unaudited six

Consolidated statement of comprehensive income	Notes	six months ended 31-Dec-17 US$'000	months ended 31-Dec-18 US$'000
Gross rental income	8	14,868	18,733
Straight-line rental income accrual		419	642
Revenue		**15,287**	**19,375**
Property operating expenses		(3,280)	(3,977)
Net property income		**12,007**	**15,398**
Other income		1	101
Administrative expenses (including corporate structuring costs)	15	(7,868)	(8,223)
Profit from operations		**4,140**	**7,276**
Fair value adjustment on investment properties		1,540	12,373
Contractual receipts from vendors of investment properties	3	7,612	2,652
Total fair value adjustment on investment properties		9,152	15,025
Fair value adjustment on other investments		53	26
Fair value adjustment on other financial assets		(80)	-
Fair value adjustment on derivative financial instruments		(52)	-
Share-based payment expense		(183)	(78)
Share of profits from associates	4	5,851	7,720
Foreign currency gains / (losses)		5,582	(1,084)
Profit before interest and taxation		**24,463**	**28,885**
Interest income	9	2,368	6,669
Finance costs	10	(9,362)	(10,999)
Profit for the period before tax		**17,469**	**24,555**
Taxation		(161)	(3,605)
Profit for the period after tax		**17,308**	**20,950**
Gain / (loss) on translation of functional currency		2,339	(1,290)
Non-controlling interest		-	-
Total comprehensive income		**19,647**	**19,660**
Profit / (loss) attributable to:			
Owners of the parent		18,109	20,643
Non-controlling interests		(801)	307
		17,308	**20,950**
Total comprehensive income/ (loss) attributable to:			
Owners of the parent		20,448	19,353
Non-controlling interests		(801)	307
		19,647	**19,660**

Consolidated statement of financial position	Notes	Audited as at 30-Jun-18 US$'000	Unaudited as 31-Dec-18 US$'000
Assets			
Non-current assets			
Investment properties	3	383,132	552,763
Deposits paid on investment properties	3	11,117	15,382
Property, plant and equipment		1,749	1,847

Intangible assets		485	492
Investments in associates	4	165,311	135,695
Other investments	5	4,154	4,180
Related party loans receivable		802	802
Other loans receivable	6	42,863	42,863
Deferred tax		8,999	10,059
Total non-current assets		**618,612**	**764,083**
Current assets			
Non-current assets held for sale		-	4,282
Trade and other receivables		29,786	57,771
Related party loans receivable		77	2,000
Current tax receivable		-	402
Cash and cash equivalents		3,086	5,698
Total current assets		**32,949**	**70,153**
Total assets		**651,561**	**834,236**
Equity and liabilities			
Total equity attributable to equity holders			
Ordinary share capital		328,394	443,242
Treasury shares reserve		(14,811)	(14,811)
Foreign currency translation reserve		1,780	490
Antecedent dividend reserve		-	927
Retained loss		(35,980)	(28,776)
Equity attributable to owners of the Company		**279,383**	**401,072**
Non-Controlling interests		**(3,940)**	**16,655**
Total equity		**275,443**	**417,727**
Liabilities			
Non-current liabilities			
Redeemable preference shares		12,840	12,840
Interest-bearing borrowings	7	207,106	201,462
Interest free shareholder loans from property co-owners		-	19,230
Obligations under finance leases		124	89
Deferred tax		20,791	25,463
Total non-current liabilities		**240,861**	**259,084**
Current liabilities			
Interest-bearing borrowings	7	99,038	123,415
Obligations under finance leases		51	50
Trade and other payables		26,151	25,334
Current tax payable		969	-
Derivative financial instruments		22	(3)
Other financial liability		128	128
Bank overdrafts		8,898	8,501
Total current liabilities		**135,257**	**157,425**
Total liabilities		**376,118**	**416,509**
Total equity and liabilities		**651,561**	**834,236**

Consolidated statement of cashflows	Notes	Unaudited Revised six months ended 31-Dec-17 US$'000	Unaudited six months ended 31-Dec-18 US$'000
Cash generated from operations			
Profit before tax for the period		**17,469**	**24,555**
Adjusted for:			
Depreciation and amortisation		137	167
Interest income		(2,368)	(6,669)
Share of profits from associates	3	(5,851)	(7,720)
Finance costs	10	9,362	10,999
Allowance for credit losses		135	-
Foreign currency losses/(gains)		(5,582)	1,084
Straight-line rental income accrual		(419)	(642)
Share based payment expense		183	78
Fair value adjustment on investment properties	3	(9,152)	(12,373)
Fair value adjustment on other investments		(53)	(26)
Fair value adjustment on other financial asset		80	-
Fair value adjustment on derivative financial instruments		52	-
		3,993	**9,453**
Changes to working capital			
Movement in trade and other receivables		(10,156)	(23,768)
Movement on deposits paid on investment properties	3	20,323	(6,266)
Movement in trade and other payables		(5,554)	(4,953)
Cash generated / (utilised in) from operations		**8,606**	**(25,534)**
Taxation paid		111	(569)
Net cash generated from / (utilised in) operating activities		**8,717**	**(26,103)**
Cash utilised on investing activities			
Acquisition of investment properties	3	(44,158)	(80,958)
Acquisition of property, plant and equipment		(49)	(105)
Acquisition of other investments	5	(3,849)	-
Net cash outflow on acquisition of associates	4	(15,738)	(10,500)
Dividends received from associates		3,972	3,681
Interest received	9	3,849	4,864
Related party loans (advanced) / repaid		(458)	-
Other loans (advanced) / repaid		(19,532)	(1,923)
Net cash utilised in investing activities		**(75,963)**	**(84,941)**
Proceeds from the issue of ordinary shares		-	132,094
Share issue expenses		-	(10,666)
Ordinary dividends paid		(2,739)	(18,749)
Proceeds from interest bearing borrowings		123,157	98,269
Settlement of interest-bearing borrowings		(49,287)	(81,135)
Finance costs paid	10	(7,208)	(5,738)
Settlement of obligations under finance leases		(20)	(37)
Net cash generated from financing activities		**63,903**	**114,038**
Net movement in cash and cash equivalents		(3,343)	2,994
Cash at the beginning of the year		24,230	(5,812)
Effect of foreign exchange rates		(212)	(15)
Total cash and cash equivalents at the end of the period		**20,675**	**(2,803)**

Consolidated statement of changes in equity	Share Capital US$'000	Treasury Shares US$'000	Foreign currency translation reserve US$'000	Antecedent dividend reserve US$'000	Retained earnings US$'000	Non-controlling interest US$'000	Foreign Total equity holders US$'000
Balance as at 1 July 2017							
- As previously reported	319,979	-	1,063	1,261	(7,578)	-	314,725
- effect of prior year adjustments	-	(15 031)	2 212	-	(43 599)	(1 123)	(57 541)
- as adjusted	**319,979**	**-**	**1,063**	**1,261**	**(7,578)**	**-**	**314,725**
Profit for the period	-	-	-	-	18,109	(801)	17,308
Foreign currency translation differences	-	-	2,339	-	-	-	2,339
Total comprehensive income	**-**	**-**	**2,339**	**-**	**18,109**	**(801)**	**19,647**
Ordinary dividends paid	-	-	-	(1,261)	(1,478)	-	(2,739)
Share based payments	-	-	-	-	214	-	214
Treasury shares	-	220	-	-	-	-	220
Balance as at 31 December 2017	**319,979**	**220**	**3,402**	**-**	**9,267**	**(801)**	**332,067**
Balance as at 1 July 2018							
- As previously reported	**328,394**	**(14,811)**	**1,780**	**-**	**(35,980)**	**(3,940)**	**275,443**
Adoption of IFRS 9	**-**	**-**	**-**	**-**	(265)	**-**	(265)
Profit for the year	-	-	-	-	20,643	307	20,950
Foreign currency translation differences	-	-	(1,290)	-	-	-	(1,290)
Total comprehensive income	**-**	**-**	**(1,290)**	**-**	**20,643**	**307**	**19,660**
Ordinary shares issued	132,094	-	-	-	-	-	132,094
Ordinary shares issue expenses	(10,666)	-	-	-	-	-	(10,666)
Transfer to antecedent dividend reserve	(6,580)	-	-	6,580	-	-	-
Ordinary dividends paid	-	-	-	(5,653)	(13,096)	-	(18,749)
Share based payments	-	-	-	-	(78)	-	(78)
Minority interest acquired through effective control	-	-	-	-	-	20,288	20,288
Balance as at 31 December 2018	**443,242**	**(14,811)**	**490**	**927**	**(28,776)**	**16,655**	**417,727**

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

This condensed consolidated interim financial information (financial statements) for the six months ended 31 December 2018 has been prepared on a going concern basis and in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and IAS 34 'Interim Financial Reporting' as issued by the IASB, the JSE, LSE and SEM Listings Requirements; the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Accountants Council and the Securities Act of Mauritius 2005.

In order to satisfy themselves that the Group has adequate resources to continue in operational existence for the foreseeable future, the Directors have reviewed an 18-month cash flow target includes assumptions about future trading performance and debt requirements, and an assessment of the potential impact of significant changes to those cash flows. This, together with available market information, headroom under the financial covenants, and experience of the Group's property portfolio and markets, has given the Directors sufficient confidence to adopt the going concern basis in preparing the financial statements.
The condensed consolidated interim financial information does not comprise statutory accounts. Statutory accounts for the year ended 30 June 2018, presented in accordance with International Financial Reporting Standards ("IFRS"), were approved by the Board of Directors on 26 September 2018 and delivered to the Registrar of Companies in Mauritius. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph. The condensed consolidated interim financial information should be read in conjunction with the Group's annual financial statements for the year ended 30 June 2018. This condensed consolidated interim financial information was approved for issue on 13 February 2018. The condensed consolidated interim financial information has not been reviewed or reported on by the Group's auditors.

Significant Judgements
The preparation of these financial statements requires the Board to make judgements, assumptions and estimates that affect amounts reported in the Statement of Comprehensive Income and Balance Sheet. The directors consider the valuation of investment property to be a critical judgement because of the level of complexity, judgement or estimation involved and its impact on the financial statements. This is consistent with the financial statements for the previous year end. Full disclosure of the critical judgements, assumptions and estimates is included in the 2018 financial statements.

2. Changes in accounting policies

The condensed consolidated interim financial information has been prepared on the basis of the accounting policies, significant judgements, key assumptions and estimates as set out in the notes to the Group's annual financial statements for the year ended 30 June 2018, as amended where relevant to reflect the new standards, amendments and interpretations which became effective in the period.

New accounting standards and interpretations
The following amendment to an existing Standard was relevant to the Group and mandatory for the first time for the financial year beginning 1 July 2018:

Standard or Interpretation	Effective from
Amendments to IAS 7 Statement of cash flows – disclosure initiative	01-Jan-17
Annual Improvements 2014-2016	01-Jan-18
Amendments to IFRS 2 Classification of share-based payment transactions	01-Jan-18
IFRS 15 Revenue from contracts with customers	01-Jan-18
IFRS 9 Financial instruments	01-Jan-18

IFRS 9 – *Financial Instruments*

In the current period, the Group has applied IFRS 9 Financial Instruments and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and other items (for example, lease receivables) and 3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 July 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 July 2018.

Key changes in accounting policies resulting from application of IFRS 9
Classification and measurement of financial assets and financial liabilities
All recognised financial assets that are within the scope of IFRS 9 are subsequently measured at amortised cost or fair value.
Debt instruments that meet the following conditions are subsequently measured at amortised cost:

the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets At Fair Value Through Profit Or Loss ("FVTPL")

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income ("FVTOCI") or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

The Group reviewed and assessed its financial assets and liabilities as at 1 July 2018 based on the facts and circumstances that existed at that date. There would be no impact on initial application of IFRS 9 as all other financial assets and financial liabilities will continue to be measured on the same basis as are currently measured under IAS 39.

Impairment Under ECL Model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including trade and other receivables and bank balances and cash). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. When the financial instrument is determined to have low credit risk, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition.

Significant Increase In Credit Risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

The Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement And Recognition Of ECL

The ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

The Group adopted the practical expedient to determine ECL on account receivables using a provision matrix based on historical credit loss experiences to estimate lifetime ECL. The ECL model applied to other financial assets also required judgment, assumptions and estimations on changes in credit risks, forecasts of future economic conditions and historical information on the credit quality of the financial asset. The Group uses three main components to measure ECL on long-term loans. These are probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Group has leveraged existing parameters used for determining capital demands under the Basel guidance and internal risk management practices as much as possible to calculate ECL. The provision matrix and ECL model applied do not have a significant impact on the Group's financial assets measured at amortized costs.

The Group recognises an impairment gain or loss in profit or loss (general and administrative expenses line) for all financial instruments by adjusting their carrying amounts, except for trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Impairment loss reversals are also through the profit or loss. The impairment reversal is limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

Impairment allowance reconciliations

Reconciliation from IAS 39 to IFRS 9 - financial assets under IFRS 9 subject to an increase in impairment allowance

The table below, reconciles the closing impairment allowances for financial assets in accordance with IAS 39 as at 30 June 2018 and the opening impairment allowances determined in accordance with IFRS 9 as at 1 July 2018.

Impairment allowance reconciliations

Reconciliation from IAS 39 to IFRS 9 - financial assets under IFRS 9 subject to an increase in impairment allowance

The table below, reconciles the closing impairment allowances for financial assets in accordance with IAS 39 as at 30 June 2018 and the opening impairment allowances determined in accordance with IFRS 9 as at 1 July 2018.

Reconciliation of impairment allowance and provisions	Impairment allowance under IAS 39 US$000	Reclass-ification impact US$000	Additional IFRS 9 impairment allowance US$000	Impairment allowance under IFRS 9 US$000
Related party loans receivable	-	-	2	2
Other loans receivable	-	-	138	138
Trade and other receivables	-	-	125	125
Cash and cash equivalents	-	-	-	-
Total impairment and provision	**-**	**-**	**265**	**265**

The introduction of IFRS 9 has increased the total impairment allowance by approximately US$265k, from US$ nil on date of initial application. No reclassification impact on adoption of IFRS 9.

IFRS 15, *Revenue from Contracts with Customers*

IFRS 15, Revenue from Contracts with Customers, is effective for annual periods beginning on or after January 1, 2018, replacing all existing guidance in IFRS related to revenue, including (but not limited to) IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 15 Agreements for the Construction of Real Estate.

IFRS 15 contains a single, control-based model that applies to contracts with customers and provides two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions giving guidance on revenue recognition. IFRS 15 also includes additional disclosure requirements for revenue accounted for under the standard.

Revenue from lease components includes rent, recoveries of property tax and property insurance, and revenue recognition remains consistent with the accounting policies outlined in the most recent audited annual consolidated financial statements.

Revenue related to the services component of the Group's leases are accounted for in accordance with IFRS 15. These services consist primarily of operating costs recoveries for which the revenue is recognized over time, typically as the costs are incurred, which is when the services are provided. This IFRS 15 treatment is the same as that applied previously under IAS 18.

The Group has applied IFRS 15 for the first time in the current interim period. The Group has applied IFRS 15 modified retrospective approach with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 July 2018, in opening retained earnings, with no restatement of comparative periods.

The adoption of IFRS 15 did not have an impact on the timing of recognition or measurement of revenue and was limited to additional disclosure on the disaggregation of the Group's various revenue streams.

b) The following new Standards and amendments to existing Standards are relevant to the Group, are not yet effective in the year ending 30 June 2019 and are not expected to have a significant impact on the Group's financial statements:

Standard or Interpretation

IFRS 16 Leases
(Effective from 1 January 2019)
IFRS 16 - Leases
For operating leases in excess of one year, this standard requires lessees to recognise a right-of-use asset and a related lease liability representing the obligation to make lease payments. The right-of-use asset is assessed for impairment annually and is amortised on a straight-line basis. The lease liability is amortised using the effective interest method.

Lessor accounting is substantially unchanged from current accounting. Therefore, since the Group is primarily a lessor, this standard does not significantly impact the Group's financial statements.

c) There are no other Standards or Interpretations that are not yet effective that would be expected to have a material impact on the Group.

Segmental information
IFRS 8 requires operating segments to be reported in a manner consistent with the internal financial reporting reviewed by the chief operating decision maker. The chief operating decision maker of the Group is the Board. The Board is responsible for reviewing the Group's internal reporting in order to assess performance. The information reviewed by the Board is prepared on a basis consistent with these financial statements. That is, the information is provided at a Group level and includes both the IFRS reported results and EPRA measures. Refer to note 11 for segmental reporting.

3. Investment properties	**As at 30-Jun-18 US$'000**	**As at 31-Dec-18 US$'000**
Net carrying value of properties excluding straight-line rental income accrual		
Cost of investment properties	390,782	545,254
Cumulative foreign currency translation differences	(11,808)	(13,193)
Cumulative fair value (deficit) / surplus	(2,252)	13,461
	376,722	**545,522**
Movement for the period excluding straight-line rental income accrual		
Investment property at the beginning of the period	302,495	376,722
Acquisitions and construction of investment properties	64,976	81,313
Transaction costs capitalised	1,235	-
Other capital expenditure	-	1,265
Foreign currency translation differences	2,944	(1,384)
Contractual receipts from vendors of investment properties included within interest income	-	(167)
Transfer of properties from Investment in associates	-	75,400
Revaluation of properties at end of period	13,761	15,025
Contractual receipts from vendors of investment properties (reduction in purchase price)	(8,689)	(2,652)
As at period end	**376,722**	**545,522**
Reconciliation to consolidated statement of financial position and valuations		
Investment properties carrying amount per above	376,722	545,522
Straight-line rental income accrual	6,410	7,241
Total valuation of properties	**383,132**	**552,763**

Investment property pledged as security
Investment property pledged as security as follows:
Mozambican investment properties with a market value of $266.6 million (2018: $198.0 million) are mortgaged to Standard Bank of Mozambique to secure debt facilities amounting to $10.4 million (2018: $10.4 million), Standard Bank of South Africa to secure debt facilities amounting to $77.8 million (2018: $50.0 million) and Banco Unico of Mozambique to secure debt facilities amounting to $2.8 million (2018: $2.9 million), Bank of China to secure debt facilities amounting to $13.3 million (2018: $13.3 million) and Standard Bank (Mauritius) Limited to secure debt facilities amounting to $10.4 million (2018: $11.0 million).

Moroccan investment properties with a market value of $92.2 million (2018: $92.6 million) are mortgaged to Investec South Africa to secure debt facilities amounting to $47.5 million (2018: $48.5 million).

Mauritian investment properties with a market value of $67.2 million (2018: $63.7 million) are mortgaged to Barclays Bank of Mauritius to secure debt facilities amounting to $7.4 million (2018: $7.4 million) and State Bank of Mauritius to secure debt facilities amounting to $25.5 million (2018: $26.0 million).

Kenyan investment properties with a market value of $19.9 million (2018: $18.8 million) are mortgaged to Bank of China to secure debt facilities amounting to $8.5 million (2018: $8.5million).

Zambian investment properties with a gross market value of $179.3 million (2018: $183.9 million) are mortgaged to Bank of China to secure debt facilities amounting to $76.4 million (2018: $76.4million). This includes the properties of Cosmopolitan Shopping Centre and Kafubu Mall that is disclosed within Investments in associates. The Group's share of these properties are disclosed within note 4 as well as in the table below.

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

For this interim reporting period, the top 50% of investment properties are valued by reputable RICS accredited valuation experts who have sufficient expertise in the jurisdictions where the properties are located. The Group also obtained independent external valuation where the significant changes in the property lease stream or market conditions have been observed in the reporting period. The Group uses Directors valuation for the remainder of the portfolio for the interim reporting period. All valuations that are performed in the functional currency of the relevant property company and are converted to United States Dollars at the effective closing rate of exchange. All independent valuations have been undertaken in accordance with the RICS Valuation Standards that were in effect at the relevant valuation date and are further compliant with International Valuation Standards. Market values presented by valuers have also been confirmed by the respective valuers to be fair value in terms of IFRS.

In respect of a proportion of the Mozambican investment properties, independent valuations were performed at 31 December 2018 by Jones Lang LaSalle Proprietary Limited (JLL), Chartered Surveyors, using either the income capitalisation (yield) or the discounted cash flow method. Valuations performed by REC, Chartered Surveyors and part of the Meridian Group, at 31 December 2018 used the discounted cash flow method.

The Moroccan investment property was independently valued at 31 December 2018 by Knight Frank, Chartered Surveyors, using the term and reversion approach.

Buffalo Mall has been classified as non-current assets held for sale and carried at the lower of cost of net realisable value (less costs to sell). The net realisable value less cost to sell was utilised as a base on which the Directors made fair value adjustments as at 31 December 2018.

Mauritian investment properties held by the Group and its associates that were independently valued at 31 December 2018 by Broll Indian Ocean (Pty) Ltd, Chartered Surveyors, used the discounted cash flow method.

Summary of valuations by reporting date	**Most recent independent valuation date**	**As at 30-Jun-18 US$'000**	**As at 31-Dec-18 US$'000**
Commodity House Phase I building (Directors valuation)	30 Jun 2018	43,190	49,000
Commodity House Phase II building (REC)	31 Dec 2018	17,270	15,464
Hollard Building (Directors valuation)	30 Jun 2018	19,600	19,600
Vodacom Building (JLL Sub Saharan Africa)	31 Dec 2018	45,900	46,200
Zimpeto Square (JLL Sub Saharan Africa)	31 Dec 2018	9,200	8,600
Bollore Warehouse (Directors valuation)	30 Jun 2018	6,500	6,600
Barclays House (Directors valuation)	30 Jun 2018	14,840	15,069
Anfa Place Mall (Knight Frank)	31 Dec 2018	92,632	92,164
Tamassa Resort (Broll Indian Ocean)	31 Dec 2018	48,900	52,176
Vale Housing Compound (Directors valuation)	30 Jun 2018	37,300	37,500

Imperial Distribution Centre (Directors valuation)	30 Jun 2018	18,780	19,900
Imperial Phase II Land (Directors valuation)	30 Jun 2018	3,420	3,420
Mukuba Mall Limited (50%) (Directors valuation)	30 Jun 2018	-	75,400
Acacia Estate (80.1%) (JLL Sub Saharan Africa)	31 Dec 2018	-	64,700
5th Avenue (Broll South Africa)	30 Jun 2018	-	21,470
Mall de Tete (Directors valuation)	30 Jun 2018	25,600	25,500
Total valuation of investment properties directly held by the Group		**383,132**	**552,763**
Deposits paid on Imperial Phase 2		-	5,500
Deposits paid on VALE Housing Compound		4,117	6,882
Deposits paid on CADS II		2,000	-
Deposits paid on Capital Place Limited		5,000	3,000
Total deposits paid on investment properties		**11,117**	**15,382**
Total carrying value of investment properties including deposits paid		**394,249**	**568,145**
Investment properties held within associates - Group share			
Buffalo Mall Naivasha (50%) includes Broll South Africa Valuation of US$4.7m and a company adjustment of US$0.6m for June 2018. (Broll South Africa)	30 Jun 2018	5,200	-
Mukuba Mall Limited (50%) 1 (Broll South Africa)	30 Jun 2018	38,450	-
Kafubu Mall Limited (50%) (Broll South Africa)	30 Jun 2018	13,000	11,478
Cosmopolitan Shopping Centre Limited (50%) (Broll South Africa)	30 Jun 2018	40,500	40,500
Beachcomber Hospitality (44.42%) (Broll Indian Ocean)	31 Dec 2018	91,903	91,253
CADS II (50%) (Directors valuation)	30 Jun 2018	-	18,550
Capital Place Limited (47.5%) (Directors valuation)	30 Jun 2018	12,217	12,217
Total of investment properties acquired through associates		**201,270**	**173,998**
Investment properties held within non-current assets held for sale			
Buffalo Mall Naivasha (50%) includes Broll South Africa Valuation of US$4.7m and a company adjustment of US$0.6m for June 2018. (Broll South Africa)	30 Jun 2018	-	5,400
Total of investment properties held within non-current assets held for sale		**-**	**5,400**
Right of use of land			
Barclays House vacant land recognised as an intangible asset		508	492
Total portfolio		**596,027**	**748,035**

Note 1: Following changes to the shareholder agreement on 31 December 2018, Grit has effective control over the Makubu Mall. Grit has therefore recognised the investment on a consolidation basis and have derecognised the investment in associate. Outside shareholder interest has been disclosed as non-controlling interest as at 31 December 2018.

4. Investments in associates			**As at 30-Jun-18 US$'000**	**As at 31-Dec-18 US$'000**
The following entities have been accounted for as associates in the current and comparative consolidated financial statements using the equity method:				
Name of associate	**Country**	**% held**		
Mukuba Mall Limited	Zambia	50.00 %	38,355	-
Kafubu Mall Limited	Zambia	50.00	12,746	11,246

		%		
Buffalo Mall Naivasha Limited	Kenya	50.00%	3,294	-
Cosmopolitan Shopping Centre Limited	Zambia	50.00%	40,526	40,587
Capital Place Limited	Ghana	47.50%	7,960	9,501
CADS II	Ghana	50.00%	-	11,330
Beachcomber Hospitality Investments Limited[1]	Mauritius	44.42%	62,430	63,031
Carrying value of associates			**165,311**	**135,695**

	Mukuba Mall U$'000	Kafubu Mall U$'000	Beachcomber Hospitality U$'000	Capital Place U$'000	Cosmopolitan Mall U$'000	CADS II U$'000	Buffalo Mall U$'000	Total U$'000
Reconciliation to carrying value in associates								
Opening Balance 1 July 2018	38,355	12,746	62,430	7,960	40,526	-	3,294	**165,311**
Acquired during the period	-	-	-	-	-	10,500	-	**10,500**
Profit from associates								
- Revenue	1,516	587	3,569	1,614	1,667	595	1,012	**10,560**
- Property operational expenses	(130)	(60)	-	(68)	(141)	(87)	(91)	**(577)**
- Administrative expenses	(101)	(61)	(10)	(5)	(195)	(15)	(14)	**(401)**
- Fair value movement in property	(750)	603	1,321	-	-	550	200	**1,924**
- Foreign exchange gains / (losses)	-	(1,181)	-	-	-	-	-	**(1,181)**
- Interest Income	1	1	-	-	2	48	-	**52**
- Finance Charges	-	-	(1,971)	-	-	(261)	(119)	**(2,351)**
- Tax	-	-	(306)	-	-	-	-	**(306)**
Total profits from associates	536	(111)	2,603	1,541	1,333	830	988	**7,720**
Dividends Received	(1,233)	(449)	(727)	-	(1,272)	-	-	**(3,681)**
Foreign currency translation differences	-	(940)	(1,275)	-	-	-	-	**(2,215)**
Transfers to non-current assets held for sale	-	-	-	-	-	-	(4,282)	**(4,282)**
Accounted for as subsidiaries	(37,658)	-	-	-	-	-	-	**(37,658)**
Carrying value of associates	**-**	**11,246**	**63,031**	**9,501**	**40,587**	**11,330**	**-**	**135,695**

Investment in the period ended 31 December 2018

The Group acquired a 50% interest in CADS Developments Limited on 3 September for a net purchase consideration of $10.5 million. Grit Accra Limited, a company incorporated in Mauritius, is 100% owned by the Group and owns 50% of the share capital of CADS Development Limited, a company incorporated in Ghana.

The Group received a non-binding offer for the shares held in Buffalo Mall and have classified the investment as held for sale and disclosed separately in the Statement of Financial Position. The investment is carried at the lower of cost and net realisable value (less costs to sell).

Zambian investment properties with a gross market value of $179.3 million (2018: $183.9 million) are mortgaged to Bank of China to secure debt facilities amounting to $76.4 million (2018: $76.4million). This includes the properties of Cosmopolitan Shopping Centre and Kafubu Mall that is disclosed within Investments in associates above and Mukuba Mall that is disclosed in note 3.

The Group has included 100% of the assets and liabilities of Mukuba Mall in the statement of Financial Position for the period ended 31 December 2018 due to changes in the effective control with an effective date 31 December 2018. The profit for the period were accounted for as Income from Associates as effective date of the change of control was on 31 December 2018. The Group recognised the minority interest through the non- controlling interest and Interest free shareholder loans from associate partners.

5. Other investments	As at 30-Jun-18 US$'000	As at 31-Dec-18 US$'000
Balance at the beginning of the period	-	4,154
Additions	4,911	-
Fair value adjustments	(757)	26
Total	**4,154**	**4,180**

Fair value hierarchy at 31 December 2018	Level 1 U$'000	Level 2 U$'000	Level 3 U$'000	Total U$'000
Investment in Letlole La Rona	3,117	-	-	**3,117**
Investment in Gateway Delta Developments Holdings Limited	-	-	1,063	**1,063**

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

The Group owns 17,500,000 shares, representing 6.25% of the issued equity capital, in the listed company Letlole La Rona. This company is incorporated in Botswana and listed on the Botswana Stock Exchange.

Unlisted investments

The Group invested in an unlisted development company, Gateway Developments Holdings Limited, incorporated in Mauritius, in the period as part of its strategy to secure future investment pipeline on the African continent. The directors are satisfied that this level 3 investment is carried at fair value at 31 December 2018 after considering the future cash flows associated with the business. During the period ending December 2018, the Group provided a loan for US$2.0m to related to a capital call in the period.

6. Other loans receivable	As at 30-Jun-18 US$'000	As at 31-Dec-18 US$'000
Ndola Investments Limited	5,073	5,073
Paxton Investments Limited	8,723	8,723
Kitwe Copperbelt Limited	5,577	5,577
Syngenta Limited	18,690	18,690
Transformers Investment Limited	4,000	4,000
Lifostax Proprietary Limited	800	800
As at 31 December	**42,863**	**42,863**

	As at	As at

7. Interest-bearing borrowings	30-Jun-18 US$'000	31-Dec-18 US$'000
Non-current liabilities		
At amortised cost	207,106	201,462
Current liabilities		
At amortised cost	99,038	123,415
	306,144	**324,877**
Currency of the interest-bearing borrowings (stated gross of unamortised loan issue costs)		
United States Dollars	189,094	229,168
Euros	115,719	94,856
Mozambican Meticais	2,913	2,746
	307,726	**326,770**
Unamortised loan issue costs	(1,582)	(1,893)
As at period end	**306,144**	**324,877**
Movement for the period		
Balance at the beginning of the year	233,010	306,144
- Proceeds from loans refinanced in the period	-	51,295
- Loans acquired through property acquisitions	-	27,974
- Other new loans advanced	145,406	19,000
Loan issue costs incurred	(571)	(380)
Amortisation of loan issue costs	1,386	68
Foreign currency translation differences	1,858	1,911
Debt settled during the period	(74,945)	(81,135)
As at period end	**306,144**	**324,877**

Analysis of facilities and loans in issue

Lender	Initial facility	As at 30-Jun-18 US$'000	As at 31-Dec-18 US$'000
Financial institutions			
Standard Bank Mozambique	$10.4m	10,451	10,451
Standard Bank Mozambique	$27.8m	-	27,783
Standard Bank South Africa	Revolver	-	10,000
Standard Bank South Africa	$12m	12,000	12,000
Standard Bank South Africa	$38.0m	38,000	38,000
Standard Bank (Mauritius) Limited	$11.7m	11,047	10,363
Bank Unico of Mozambique	MZN182.7m	2,913	2,746
Investec South Africa	$15.7m + €36m	48,529	47,502
Barclays Bank Mauritius	€7.4m	7,374	7,400
Barclays Bank Mauritius	€20m	19,669	-
Bank of China	$13.3m + $77m + $8.5m	98,260	98,260

State Bank of Mauritius	€22.3m + €9m + €3.2m + $20m	58,997	52,818
Investec Mauritius	$0.5m	486	447
Barclays Bank Ghana	$9.1m	-	9,000
Total loans in issue		**307,726**	**326,770**
less: unamortised loan issue costs		(1,582)	(1,893)
As at period end		**306,144**	**324,877**

8. Revenue	**Revised six months ended 31-Dec-17 US$'000**	**Six months ended 31-Dec-18 US$'000**
Contractual rental income (IAS 17)	12,570	15,450
Retail parking income (IAS 17)	499	791
Recoverable property expenses (IFRS 15)	1,799	2,492
Total revenue	**14,868**	**18,733**

9. Interest income	**Revised six months ended 31-Dec-17 US$'000**	**Six months ended 31-Dec-18 US$'000**
Bank interest receivable	1	121
Interest on loans to co-owners of properties	1,625	5,009
Interest on loans to related parties	35	30
Interest on property deposits paid	672	1,399
Interest on convertible shareholder loans	-	110
Interest on tenant rental arrears	35	-
	2,368	**6,669**

10. Finance costs	**Revised six months ended 31-Dec-17 US$'000**	**Six months ended 31-Dec-18 US$'000**
Interest-bearing borrowings - financial institutions	8,107	9,445
Amortisation of loan issue costs	799	614
Preference share dividends	420	401
Interest on finance leases	11	-
Interest on bank overdraft	13	149
Other interest payable	12	390
	9,362	**10,999**

11. Segmental reporting

Condensed consolidated segmental	**Morocco**	**Mozam bique**	**Zambia**	**Kenya**	**Ghana**	**Mauritius**	**Total**

analysis	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Geographical location 31 December 2018 - US$'000							
Gross rental income	4,122	11,290	-	771	-	2,550	**18,733.0**
Straight-line rental income accrual	(40)	215	-	198	-	269	**642**
Property operating expenses	(1,762)	(1,539)	-	(23)	-	(653)	**(3,977)**
Share of profit from Associates	-	-	1,757	989	2,372	2,602	**7,720**
Net property rental and related income	**2,320**	**9,966**	**1,757**	**1,935**	**2,372**	**4,768**	**23,118**
Fair value adjustment on investment property	(656)	8,654	-	922	1,589	4,516	**15,025**
Investment Property vehicles							
Investment property at fair value	92,164	273,163	75,401	23,320	21,468	67,247	**552,763**
Deposits paid on investment properties	-	-	-	-	-	15,382	**15,382**
Investment in associates	-	-	51,799	-	20,831	63,065	**135,695**
Other investments	-	-	-	-	-	1,063	**4,180**
Non-current assets held for sale	-	-	-	4,282	-	-	**4,282**
Total Investment Property vehicles	**92,164**	**273,163**	**127,200**	**27,602**	**42,299**	**146,757**	**712,302**

Condensed consolidated segmental analysis	Equity investments US$'000	Hospitality US$'000	Retail US$'000	Office US$'000	Light industrial US$'000	Corporate accommodation US$'000	Corporate US$'000	Total US$'000
Type of property 31 December 2018 - US$'000								
Gross rental income	-	2,105	5,414	5,917	1,133	4,164	-	**18,733.0**
Straight-line rental income accrual	-	-	25	366	198	53	-	**642**
Property operating expenses	-	-	(2,130)	(613)	(37)	(562)	(635)	**(3,977)**
Share of profit from Associates	-	2,602	2,746	2,372	-	-	-	**7,720**
Net property rental and related income	**-**	**4,707**	**6,055**	**8,042**	**1,294**	**3,655**	**(635)**	**23,118**
Fair value adjustment on investment property	-	4,287	(1,235)	6,728	1,022	4,223	-	**15,025**
Investment Property vehicles								
Investment property at fair	-	52,178	201,665	166,80	29,920	102,200	-	**552,763**

value				0				
Deposits paid on investment properties	-	-	-	-	-	-	15,382	**15,382**
Investment in associates	-	63,065	51,799	20,831	-	-	-	**135,695**
Equity investments: Available-for- sale	4,180	-	-	-	-	-	-	**4,180**
Non-current assets held for sale	-	-	4,282	-	-	-	-	**4,282**
Total Investment Property vehicles	**6,180**	**115,271**	**309,904**	**187,632**	**29,920**	**102,200**	**15,382**	**712,302**

12. Subsequent events

The Group has not identified any material matter arising in the period 31 December 2018 to 14 February 2019 that required additional disclosures.

13. Revision of comparative information

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

		Six months ended 31-Dec-18 US$'000
14. Distribution calculation [1]		
Basic Earnings attributable to the owners of the parent		**20,643**
Add Back non-cash items:		
- Straight-line leasing (non-cash rental)		(642)
- Total fair value adjustment on investment properties attributable to the owners of the parent associates		(11,711)
- Fair value adjustments included under income from		(1,925)
- Fair value adjustment on other investments		(26)
- Unrealised foreign exchange gains or losses (non-cash)		3,032
- Unrealised foreign exchange gains or losses included in associates (non-cash)		1,181
- Share based payments		78
- Movement in deferred tax attributable to the owners of the parent		4,331
- Depreciation and amortisation		167
Items added back		
- Acquisition costs not capitalised		2,007
- Current tax provision		(1,459)
Other cash generation		
- VAT and tax credits utilised		997
- Rental concessions for capital projects		288
TOTAL DISTRIBUTABLE EARNINGS		**16,961**
Distributable earnings PER SHARE (US$ cps)		6.06
		Shares '000
Weighted average shares in issue		279,673
Distribution declared:		**In USD**
Interim	US$5.25 cps	**15,858,838**

1 The distribution calculation is disclosed to provide clarity regarding the interim dividend distribution of US$5.25 per share and to reconcile 'Distributable earnings' to 'Basic Earnings attributable to the owner

15. Adjusted administration expenses	**Revised six months ended 31-Dec-17 US$'000**	**Six months ended 31-Dec-18 US$'000**
Administrative expenses (including corporate structuring costs)	7,868	8,223
Less Admin expenses (non-controlling interest)	(258)	(706)
Less Acquisition and setup costs	(3,619)	(2,113)
Adjusted administration expenses	**3,991**	**5,404**

16. EPRA earnings and NAV calculations

EPRA earnings	**Revised six months ended 31-Dec-17 US$'000**	**Six months ended 31-Dec-18 US$'000**
Basic Earnings per above	17,127	20,950
Add Back:		
- Total fair value adjustment on investment properties	(1,540)	(12,373)
- Fair value adjustments included under income from associates	(12,822)	(1,925)
- Fair value adjustment on other investments	(53)	(26)
- Fair value adjustment on other financial asset	80	-
- Fair value adjustment on derivative financial instruments	52	-
- Deferred tax in relation to the above	2,665	4,331
- Acquisition costs not capitalised	1,740	2,007
- Non-controlling interest included in basic earnings	(801)	(307)
EPRA EARNINGS	**6,448**	**12,657**
EPRA EARNINGS PER SHARE (DILUTED)	**3.35**	4.04
Company specific adjustments		
- Unrealised foreign exchange gains or losses	(5,582)	4,213
- Straight-line leasing (non-cash rental)	(419)	(642)
- Amortisation of Right of use of land (non-cash)	160	167
Total Company Specific adjustments	**(5,841)**	**3,737**
ADJUSTED EPRA EARNINGS	**607**	**16,394**
ADJUSTED EPRA EARNINGS PER SHARE (DILUTED)US$ cps	**0.32**	5.36

	Shares '000	**Shares '000**
Weighted average shares in issue	200,371	291,971
Less: Non-entitled shares	-	(4,301)
Less: Weighted average treasury shares for the period	(10,062)	(9,940)
Add: Weighted average share awards and shares vested shares in Long term incentive scheme	1,943	1,943
EPRA SHARES	**192,253**	**279,673**

EPRA NAV	**As at 30-Jun-18 US$'000**	**As at 31-Dec-18 US$'000**
Equity attributable to the owners of the company	279,383	401,072
Add back:		
Fair value of financial instruments	22	128
IFRS 9 expected credit losses	-	265
Deferred tax from revaluation of properties	20,791	25,463

EPRA NAV	**300,196**	**426,927**
EPRA NAV PER SHARE (cents per share)	**145.7**	**143.1**
	Shares'000	**Shares'000**
Total shares in issue	214,022	306,396
Less: Treasury shares for the period	(9,941)	(9,941)
Add: Share awards and shares vested shares in Long term incentive scheme	1,944	1,943
EPRA SHARES	**206,025**	**298,399**

17. EPRA metrics	**As at** **As at** **30-Jun-18**	**As at** **As at** **31-Dec-18**
EPRA Net initial yield	7.0%	7.4%
EPRA topped-up net initial yield	7.1%	7.4%
EPRA occupancy rate	96.7%	96.0%

	Revised six months ended 31-Dec-17	**Six months ended 31-Dec-18**
EPRA cost ratio (including direct vacancy)	16.2%	15.6%
EPRA cost ratio (excluding direct vacancy)	15.6%	14.9%

18. Headline Earnings	**Notes**	**Revised six months ended 31-Dec-17 US$'000**	**Six months ended 31-Dec-18 US$'000**
Profit after tax attributable to equity owners of the parent		18,109	20,643
Fair value adjustments on investment property	3	(9,152)	(15,025)
Deferred taxation on investment property revaluation		2,219	4,331
Fair value adjustment on other investments		(53)	(26)
Fair value adjustment on other financial assets		80	-
Fair value adjustment on derivative financial instruments		52	-
Share of fair value adjustment on investment property accounted by associate	4	(1,540)	(1,924)
Share-based payment expense		183	78
Headline earnings attributable to shareholders		**9,898**	**8,076**
Number of shares in issue at the beginning of the period		200,364	214,022
Number of shares in issue at the end of the period		200,371	306,396
Weighted average number of shares *		200,371	**291,971**
Earnings per share		8.95	7.07
Basic and diluted earnings per share (cents)		8.95	7.07
Headline diluted earnings per share (cents)		4.85	**2.77**

OTHER NOTES

The abridged unaudited consolidated financial statements for the six months period ended 31 December 2018 ("abridged unaudited consolidated financial statements")have been prepared in accordance with the measurement and recognition requirements of International Financial Reporting Standards (“IFRS”), the JSE Listings Requirements, the LSE Listing Rules, the SEM Listing Rules and the requirements of the Mauritian Companies Act 2001 and the method of computation followed per the abridged audited financial statements for the period ended 30 June 2018.

The Group is required to publish financial results for the six months ended on 31 December 2018 in terms of Listing Rule 12.19 of the SEM, the JSE Listing Requirements and the LSE Listing Rules. The Directors are not aware of any matters or circumstances arising subsequent to the period ended 31 December 2018 that require any additional disclosure or adjustment to the financial statements. These abridged consolidated financial statements were approved by the Board on 13 February 2018.

Copies of the abridged unaudited consolidated financial statements, and the statement of direct and indirect interests of each officer of the Company pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge, upon request at the Company's registered address. Contact Person: Mrs. Smitha Algoo-Bissonauth.

Following a successful capital raise, UK institutional investors now make up 15% of Grit's shareholder base on the LSE, with the balance held on the JSE (22%) and SEM (63%).

Changes to the Board

Mr. Paul Huberman did not put himself up for re-election to the Grit Board at the Annual General Meeting of shareholders held on 29 November 2018. Mr. David Love has been appointed as Independent Non–Executive Director of the Company with effect from 4 December 2018.

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

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

Interim dividend declaration

Shareholders are advised that dividend number 10 of US$ 5.2500 cents per share for the six months ended 31 December 2018 has been approved and declared by the Board of the Company. The source of the cash dividend is from rental income and cum-dividend reserve.

For shareholders on the Mauritian Register	**2019**
Announcement of cash dividend on JSE, SEM and LSE	Thursday, 14 February
Announcement of US$ to Rand conversion rate released on SEM website by no later than 13:00	Tuesday, 26 February
Last date to trade *cum* dividend	Tuesday, 5 March
Shares trade *ex*- dividend	Wednesday, 6 March
Record date of dividend on the SEM	Friday, 8 March
Payment date of dividend	Friday, 5 April

Notes

1. All dates and times quoted above are local dates and times in Mauritius. The above dates and times are subject to change. Any changes will be released on the SEM website.
2. No dematerialisation or rematerialisation of share certificates may take place between Wednesday, 6 March 2019 and Friday, 8 March 2019, both days inclusive.
3. No transfer of shares between sub-registers in Mauritius, South Africa and the UK may take place between Tuesday, 26 February 2019 and Friday, 8 March 2019, both days inclusive.

For shareholders on the South African Register	**2019**
Announcement of cash dividend on JSE, SEM and LSE	Thursday, 14 February
Announcement of US$ to Rand conversion rate released on SENS by no later than 11:00	Tuesday, 26 February
Last date to trade *cum* dividend	Tuesday, 5 March
Shares trade *ex*- dividend	Wednesday, 6 March
Record date of dividend on the JSE	Friday, 8 March
Payment date of dividend	Friday, 5 April

Notes

1. All dates and times quoted above are local dates and times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS.

2. No dematerialisation or rematerialisation of share certificates may take place between Wednesday, 6 March 2019 and Friday, 8 March 2019, both days inclusive

3. No transfer of shares between sub-registers in Mauritius, South Africa and the UK may take place between Tuesday, 26 February 2019 and Friday, 8 March 2019, both days inclusive.

4. Shareholders on the South African sub-register will receive dividends in South African Rand, based on the exchange rate to be obtained by the Company on or before Tuesday, 26 February 2019. A further announcement in this regard will be made on Tuesday, 26 February 2019.

For shareholders on the UK Register	**2019**
Announcement of cash dividend on JSE, SEM and LSE	Thursday, 14 February
Announcement of US$ to Rand conversion rate released on the Regulatory Information Service of the LSE by no later than 10:00	Tuesday, 26 February
Last date to trade *cum* dividend	Wednesday, 6 March
Shares trade *ex*- dividend	Thursday, 7 March
Record date of dividend on the LSE	Friday, 8 March
Last date for receipt of currency election forms	Friday, 8 March
Payment date of dividend	Friday, 5 April

Notes

1. All dates and times quoted above are local dates and times in the UK. The above dates and times are subject to change. Any changes will be released on the Regulatory Information Service of the LSE.

2. No dematerialisation or rematerialisation of share certificates may take place between Wednesday, 6 March 2019 and Friday, 8 March 2019, both days inclusive

3. No transfer of shares between sub-registers in Mauritius, South Africa and the UK may take place between Tuesday, 26 February 2019 and Friday, 8 March 2019, both days inclusive.

4. Shareholders on the UK sub-register will receive dividends in US$. However, shareholders can elect to have dividends paid in sterling (GBP) and the option to elect a sterling dividend payment for this dividend will be available to shareholders until Friday, 8 March 2019 (the "Election Date").

5. Further details together with a copy of the Dividend Currency Election Form, which should be sent to Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU when completed, will be available on the Company's website shortly at http://grit.group/. CREST shareholders must elect via CREST.

In terms of the JSE Listings Requirements regarding Dividends Tax, the following information is only of direct application to shareholders on the

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