maradelta
PROPERTY HOLDINGS

INTEGRATED ANNUAL REPORT
2016

About this report

Mara Delta Property Holdings Limited (“Mara Delta” or the “Company”) is pleased to present its third integrated report. The information in this report has been prepared to provide shareholders, potential investors and stakeholders with an overview of our business model, performance, governance framework, strategy, risks and opportunities of the Group, its subsidiaries and entire portfolio for the year ended 30 June 2016.

This report has been prepared to assist the Group’s stakeholders to make an informed assessment of the Group and its ability to create and sustain value over the short, medium and long term.

Framework and assurance

The information included in this Integrated Report has been provided in accordance with International Financial Reporting Standards (“IFRS”), the Mauritian Companies Act, 2001, the Mauritian Securities Act, 2005, SEM Listing Rules, JSE Listings Requirements, Integrated Reporting Framework (the “Framework”) and the Code of Corporate Governance (the “Code”) for Mauritius.

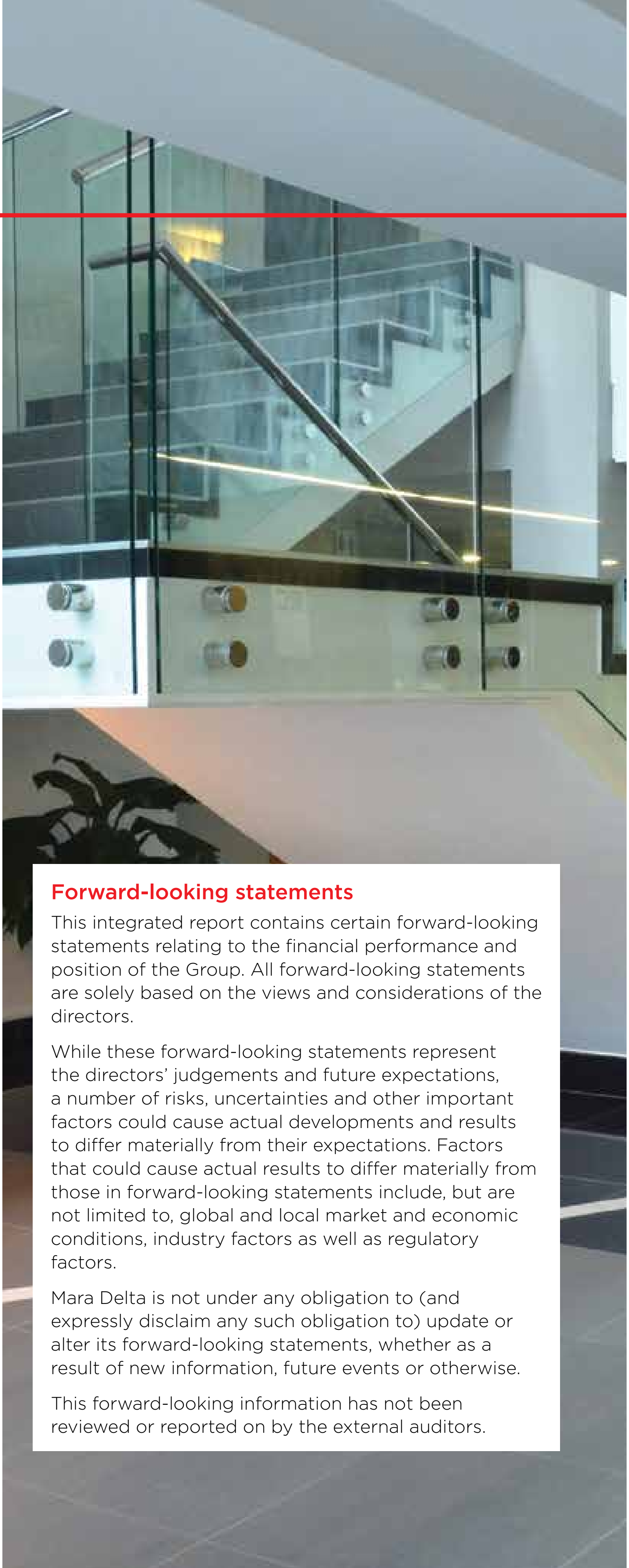
Approval of the integrated report

The Board acknowledge its responsibility to ensure the integrity of this report. The Board has applied its mind to the integrated report and in its opinion this report fairly represents the integrated performance of the Company.

The Board has therefore approved the release of the 2016 integrated report.

Sandile Nomvete
Chairman

Bronwyn Corbett
Chief Executive Officer



Forward-looking statements

This integrated report contains certain forward-looking statements relating to the financial performance and position of the Group. All forward-looking statements are solely based on the views and considerations of the directors.

While these forward-looking statements represent the directors’ judgements and future expectations, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from their expectations. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, global and local market and economic conditions, industry factors as well as regulatory factors.

Mara Delta is not under any obligation to (and expressly disclaim any such obligation to) update or alter its forward-looking statements, whether as a result of new information, future events or otherwise.

This forward-looking information has not been reviewed or reported on by the external auditors.

Corporate information and advisors

Company secretary and registered office
Intercontinental Fund
Services Limited
Level 5, Alexander House
35 Cybercity
Ebene, 72201
Mauritius

Sponsor in Mauritius
Capital Markets Brokers
Limited
Suite 1004, Ground Floor
Alexander House
35 Cybercity
Ebene, 72201
Mauritius

Registrar and transfer agent in Mauritius
Intercontinental Secretarial
Services Limited
Level 3, Alexander House
35 Cybercity
Ebene, 72201
Mauritius

Legal advisor in Mauritius
C & A Law
Suite 1005, Level 1
Alexander House
35 Cybercity
Ebene, 72201
Mauritius

Transfer secretaries in South Africa
Computershare Investor
Services Proprietary Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
South Africa

Sponsor in South Africa
PSG Capital Proprietary
Limited
1st Floor, Ou Kollege
Building
35 Kerk Street
Stellenbosch, 7600
South Africa

Legal advisor in South Africa
Bowman Gilfillan Inc.
165 West Street
Sandton, 2146
South Africa

Date and place of incorporation
Incorporated on 16 May 2012
in Bermuda and registered
by Continuation as a Public
Company in Mauritius on
11 March 2015

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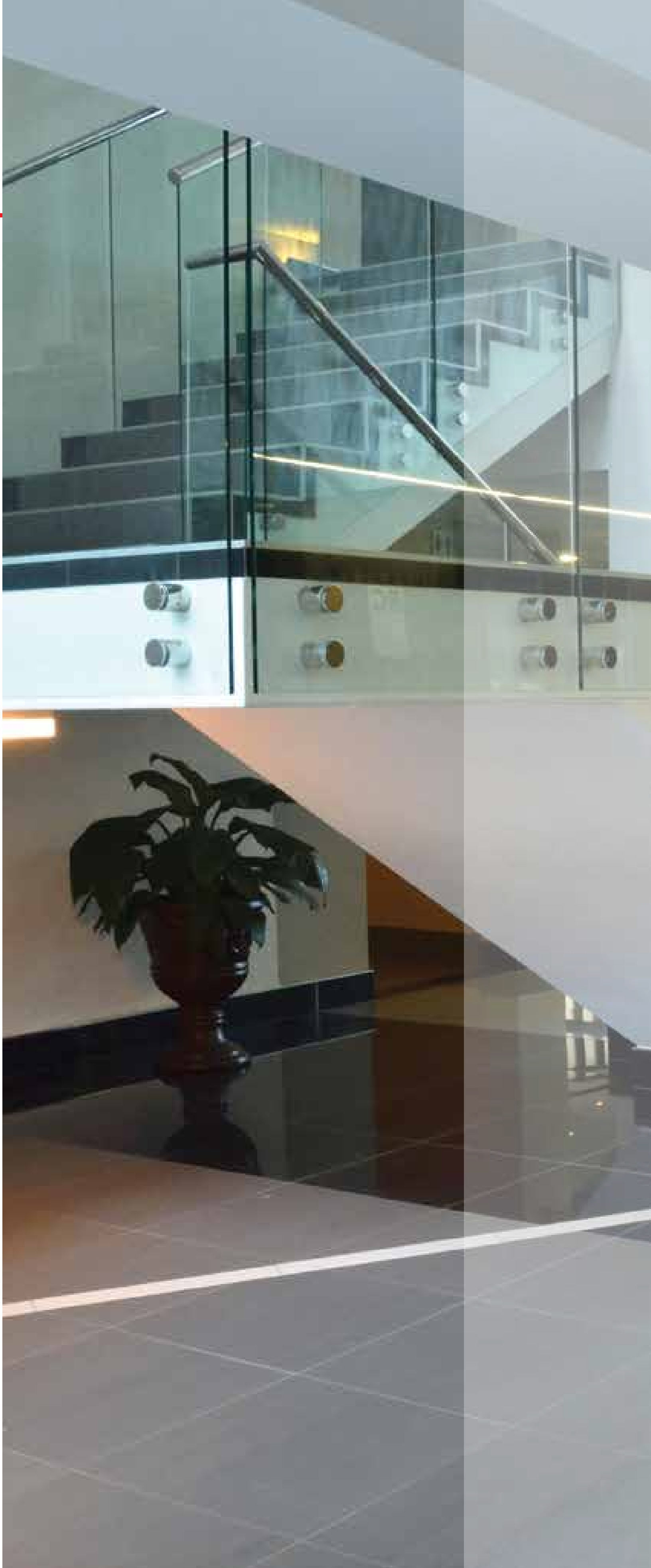
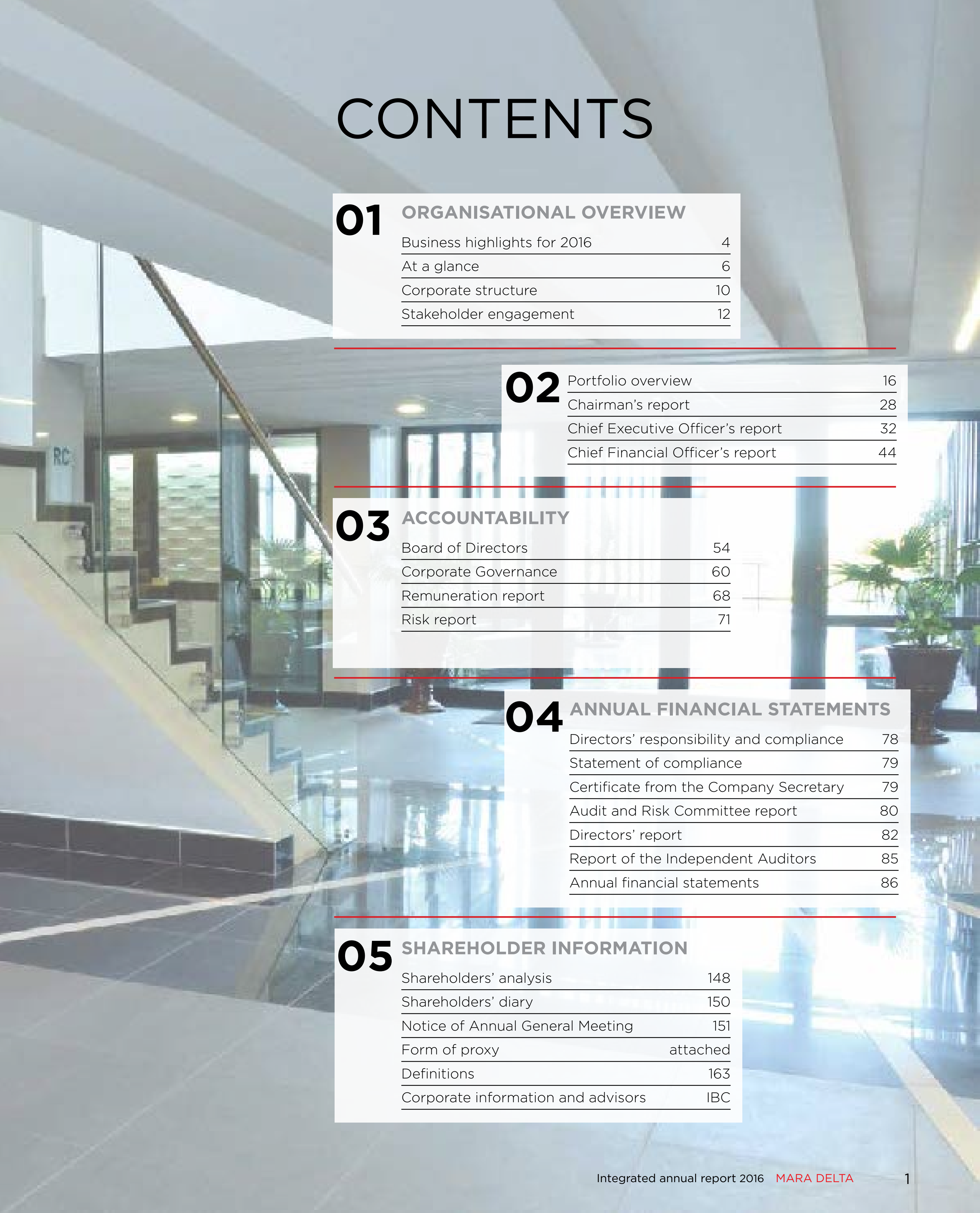




CONTENTS

ORGANISATIONAL OVERVIEW

HIGHLIGHTS

4.1% INCREASED DPS

US$11.75 cps[1]

2015: US$11.28 cps

COST OF DEBT DOWN 0.72%

6.22%

2015: 6.94%

40% INCREASE IN PROPERTY

US$295.5m[2]

2015: US$210.4m

US$44.7m CAPITAL RAISED

26.4m shares

issued at a 2.3% premium to NAV[3]

% OF A-GRADE TENANTS

68%

across the property portfolio

OCCUPANCY RATE

91%[4]

across the property portfolio

Notes:

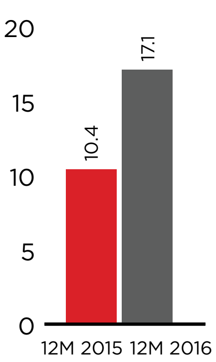
1 - 9.13% (JSE)/6.75% (SEM) Dividend Yield (based on SEM ruling price of US$1.74; JSE Ruling Price of ZAR19.25; US$:ZAR exchange rate of 14.38 for H2 Distribution)

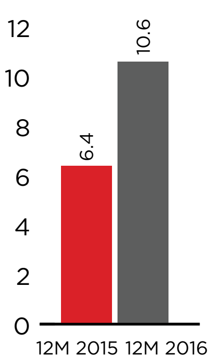
2 - Total Asset Value, including Associated Companies

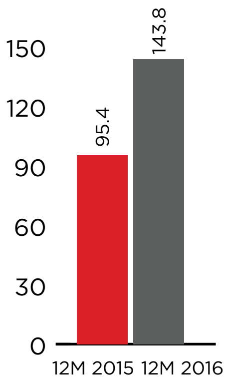
3 - Shares issued at an average of US$1.697 vs average NAV of US$1.658

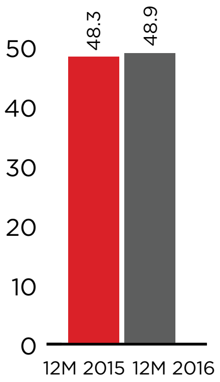
4 - Due to strategic vacancy in Anfa Place

Key metric	12M 2016	12M 2015	Change
Net property income (US$m)	22.5	13.1	+72%
EBIT (US$m)	16.9	4.4	+284%
Distributable income (US$m)	10.6	6.4	+66%
Cost to income (%)	25.7%	25.0%	+3%


NET PROPERTY INCOME (in US$m)


DISTRIBUTABLE INCOME (in US$m)


NET DEBT (in US$m)


LTV (in %)

AT A GLANCE

MARA DELTA IS A PAN AFRICAN INCOME FUND FOCUSING ON AFRICAN REAL ESTATE ASSETS (EXCLUDING SOUTH AFRICA), UNDERPINNED BY PREDOMINANTLY US DOLLAR MEDIUM- TO LONG-TERM LEASES WITH HIGH QUALITY TENANTS DELIVERING STRONG SUSTAINABLE INCOME.

HIGH QUALITY TENANT BASE

Mara Delta currently has a quality tenant base with a weighted average lease term of 5.5 years.

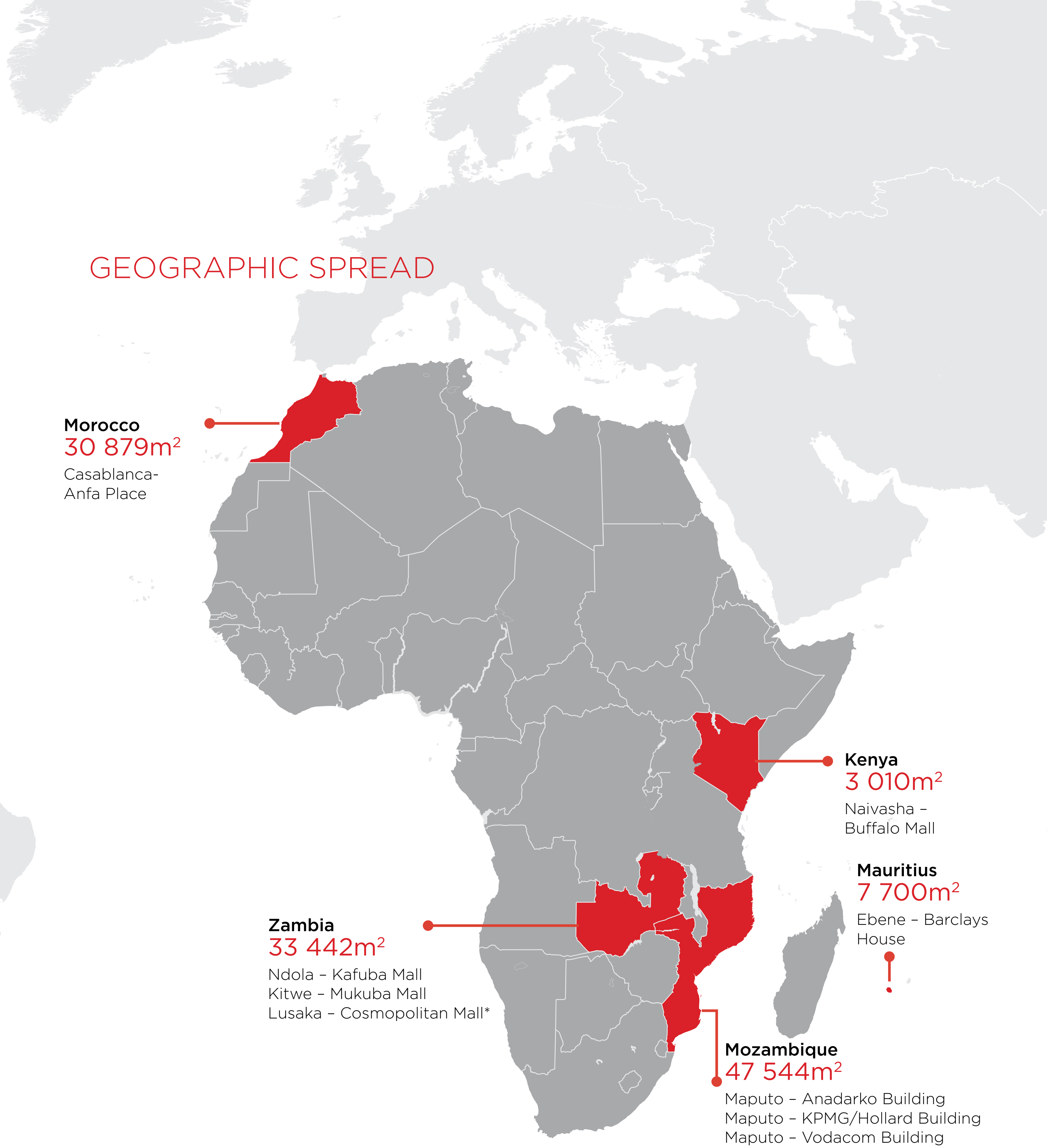
Mara Delta is dual-listed on both the SEM and the JSE and currently has ten properties in its portfolio, with an additional two properties that are expected to be acquired by the beginning of November 2016.

	2016	2015
Property portfolio at year-end	**US$296 million[#]**	US$210 million
Pipeline property portfolio	**US$63 million**	US$10 million
Total property portfolio	**US$359 million[*]**	US$220 million
GLA	**122 574m^{2}[*]**	59 053m^{2}
Full year distribution	**11.75 cents**	11.28 cents
Loan to value	**48.9%**	48.32%
Cost to income ratio	**25.7%**	25%
Distributable income	**US$10.6 million**	US$6.4 million
Number of shares in issue	**100 061 130**	73 656 447
WALE (by revenue)	**5.48 years**	7.14 years
Weighted average lease escalation	**3.65%**	3.38%
Weighted average cost of debt	**6.22%**	6.94%
Weighted average rental per m^{2}	**US$23.2**	US$27
Portfolio occupancy rate	**91%**	96%

[*] *Based on total portfolio including the two post-year-end acquisitions*

[#] *Includes a deposit of US$8.6 million paid on the two post-year-end acquisitions*

GEOGRAPHIC SPREAD



Morocco
30 879m^2
Casablanca-
Anfa Place

Kenya
3 010m^2
Naivasha –
Buffalo Mall

Mauritius
7 700m^2
Ebene – Barclays
House

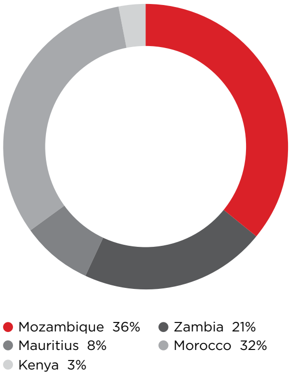
Zambia
33 442m^2
Ndola – Kafuba Mall
Kitwe – Mukuba Mall
Lusaka – Cosmopolitan Mall*

Mozambique
47 544m^2
Maputo – Anadarko Building
Maputo – KPMG/Hollard Building
Maputo – Vodacom Building
Maputo – Zimpeto Square
Pemba – Bollore Warehouse
Tete – VDE Compound*

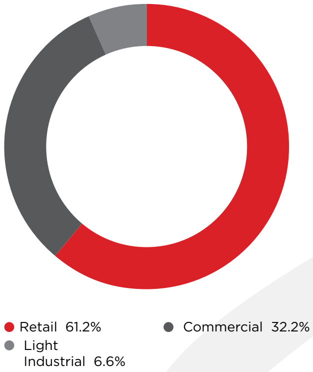
* Under transfer

PORTFOLIO SUMMARY

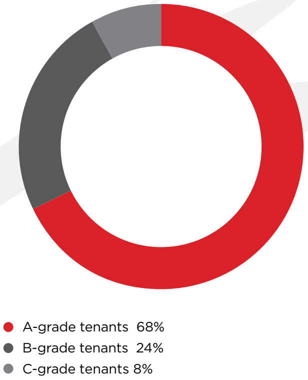
GEOGRAPHIC PROFILE by GLA (%)



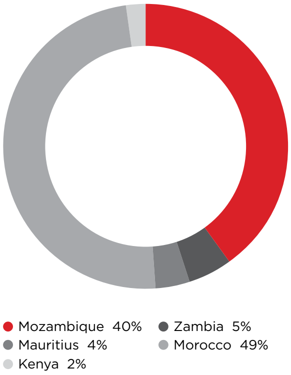
SECTOR PROFILE by GLA (%)



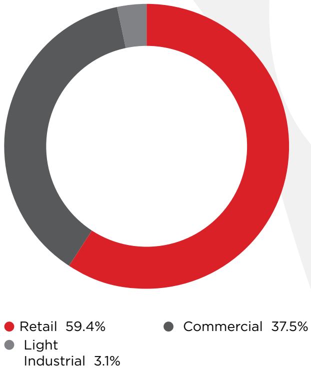
TENANT PROFILE



GEOGRAPHIC PROFILE by Revenue (%)

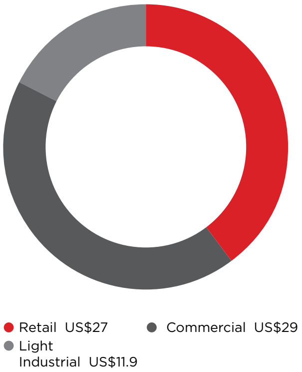


SECTOR PROFILE by Revenue (%)

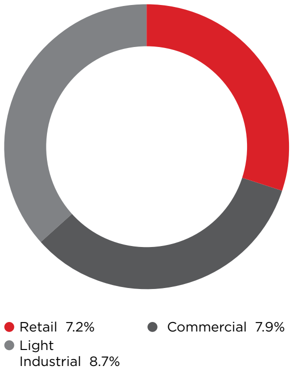


VACANCY PROFILE by GLA (%)

WEIGHTED AVERAGE RENTAL PER SQUARE METRE



AVERAGE ANNUALISED PROPERTY YIELD



****Tenant Profile***

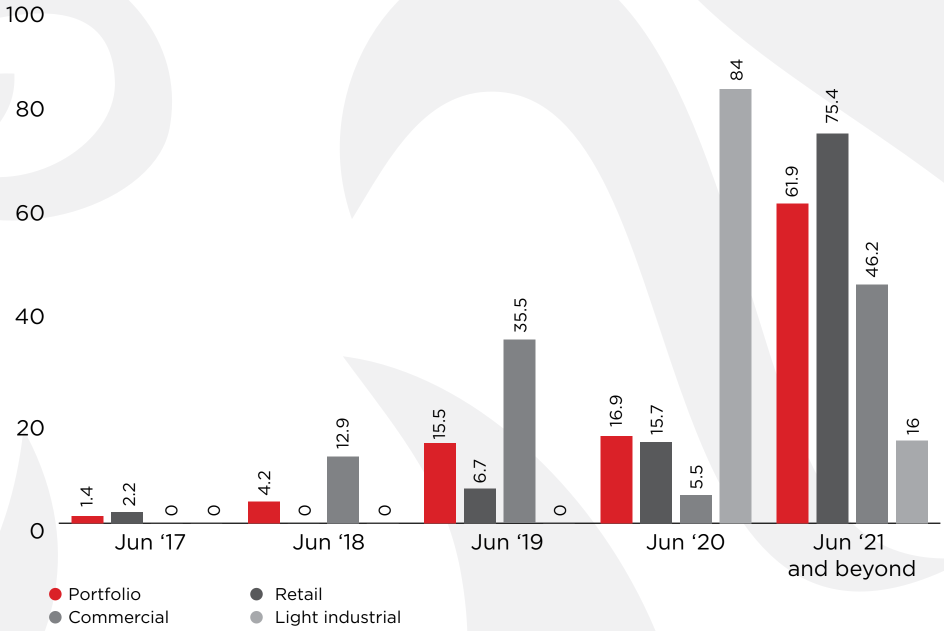
Tenants in our portfolio are categorised by grade.

A – grade: *Large national tenants, large listed tenants and major franchisees*

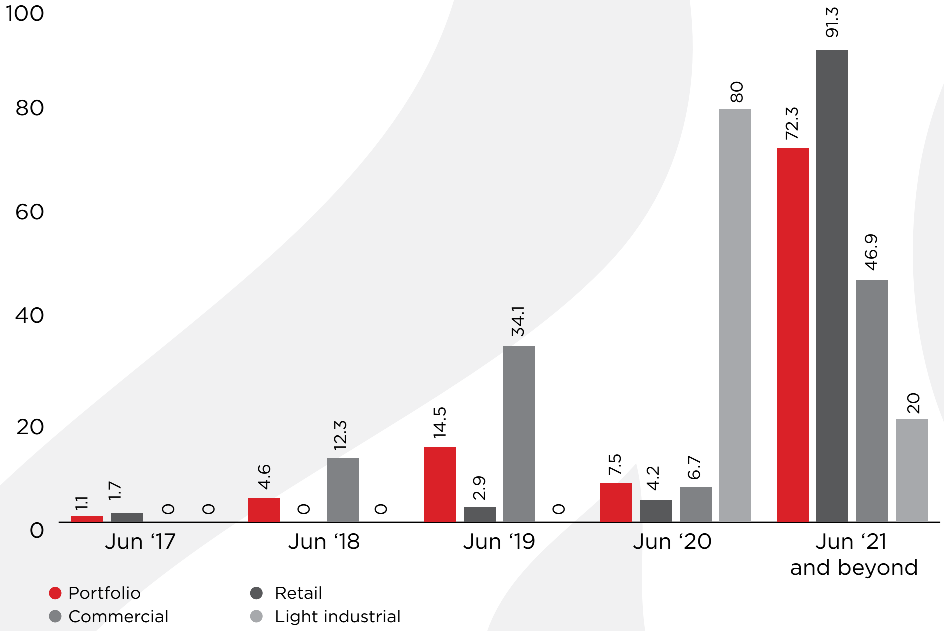
B – grade: *National tenants, listed tenants, franchisees and medium to large professional firms*

C – grade: *Smaller retail tenants*

LEASE EXPIRY PROFILE by GLA (%)



LEASE EXPIRY PROFILE by Gross rental (%)



CORPORATE STRUCTURE

Mara Delta Property Holdings Limited, Mauritius

100%

Delta International Mauritius Limited, Mauritius

100%

Delta International, Bahrain

99%

Freedom Property Fund SARL, Morocco

1%

Anfa Place Shopping Centre, Casablanca

100%

DIF 1 Co Limited, Mauritius incorporated

97%

3%

100%

Zimpeto Investment Holdings Limited, Mauritius

Zimpeto Imobiliaria Limitada, Mozambique

Zimpeto Square Maputo, Mozambique

100%

BH Investments Limited, Mauritius

Barclays House Ebene, Mauritius

100%

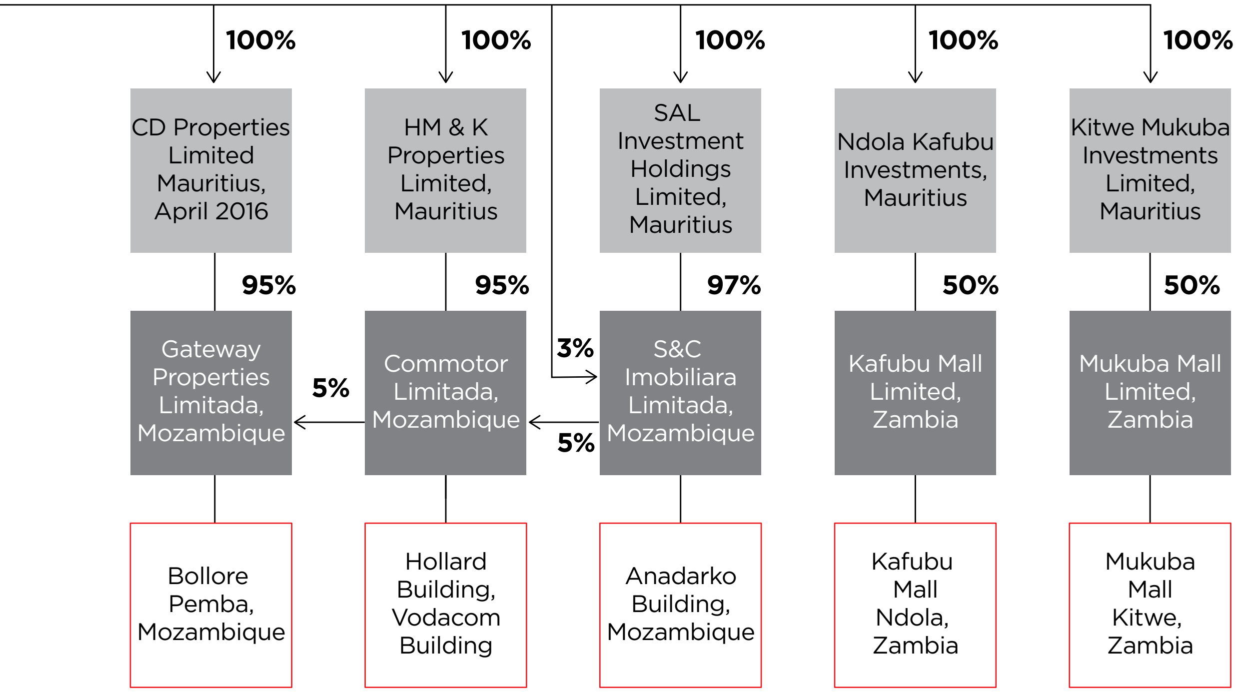
Abland Diversified Holdings Limited, May 2016

45.5%

Buffalo Mall Navaisha Limited, Kenya

Buffalo Mall Navaisha Limited, Kenya


TUSKYS
JAVA HOUSE
Healthy
just fresh
City walk
GoodLife
ONEWAY
OPTICA


100%
100%
100%
100%
100%
CD Properties Limited Mauritius, April 2016
HM & K Properties Limited, Mauritius
SAL Investment Holdings Limited, Mauritius
Ndola Kafubu Investments, Mauritius
Kitwe Mukuba Investments Limited, Mauritius
95%
95%
97%
50%
50%
3%
Gateway Properties Limitada, Mozambique
5%
Commotor Limitada, Mozambique
5%
S&C Imobiliara Limitada, Mozambique
Kafubu Mall Limited, Zambia
Mukuba Mall Limited, Zambia
Bollore Pemba, Mozambique
Hollard Building, Vodacom Building
Anadarko Building, Mozambique
Kafubu Mall Ndola, Zambia
Mukuba Mall Kitwe, Zambia

STAKEHOLDER ENGAGEMENT

MARA DELTA IS FULLY COMMITTED TO THE PRINCIPLES OF THE CODE OF CORPORATE GOVERNANCE OF MAURITIUS AND OF THE CODE OF CORPORATE GOVERNANCE AND THE CODE OF CORPORATE PRACTICES AND CONDUCT SET OUT IN KING III, AND HAS ADOPTED A STAKEHOLDER-INCLUSIVE APPROACH TO CORPORATE GOVERNANCE.

The directors recognise the need to conduct the enterprise with integrity and in accordance with generally acceptable corporate practices. This includes timely, relevant and meaningful reporting to shareholders and other stakeholders, providing a proper and objective perspective of the Company and its activities. The directors have accordingly established mechanisms and policies appropriate to the Company's business in keeping with its commitment to best practices in corporate governance in order to ensure compliance with the code of corporate governance of Mauritius and King III. The Board will review these from time to time. The directors recognise that creating wealth and delivering value to all stakeholders are prerequisites for the sustainability of the business as a going concern. Mara Delta is committed to reporting openly on the key issues affecting the Company's operations, its corporate governance practices and any other information which may have a material effect on the decisions of stakeholders. The directors are cognisant that stakeholder perception may have an impact on the reputation of the Company and, as such, the Board, as the ultimate custodian of corporate reputation and stakeholder relationships, considers a blend of shareholder and stakeholder interests in the context of its overarching duty to act in the best interests of the Company. Management engages with analysts and shareholders on a regular basis to ascertain expectations and perceptions of the Company.

STAKEHOLDER ENGAGEMENT

Shareholders and investors

- Annual and interim reports
- Results presentations
- Continuous one-on-one meetings with investors and analysts
- Investor roadshows
- Media announcements
- SENS
- Website updates
- Compliant and transparent reporting
- Integrated Report

Banks and financiers

- One-on-one meetings between management and new and existing financiers
- Cash flow and solvency forecasts
- Report to financial stakeholders
- Monitoring of key financial ratios and covenants
- Property visits
- Ongoing negotiations with bankers and financiers to secure better rates and conditions
- Consideration of alternative sources of capital by the Board and corporate advisors

Tenants

- Regular site visits
- Formal communication via email and letters
- Management meetings with senior staff of all major tenants
- Independent market research

Suppliers/service providers

- Supplier performance is monitored regularly
- Tenders are awarded based on price and quality

Employees

- Performance and development reviews
- Direct communication
- Open door policy by CEO, COO and CFO
- Flat reporting structure

Media

- Web broadcasts
- Press releases
- Television interviews
- One-on-one meetings
- Invitation to presentations

Regulatory bodies

- Regular contact with the SEM and the JSE

National governments

- Regulatory submissions

PORTFOLIO OVERVIEW

AS AT 30 JUNE 2016, THE PROPERTY PORTFOLIO INCLUDED TEN PROPERTIES WITH A TOTAL MARKET VALUE OF US$287 MILLION. DETAILS OF THESE PROPERTIES ARE DETAILED BELOW:

Properties acquired before 30 June 2016

Property	Physical address	GLA m²	Acquisition date	Functional currency	Effective purchase price US$	Geographical sector
Anadarko Building	Stand 3412 Avenida Julius Nyerere, Maputo	7 805	23 July 2014	US$	32 500 000	Mozambique
Anfa Place Shopping Centre	Anfaplace Living Centre, Boulevard de l'Ocean Atlantique, Casablanca	30 879	23 July 2014	MAD[1]	114 680 000	Morocco
Hollard Building	269A/1, No. 269 Avenidade Sociedade De Geografia, Maputo	4 945	28 April 2015	US$	14 930 000	Mozambique
Vodacom Building	Stand 12A1, Avenida President Carmona, Maputo	10 660	22 May 2015	US$	49 000 000	Mozambique
Zimpeto Square	Stand 1A, Avenida De Mozambique, Maputo	4 764	31 August 2015	US$	10 200 000	Mozambique
Barclays House	Lot No. 68 and 68A, Ebene Cybercity, Mauritius	7 700	16 February 2016	MUR[2]	13 237 945	Mauritius
Bollore Warehouse	Corner formed by Road No. 1 with Av. Marginal, Pemba City, Cabo Delgado Province, Mozambique	6 374	27 May 2016	US$	8 600 000	Mozambique
		73 127				

1 MAD is a pegged currency with 60% weighting to EUR and 40% to US$

2 Currency exposure is hedged to US$

Property type	Tenancy profile*	Vacancy (%)	Weighted average rental per m^2 US$	WALE – GLA	WALE – Rent	Valuer	Valuation date	Valuation US$	Average annualised property yield (%)
Office	A – B	0.0	39.0	9.4	9.5	Jones Lang LaSalle	31 December 2015	41 600 000	8.32
Retail	A – C	27.5	19.3	5.7	6.1	CBRE	31 December 2015	100 621 561	6.58
Office	A – B	0.0	25.2	2.2	2.3	Jones Lang LaSalle	31 December 2015	18 600 000	7.86
Office	A	0.0	27.9	2.8	2.8	Jones Lang LaSalle	31 December 2015	45 700 000	7.65
Retail	B – C	0.0	18.2	5.2	5.0	Jones Lang LaSalle	31 December 2015	11 050 000	9.12
Office	A – B	0.0	12.1	10.8	10.3	CBRE	31 October 2015	14 254 422	7.24
Light Industrial	A	0.0	11.3	3.9	3.9	Jones Lang LaSalle	31 December 2015	8 663 000	8.66
								240 488 983	

PORTFOLIO OVERVIEW continued

Property	Physical address	GLA m²	Acquisition date	Functional currency	Effective purchase price US$	Geographical sector
Associates						
Buffalo Mall (45.5%)	Naivasha, Kenya	3 010	30 April 2016	US$	4 279 434	Kenya
Mukuba Mall (50%)	Kitwe, Zambia	14 115	1 December 2015	ZMW	31 531 467	Zambia
Kafubu Mall (50%)	Ndola, Zambia	6 071	1 December 2015	ZMW	9 076 831	Zambia
Total Associates		23 195				
Total portfolio		**96 322**				

Acquisition commitments post 30 June 2016

Property	Physical address	GLA m²	Acquisition date	Functional currency	Effective purchase price US$	Geographical sector
Vale Compound	Zambia Road No. 8027, Chigondze, Tete, Tete Province, Mozambique	12 996	30 September 2016	US$	33 083 000	Mozambique
Cosmopolitan Mall (50%)	Corner of Kafue and Chawama Roads, Lusaka, Zambia	13 256	30 September 2016	US$	24 167 597	Zambia
		26 252				
Total portfolio (post acquisitions)		**122 574**				

During December 2015, the Group finalised the purchase agreement for Vale Compound in Tete, Mozambique. This property is expected to transfer upon approval of the property subdivision.

On 24 June 2016, the Group entered into a sale share agreement which will result in the Group acquiring 50% in the Cosmopolitan Mall in Lusaka Zambia. This property is expected to transfer upon approval from Competition Commission. Shareholder approval for this Category 1 purchase was obtained on 1 October 2016.

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Property type	Tenancy profile*	Vacancy (%)	Weighted average rental per m^2 US$	WALE – GLA	WALE – Rent	Valuer	Valuation date	Valuation US$	Average annualised property yield (%)
Retail	A – C	3.5	12.1	10.5	8.0	Jones Lang LaSalle	31 December 2015	6 097 000	7.80
Retail	A – C	0.2	4.4	5.4	4.2	Quadrant	31 October 2015	31 562 500	7.81
Retail	A – C	0.0	6.9	4.4	2.9	Quadrant	31 October 2015	8 750 000	9.55
								46 409 500	
		9	**23.2**					**286 898 483**	**8.2**

Property type	Tenancy profile*	Vacancy (%)	Weighted average rental per m^2 US$	WALE – GLA	WALE – Rent	Valuer	Valuation date	Valuation US$
Residential Compound	A	0.0	21.7	4.0	4.0	Jones Lang LaSalle	31 December 2015	34 980 000
Retail	A – B	0.0	21.2	5.3	6.3	Quadrant	31 March 2016	37 175 000
								72 155 000
								359 053 483

PORTFOLIO OVERVIEW continued

PROPERTY PORTFOLIO

Anfa Place Shopping Centre

Located in one of Africa's most important cities, Casblanca, Morocco, this mall was designed by Architect Sir Norman Foster and developed in 2013 by Inveravante. It forms part of a mixed use complex, including offices, luxurious residential apartments, a Four Seasons hotel and the Pestana hotel suites.

The shopping centre is situated in the prestigious area of Anfa in Casablanca and was acquired in July 2015 and is anchored by Label Vie (Carrefour), Alshaya (H&M), M&S and Alhokair (Virgin Mega Store).

The mall offers over 80 international brands spanning across three levels.

Sector: Retail

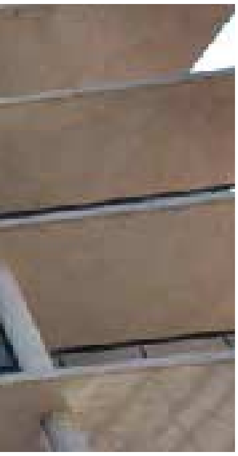
Anchor tenants: Starbucks, Virgin Megastore, Carrefour, American Eagle, US Polo, Nine West, Terranova, H&M and M&S

Grade: A

GLA (m^2): 30 897

Valuation: US$100.6 million

Occupancy: 72.5%



Anadarko Building

Developed in 2013 and located in the most prestigious upcoming business node in Mozambique's capital of Maputo. This six-storey building, offering 185 parking bays, was developed as a bespoke building for Anadarko by S&C Immobiliara Limitada.

This was the first asset acquired by the Group and is anchored by Anadarko Petroleum.

The site has a current GLA of 7 805m^2, however the second phase development has begun, which will increase the GLA by an additional 4 000m^2. The second phase is expected to be completed in October 2017.

Sector: Office

Anchor tenants: Anadarko Petroleum

Grade: A

GLA (m²):

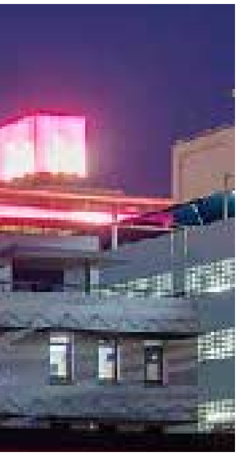
7 805 + 4 000

Occupancy: 100%

Valuation:

US$41.6 million*

** Before second phase development*



KPMG/Hollard Building

Located in Maputo's trendy downtown business node, this three-storey building was developed in 2008 by Commotor Limitada, offers offices and a café, providing its tenants the perfect work life balance.

The building is anchored by blue-chip companies KPMG, BP and Hollard and was acquired in April 2015.

Sector: Office

Anchor tenants: KPMG, BP and Hollard

Grade: A

GLA (m²):

4 945

Occupancy: 100%

Valuation:

US$18.6 million

PORTFOLIO OVERVIEW continued

PROPERTY PORTFOLIO

Zimpeto Square

Located 13km north of central Maputo offering shopping convenience outside the busy city centre in a key junction, Zimpeto Square was developed in 2012. The shopping centre was acquired in September 2015.

Sector: Retail

Anchor tenants: Millennium BIM Bank, Retail Masters, Vodacom and Edcon

Grade: B+

GLA (m^2):

4 764

Occupancy: 100%

Valuation:

US$11.05 million

Vodacom Building

Located in Maputo's Biaxa business node, the building was developed in 2009 by Sociedade De Construcoes Catemba Limitada. Acquired in May 2015, this iconic multi-storeyed building is tenanted by Vodacom Group Limited.

Sector: Office

Anchor tenants: Vodacom

Grade: A

GLA (m²):

10 660

Occupancy: 100%

Valuation:

US$45.7 million

Barclays House

A modern office block conceptualised by the Jade Group and situated in Cybercity, Ebene, Mauritius. The building has been carefully designed with an open atrium to maximise the natural light. The building, which was acquired in February 2016, consists of ground plus six floors offering a gym and cafeteria on the ground floor. Barclays House is the Head Office to Barclays Bank PLC, who occupy five of the floors.

Sector: Office

Anchor tenants: Barclays Bank

Grade: A

GLA (m²):

7 700

Occupancy: 100%

Valuation:

US$14.26 million

PORTFOLIO OVERVIEW continued

PROPERTY PORTFOLIO

Buffalo Mall – (45.5% share)

Located in Naivasha, Kenya, Buffalo Mall is a brand new three phase shopping centre developed by KenAfrique and Lloyd Capital Partners. The 45.5% share was acquired in April 2016.

Sector: Retail

Anchor tenants: Tusky's

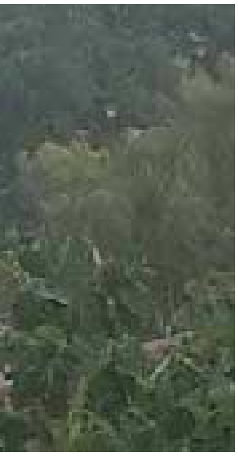
GLA (m²):

3 010
(45.5% share)

Occupancy: 96.5%

Valuation:

US$6.10 million
(45.5% share)



Bollore Warehouse

This light industrial warehouse complex is situated in Pemba Mozambique and houses seven warehouses. The warehouse complex was acquired in May 2016.

Sector: Light industrial

Anchor tenants: Bollore Africa Logistics and Plexus Cotton

Grade: B

GLA (m²):

6 374

Occupancy: 100%

Valuation:

US$8.66 million

PORTFOLIO OVERVIEW continued

PROPERTY PORTFOLIO

Kafubu Mall – (50% share)

Located in Ndola, Zambia, Kafubu Mall is the dominant retail shopping and leisure mall developed by the Heriot Group. The 50% share in the mall was acquired in December 2015. Kafuba Mall offers over 12 000m² of retail shopping, banks and food court, together with 180 parking bays.

Sector: Retail

Anchor tenants: Shoprite

GLA (m²):

6 071
(50% share)

Occupancy: 100%

Valuation:

US$8.75 million
(50% share)

Mukuba Mall – (50% share)

Located in Kitwe, Zambia, developed in 2015 by the Heriot Group. This family oriented mall offers over 28 000m^2 of retail shopping with anchor tenants being Shoprite, Game and Pick n Pay. The 50% share in the mall was acquired in December 2015.

Sector: Retail

Anchor tenants: Shoprite, Game and Pick n Pay

Occupancy: 99.8%

GLA (m^2):

14 115
(50% share)

Valuation:

US$31.56 million
(50% share)

CHAIRMAN'S REPORT

INTRODUCTION

This is our third integrated annual report, and the second reflecting a full comparative 12-month operating period from 1 July 2015 to 30 June 2016.

I am proud to report that, during this period, Mara Delta's metamorphoses as the first publicly traded pure African property group continued to gain significant traction in several key areas.

In addition to expanding the portfolio further in Mozambique, through a number of strategic acquisitions, Mara Delta successfully diversified its operations into Zambia, Mauritius and Kenya. I will touch on this further under the "Strategy" section of this report, whilst more detail will be available in the Chief Executive Officer's Report on page 32.

At the time of writing, Mara Delta's total investment property, including assets under transfer was valued at US$359.1 million, segmented in each country of operation as follows:

- Mozambique: US$160.6 million
- Morocco: US$100.6 million
- Zambia: US$77.5 million
- Mauritius: US$14.3 million
- Kenya: US$6.1 million.

GAME CHANGER

During the reporting period, Bronwyn and her team structured a significant transaction with The Pivotal Group (Pivotal), a JSE listed development focused investment fund, to form a property powerhouse on the continent. This transaction was supported by shareholders and came into effect on 25 May 2016.

Joining our ambitions on the continent with those of Pivotal's has been a game changer for Mara Delta, positioning it as a total return fund with a solid income producing portfolio (valued at US$359.1 million). This uniquely positions Mara Delta with economies of scale to consolidate a number of opportunities on the continent by leveraging the experience and knowledge of the current executive management team and complementing these skills with the introduction of further depth and competencies to the Board.

Mara Delta now has access to a considerable acquisition and development pipeline through Abland Africa Limited and other promoters as well as the track-record and expertise to draw on local knowledge and experience.

As part of the agreement, Abland Africa Limited, Carlisle Property Holdings Limited and Mara Group will be appointed as promoters to source investment opportunities for Mara Delta across the continent.

Our immediate focus remains on growing our portfolio of assets from the current US$359 million (2015: US$220 million) to around US$1 billion within the next three to five years, focusing on the current countries of operation and expansion in the East African region.

Pivotal, invested the US Dollar equivalent of R300 million asset acquisitions.

Springboard into Kenya

Mara Delta expanded its operations into Kenya through the acquisition of Pivotal's 45.5% interest in Buffalo Mall Naivasha Limited, a Kenyan retail, commercial and entertainment centre development. As part of the Pivotal transaction, the purchase consideration of US$6.7 million was settled through the issue of new Mara Delta ordinary shares to Pivotal at US$1.70 a share.

Internalisation of the asset manager

The existing asset management agreement between Mara Delta and Freedom Asset Management Limited was also terminated in favour of the internalisation of the asset management function and associated management fee on 25 May 2016.

To this end, the internalisation of the asset manager is expected to unlock synergies and alignment across the portfolio in the five current countries of operation.

MACROECONOMIC OVERVIEW

During the reporting period, low international commodity prices continued to impact on certain countries of operation, most notably Mozambique and Zambia.

The International Monetary Fund's (IMF's) estimated growth for sub-Sahara Africa (SSA) in 2015 was 3.4% (down from 5% in 2014) and their projection for 2016 is down to 3%.

Although growth momentum on the continent has slowed significantly in the past 18 months, it should be remembered that this growth is relative to the rest of the world – and SSA remains the second fastest growing region in the world, after emerging Asia.

The reality is that economic growth across the region is likely to remain slower in coming years than it has been over the past 10 to 15 years. The main reasons for a relative slow down are not unique to Africa and are the same as those weighing down the global economy: a general slowdown in emerging-market economies and, in particular, the rebalancing of China's economy; the ongoing stagnation in most developed economies; lower commodity prices; and higher borrowing costs.

According to an Ernst & Young ("EY") study, Foreign Direct Investment ("FDI") flows to Africa remained robust in 2015:

- FDI project numbers increased by 7% year-on-year, from 722 projects in 2014 to 771 projects in 2015.
- The capital value of those projects was down year-on-year – from US$88.5 billion in 2014 to US$71.3 billion in 2015 – this capital value was, however, still higher than the 2010 to 2014 average of US$68 billion.

CHAIRMAN'S REPORT continued

- Similarly, jobs created were down year-on-year, but were also ahead of the average for 2010 to 2014.
- Significantly, the year-on-year increase in FDI project numbers in Africa in 2015 occurred in a context in which the total number of FDI projects globally dropped by 5%.
- Africa was one of only two regions in the world in which there was growth in the number of FDI projects over the past year.

* *The above information was sourced from EY's Africa attractiveness program. Africa 2016, Navigating Africa's current uncertainties – http://www.ey.com/Publication/vwLUAssets/ey-africa-attractiveness-program-2016/$FILE/ey-africa-attractiveness-program-2016.pdf*

FDI project trends in Africa

RISK MANAGEMENT

Effective risk management remains imperative for Mara Delta. The realisation of the Company's strategy depends on it being able to take calculated risks in a manner that does not jeopardise the direct interest of stakeholders, through the alignment of risk and opportunities to the Company's vision and mission.

The nature of our risk profile demands that we adopt a prudent approach to corporate risk and our decisions regarding risk tolerance, as well as risk mitigation, reflects this.

Mara Delta's approach to risk, its risk framework and mitigations are elaborated on in the Key Risks and Corporate Governance sections of this report on pages 60 and 71 respectively.

FINANCIAL PERFORMANCE

During the period, the Group successfully raised capital of US$44.8 million (2015: US$130.7 million) through the issue of 26 404 683 shares at an issue price of US$1.70 cents per share. In line with its commitment to protect shareholder value, the Group issued all shares at a premium to Net Asset Value per share.

The portfolio vacancy by Gross Lettable Area is 7%, predominantly as a result of a strategic vacancy created by the exit of an underperforming original tenant at Anfa Place Shopping Centre which did not provide the optimal tenant mix for the centre. I am happy to report that vacancies at Anfa Place Shopping Centre were reduced from 22.48% as reported in March 2016 to 19.6% as a result of focused tenant mix optimisation by the management team.

Foreign currency movements

Although the Group operates primarily in US Dollars, operations in various countries incur local costs and taxes denominated in local currencies. The Group's only material exposure to foreign currency fluctuations in terms of lease income is to the Moroccan Dirham (which is weighted on the Euro and US Dollar at a rate of 60%:40% respectively).

As elaborated on above, the results include the impact of the devaluation of the Mozambique Meticais, which has depreciated 66.5% against the US Dollar from MZN38.05:US$1 in June 2015 to MZN63.34:US$1 by the end of the reporting period. Although the movement in the currency does not impact operating profits (as all leases and borrowing costs are US$ based), it does provide for large revaluation movement as can be seen in foreign exchange movements.

Leon, in his Chief Financial Officers Report, provides more detail on the financial matters.

GOVERNANCE AND BOARD

The transaction between Delta and Pivotal has added further depth and experience to the Board of Mara Delta with the appointment of Jackie van Niekerk (CEO of Pivotal), Dave Savage (Managing Director of the Abcon Group) and Ashish J Thakkar (founder and CEO of the Mara Group) as Non-executive Directors.

Peter Todd will remain as the Board's Lead Independent Non-executive Director.

On behalf of the Board of Mara Delta, I welcome the new appointees and look forward to our working together.

On the operational side, Greg Booyens left the employ of the Group and as a result did not stand for re-election as an executive director at the Annual General Meeting of shareholders held on 12 November 2015. The Board would like to thank Greg for his valuable contribution during his tenure.

On 1 July 2015, Leon van de Moortele was appointed as Chief Financial Officer. He brings a wealth of knowledge gained from practical experience across the continent.

In addition, Greg Pearson continues as Chief Investment Officer and heads up all new business.

On 6 August 2015, Bronwyn Corbett was appointed as Chief Executive of Mara Delta.

In May 2016, two further appointments were made completing the Mara Delta executive team. Heidi Rix was appointed as Chief Operating Officer, bringing 18 years of commercial and real estate experience and Moira van der Westhuizen was appointed as Chief Integration Officer, bringing 20 years of finance, auditing and business experience.

Bronwyn and her executive team have delivered remarkable achievements during the year under review and we look forward to their delivery on similar targets in the current year.

STRATEGY

Our longer term strategy remains focused on expansion opportunities in East Africa where economies have embraced REIT legislation. In the short term we will continue to capitalise on our knowledge base and diversify our sectoral exposure by expanding in current jurisdictions such as Mauritius, Morocco and Mozambique.

In line with this strategy, Mara Delta entered Zambia with the acquisition of strategic interests in two dominant shopping centres, Kafubu Mall (an 11 964m^2 shopping centre in Ndola) and Mukuba Mall (a 28 235m^2 shopping centre in Kitwe) from Rockcastle Global Real Estate. Post reporting date, Mara Delta will be acquiring a 50% interest in Cosmopolitan Mall (a dominant 26 512m^2 shopping centre in Lusaka) from the same counterparty.

Mara Delta also acquired the Bollore Warehouse (light industrial) in Pemba, Zimpeto Square in Maputo, and will be taking transfer post year-end of the Vale Compound (commercial/residential) in Tete, Mozambique.

Bronwyn will elaborate on these acquisitions as well as provide an update on the pipeline of acquisitions currently under negotiation in her Chief Executive Officer's report.

OUTLOOK

Despite current uncertainties regarding growth prospects in many African economies, it is our view that the longer term outlook for economic growth and investment in Africa remains relatively positive. The next few years will be tough – largely, as a result of a fragile global economy – but many African economies remain resilient, with two-thirds of sub-Saharan African (SSA) economies still growing at rates above the global average this year.

Structural evolution will continue and, when conditions improve globally, much of Africa will be well positioned to accelerate the growth momentum once again.

Our immediate focus remains on growing our portfolio of assets from the current US$359 million (2015: US$220 million) to around US$1 billion within the next three to five years, focusing on the current countries of operation and expansion in the East African region.

APPRECIATION

I would like to thank my fellow Board members, especially the non-executive directors, for their continued support and diligence throughout the reporting year.

In addition, to our shareholders, a sincere word of thanks for partnering with us in achieving our vision.

Lastly, none of Mara Delta's success would have been possible without the selfless contribution, long hours and tenacity of our executive team and staff. On behalf of the Board and shareholders I thank you for your commitment and for making it happen!

Sandile Nomvete
Chairman

2 September 2016

CHIEF EXECUTIVE OFFICER'S REPORT

FINANCIAL PERFORMANCE

Overview

Despite a challenging operating environment on the back of a depressed commodity cycle and low international economic growth, our relentless efforts are increasingly gaining traction in the countries of operation. We have gone into our second financial year seeing many changes and growth in the business. General market sentiment about Africa and macroeconomic factors impacting some countries has created a very interesting trading platform for Mara Delta.

I am therefore particularly pleased that Mara Delta declared a profit of US$1.98 million for the year under review, compared to a profit of US$0.18 million in the 2015 financial year.

The financial performance was supported by strong asset management and the quality of leases acquired as part of the new portfolios.

In addition, we successfully negotiated the settlement of a vendor loan relating to the acquisition of Anfa Place Shopping Centre in Morocco by means of a Euro/US$ denominated long-term facility on more favourable terms. This refinance transaction resulted in a significant reduction of our borrowing costs on the vendor loan, down from 8.15% to an all-in rate of 5.66%, of which 65% is at a fixed rate.

Bridging facilities in Mozambique that were in place over the prior year-end was also successfully settled by means of an in-country facility. More information is available under Funding and Borrowing in this report, as well as the CFO's report.

Dividend

Mara Delta declared its fourth distribution of US$5.58 cents per share for the financial year ended 30 June 2016. This represents a full year distribution of US$11.75 cents per share, in line with the Company's distribution growth forecast of between 3% and 6% on the prior year's full year distribution of US$11.28 cents per share by 4.1%.

CORPORATE ACTIVITY

As the Chairman elaborated in his statement, the joining of Delta Africa with the Pivotal Group has resulted in a larger more robust Mara Delta that increasingly enjoy strong support from institutional shareholders.

During the year, Mara Delta raised US$44.8 million through share issues at a premium to net asset value per share. The proceeds from these issues were deployed in expanding the portfolio through strategic acquisitions and significantly reducing the cost of funding significantly.

> *"Mara Delta continues to deliver against its growth objectives, reporting a 4.1% increase in its dividend to US$11.75 cents per share, representing an annualised dividend yield of 9.01% on the JSE and 6.75% on the SEM respectively.*
>
> *We diversified and de-risked the portfolio substantially during the review period, improving on performance matrixes in most categories."*

OPERATIONAL PERFORMANCE

Overview

Following the acquisitions during the reporting period, Mara Delta's portfolio mostly comprises retail (54.88% of gross asset value) and Commercial Offices (33.09% of gross asset value) with the balance comprising Corporate Accommodation and Light Industrial.

Apart from the joint venture with The Pivotal Group which resulted in the larger Mara Delta acquiring interests in an asset in Kenya, the Company diversified its operational footprint as well as its portfolio through strategic acquisitions in Zambia, Mauritius and Mozambique.

These acquisitions partly offset Mara Delta's geographical concentration risk, with 43.8% of the portfolio (by value) now located in Mozambique, 35.1% in Morocco, 14% in Zambia, 5% in Mauritius and 2.1% in Kenya. The average property value across the portfolio amounts to US$36 million (including assets under transfer).

Vacancies across the portfolio of 9% by GLA were reported and mainly relate to the strategic exit of a non-performing tenant at Anfa Place Shopping Centre. Negotiations with an internationally recognised tenant were in the process of being concluded at the time of writing.

The average rental escalation has increased to 3.65% from 3.38% reported in the prior financial year.

The weighted average rental per square meter across the portfolio is, however, slightly down from US$27 to US$26.6 at year-end.

TRANSFER OF ASSETS

Mara Delta signed eight acquisition deals in FY16, increasing the Company's portfolio value from US$210.4 million to US$359.1 million, representing a growth of 73%. On a gross lettable area basis, the portfolio expanded from 59 053m^2 to 122 574m^2, representing a growth of 108%.

CHIEF EXECUTIVE OFFICER'S REPORT

continued

Asset transfer timeline

Transfer in FY16	Asset	Country	Acquisition value
October 2015	Zimpeto Square	Mozambique	US$11.1 million
December 2015	Kafubu Mall	Zambia	50% ownership US$40.3 million (combined)
December 2015	Mukuba Mall	Zambia	
March 2016	Barclays House	Mauritius	US$14.3 million
May 2016	Buffalo Mall	Kenya	45.5% ownership US$6.1 million
May 2016	Bollore Warehouse	Mozambique	US$8.7 million
Transfer after reporting date			
Expected November 2016	Vale Compound	Mozambique	US$34.9 million
Expected November 2016	Cosmopolitan Mall	Zambia	50% ownership for US$37.2 million

SUMMARY OF OPERATIONAL JURISDICTIONS

Mauritius

Policy trends

The Government of Mauritius has developed an economic blue-print and action plan to achieve High Income Country status by 2025. The Economic Mission Statement presented by Prime Minister Sir Anerood Jugnauth at the launch of the High Powered Committee on Achieving the Second Economic Miracle and Vision 2030 on 22 August 2015 elaborated on the creation of 100 000 new jobs within the coming five years in 10 sectors of the economy through major investment projects to the tune of Rs183 billion and achieving an average growth rate of 5.5% annually as from 2017.

The economy will be centred on a number of core areas to fundamentally transform the economy, including:

- a revamped and dynamic manufacturing base for the country;
- leveraging on the Exclusive Maritime Economic Zone to develop the Ocean industry;
- revisiting the services sector; and
- renovating the Innovation, technology and communication sector.

Another major feature is the Africa Strategy being adopted to transform Mauritius into a regional platform for trade, investment and services. This would be achieved through enhanced economic exchanges and improved air and sea connectivity, with the eventual creation of both a regional air and shipping company.

Tourism, higher education and developing the potential of Mauritius as a regional hub for healthcare and medical services as well as a medical education centre of excellence for Africa are among identified areas of growth.

(Source: http://www.govmu.org/English/News/Pages/Achieving-The-Second-Economic-Miracle-And-Vision-2030--Prime-Minister-presents-Economic-Mission-Statement-.aspx)

Economic growth

Despite external headwinds, especially sluggish growth in the Euro zone on which Mauritius is highly dependent for tourism, trade and foreign direct investment (FDI), the economy grew by 3.5% in 2015, similar to the 3.4% pace in 2014. Growth continues to be supported by tourism, information and communications technology (ICT) and the financial and insurance sectors, which grew by 8.6%, 6.9% and 5.2%, respectively. In contrast, the construction sector shrank for a second consecutive year (by 4.3%) and textile value-added also declined by 1%.

The current account deficit narrowed from 8.8% of gross domestic product (GDP) in 2014 to 7% of GDP in 2015, driven by a smaller trade deficit and lower net income outflows. The bulk of the current account deficit is structural, reflecting weaker private saving and reliance on capital goods imports, compounded by the slow recent growth of Mauritius' main trading partners. The current account deficit continues to be financed largely by FDI (especially property, and hospitality services), and financial flows from the offshore corporate sector.

(Source: (http://www.worldbank.org/en/country/mauritius/overview)

Fiscal policy

Monetary policy is cautiously accommodative, consistent with macro stability, but with the Bank of Mauritius also attempting to support stronger growth and a closing of the output gap. The repo rate was reduced by 25 basis points to 4.4% in November 2015 and has subsequently been left unchanged, facilitated by headline inflation falling to 1.3% in 2015, owing to low global commodity prices and persistent slack in the domestic economy. Fiscal policy also remains broadly expansionary as judged by primary fiscal deficits in 2014 and 2015 (0.4% and 1.6% of GDP).

(Source: http://www.worldbank.org/en/country/mauritius/overview)

Portfolio overview

On 9 November 2015, Mara Delta announced its first entry into the Mauritian property market with the acquisition of Barclays House in Cybercity, Ebene.

Barclays House is a seven storey office complex with 150 parking spaces comprising a gross lettable area (GLA) of 7 700m^2 tenanted by Barclays Bank PLC and Clear Ocean Hotel & Resort on long-term leases.

This A-grade building is located in Cybercity, Ebene, a sought-after office node 15km south of Port Louis, the capital city of Mauritius. Other blue chip multinational tenants in the node include Orange, IBM, HSBC, PwC, EY, MCB, Standard Bank and Standard Chartered Bank amongst others.

The purchase consideration amounted to Mauritian Rupees 470 million (approximately US$13.4 million) at a yield attributable to shareholders of 7.3%. Broll Indian Ocean Limited, external chartered valuers, have attributed a value of Mauritian Rupees 490 million (approximately US$14 million) to the property.

The purchase consideration was funded by way of a vendor consideration placement of Mara Delta shares to third parties (refer to CFO's report **Funding and Borrowing**) and debt from Barclays Bank (Mauritius). As required under Mauritian law, the agreement takes the form of a *compromis de vente* and, following the fulfilment of the suspensive conditions, the formal deed of sale was subsequently concluded between the parties at the Mauritian notaries' office on 16 February 2016.

Completed assets pipeline

Subsequent to the end of the reporting period Mara Delta advised shareholders that it has entered into a non-binding heads of agreement with Lux Island Resorts Limited (the vendor) for the acquisition of the hotel building known as Tamassa Resort, located on Coastal Road, Bel Ombre, Mauritius, as well as the vendor's rights, title and interests in the lease agreement with the vendor and the Republic of Mauritius, in relation to the property on which the Tamassa Resort is located.

The total consideration for the transaction is the Euro equivalent of US$40 million, on a cash free, debt-free basis. The acquisition is subject to certain conditions precedent including approval from the Board of Investment of Mauritius and the Prime Minister's Office.

Subsequent to the sale, the Property will be leased back to Lux Resorts Limited, for an initial period of 10 years and renewable at its option, for a period not shorter than the initial lease term. The annual rent payable during the initial period of the lease will represent between 8% and 9% of the purchase consideration.

The transaction is in line with Mara Delta's diversification drive where hospitality assets will be acquired strictly on a sale and lease-back basis over a fixed term in order to mitigate any operational risk.

Shareholders should refer to the news service of the SEM and the JSE Stock Exchange News Service for an update on the above transaction.

Morocco

Policy trends

Morocco engaged in a programme of wide-ranging reforms with the adoption of a new Constitution in 2011, which set the basis for a more open and democratic society, a more modern state of law and institutions, greater separation of powers, and increased decentralisation. The current coalition government comprises four parties and is led by moderate Islamist Party, PJD (Party for Justice and Development).

In 2013, differing views among coalition members over economic reforms led to the withdrawal of the Istiqlal Party (conservative historical party) and the introduction of the RNI *(Rassemblement National des Indépendants)* a centre liberal party. The government is continuing to roll-out the last pending constitutional reforms and pursuing the implementation of promised subsidy, pension and capital market reforms.

On local governance the country is engaging in a promising regionalisation agenda. The country held regional and local elections in September 2015 that defined a new local political map where two major political players emerged: ruling PJD and opposition party PAM (Party for

CHIEF EXECUTIVE OFFICER'S REPORT

continued

Authenticity and Modernity). While the latter dominated the leadership of the country's regions (5 out of 12), PJD is the clear winner in the management of Morocco's largest cities. This new share of political powers will redefine the government coalition that will emerge from the 2016 legislative elections.

Economic growth

Thanks to an exceptional 2014/2015 agricultural season, economic growth rebounded to 4.4% in 2015. However, after this strong economic performance in 2015, the Moroccan economy is sharply decelerating in 2016; illustrating the typical production swing of an economy still dependent on rain-fed agriculture. The current drought and the 2015/2016 expected cereal production below average is expected to reduce the total GDP growth to below 2% in 2016.

Fiscal policy

In response to deteriorating fiscal trends, Morocco has embarked on a major fiscal consolidation effort since 2013. The government initiated in 2013 the reform of the subsidy system and began to rein in other recurrent and investment expenditures, while consolidating tax revenues. As a result, the fiscal deficit decreased from 7.2% of GDP in 2012 to 4.3% of GDP in 2015.

Improvements on the external front have been even more spectacular. The current account deficit, which culminated in 10% of GDP in 2012, was reduced to 2.3% of GDP in 2015. This reflected the combination of lower imports, as a result of the sharp fall in international oil prices, and higher exports from the "new" industries (automobile, aeronautics, and electronics) as well as from the agro-industrial sector.

Notwithstanding the ups and downs of the agriculture sector, Morocco's economic growth has slowed down in recent years. On average, real GDP grew by 3.8% during 2013 to 2015 underperforming its trend of 4.6% per annum during 2003 to 2012. While domestic demand had been the main driver of growth before 2012, its contribution started to weaken in 2013.

Implementation of Morocco's reform agenda remains key to show transformational results. The 2016 Budget Law confirmed the government's resolution to solidify the tax base, rein in expenditure and implement a pension reform that would lengthen the system sustainability and reduce its contingent liabilities. Along with the ongoing subsidy, fiscal and financial reforms, these actions contribute to consolidating the macroeconomic framework, improving the business environment, and enhancing higher and inclusive growth potential.

(Source: http://www.worldbank.org/en/country/morocco/overview)

Portfolio overview

The management team have to be commended for their excellent work in optimising the tenant mix to attract more international brands and capture the more affluent customers in the centre's primary catchment area.

The centre is anchored by Carrefour supermarket, Virgin Megastore and a number of other international retailers including H&M and Marks & Spencer.

During the year under review, strategic vacancies opposite the hotel construction site (now completed) were filled and wall frontage was optimised for kiosks and promotional space. The food court and entertainment areas were upgraded and in addition to McDonalds that opened in the prior reporting period, new tenants were introduced to the centre.

Going forward, to further strengthen the retail offering, there will be a capital investment of around US$10 million in Anfa Place. This capital expenditure will be partially defensive and partially yield accretive.

The redevelopment will increase GLA from 30 000m^2 to approximately 32 400m^2 and includes tailored floor layouts that appeal to distinct consumer groups, including:

- **families:** offering an environment catering for families with young children with the inclusion of a new anchor tenant in the former Gifi premises;
- **aspirational shoppers:** a trendy destination for mid-level brands on a single circuit to allow shoppers a more coherent journey; and
- **upscale daily shopping:** includes the optimisation of the food court GLA, valorise terraces with food and beverage concepts as well as upscale coffee shops.

As mentioned in the previous integrated annual report, we expect Morocco to introduce REIT legislation in 2016. As soon as these changes are promulgated, Mara Delta will convert its Moroccan company to benefit from the expected increase in dividend returns as a result of greater tax efficiencies.

Mozambique

Policy trends

As of October 2015, the Mozambican World Bank portfolio had 23 projects with an overall net commitment of approximately U$1.5 billion, distributed across all major sectors, as well as 53 Trust Funded-operations with total allocation of U$2.22 billion.

Mozambique has a unique opportunity to build on the discovery of natural resources which will allow it to achieve its social development goals and overcome its reliance on foreign aid.

Since the end of the civil war the economy has experienced some structural change, including in the agricultural sector. The sector is the dominant source of employment, and its growth is based on the expansion of the cultivated area and agribusinesses.

Mozambique's efforts are on developing its transport corridors in order to stimulate nationwide economic growth led by regionally focused infrastructure investment. The three major growth corridors in Mozambique are the Maputo Corridor to the South African border; the Nacala Corridor linking the central and northern provinces of Mozambique and Tanzania, Zambia, and Malawi to the Nacala deep water port; and the Beira Corridor linking Mozambique's central provinces and neighbouring Zimbabwe with the Beira port.

Economic growth

Mozambique's GDP growth rate slowed in 2015 as the economy adjusted to lower world commodity prices and decreased inflows of Foreign Direct Investments (FDI). Real GDP growth is expected to continue decelerating through 2016 and into 2017 at 6%, driven by falling exports revenues, rising import costs and reduced FDI. Weak external demand conditions and low commodity prices are anticipated to continue over 2016/2017, and then recover gradually by mid-2017 in line with world forecasts.

Inflation accelerated in the second half of 2015, as rising food costs and the depreciation of the metical drove an increase in consumer prices. The deterioration of the external accounts caused the metical to depreciate in 2015, exacerbating inflationary pressures. The consumer price index (CPI) inflation rate reached 11.1% in December 2015, up from 1.1% a year earlier. This coincided with almost a 70% depreciation of the metical against the US Dollar and a roughly 40% depreciation against the South African rand. Over the longer term the continued depreciation of the real exchange rate could help stimulate non-traditional exports given adequate investment in complementary infrastructure.

CHIEF EXECUTIVE OFFICER'S REPORT
continued

Fiscal policy

The government adjusted its fiscal stance in 2015 and adopted tighter monetary policies from October through December of 2015. The fiscal adjustment has focused on cuts to public investment financing through the budget, in contrast to previous years where allocations to public investment substantially increased. Current expenditures increased by 11% between January and September 2015, year-on-year, while capital expenditures shrank by nearly 40%. In terms of monetary policy, the central bank has increased the rates of compulsory reserves and interbank rates.

(Source: http://www.worldbank.org/en/country/mozambique)

Portfolio overview

During the financial year under review, Mara Delta took transfer of Zimpeto Square, a 4 764m^2 retail centre in Maputo anchored by Retail Masters and Edcon. The Company furthermore acquired a strategically located light industrial warehouse in Pemba and a residential compound in Tete, further diversifying its sectoral spread within that country.

The 6 374m^2 Bollore Warehouse is anchored by Bollore Africa Logistics and Plexus under a triple net lease and transferred in May 2016. The property, independently valued at US$8.6 million, is fully let with the lease expiring in 2020. In terms of the triple net lease there are zero escalations over the lease period.

The Vale Compound in Tete comprises 83 three-bed villas and 40 two-bed apartments tenanted by Vale and Barloworld. The asset is expected to transfer post balance sheet date. The anchor lease term extends another two years for Vale and three years for Barloworld, with a four-year head lease in place from the vendor.

This corporate residential asset forms part of Mara Delta's strategy of owning strategically located, high-demand assets and has zero vacancies. The property is tenanted with annual lease escalations of 3.2% in place.

Update on current account deficit

More information on the liquidity challenges in Mozambique is available under Risk Management in the Chairman's statement on page 30 of this integrated annual report.

Both international macroeconomic factors as well as microeconomic factors relating to government's first instalment of the controversial US$850 million Ematum Bond becoming payable, high domestic debt levels and pockets of political instability impacted on the currency, which lost more than half its value against the US Dollar in 2015 (calendar year).

The government's repayment of US$77 million as a first instalment on the Ematum Bond brought a scarcity in foreign reserves and a current account deficit which led to concerns around the repatriation of funds.

As mitigants, we continue to have a strong relationship with the Central Bank, and to date, there has been no impact on planned repatriation of funds. We also deemed it prudent to take out political risk insurance that also covers currency inconvertibility and non-transfer cover.

Given Mara Delta's diverse areas of operation, the Group is particularly exposed to sovereign risk, currency risk, the repatriation of funds and counter party default.

Apart from the impact of a general slow-down in most international markets, our risk structures were tested during the reporting period as a result of the ripple effect caused by the IMF's suspension of loans to Mozambique in April 2016, after previously undisclosed debt of US$1 billion were exposed.

Mara Delta's relationship with the Banco de Moçambique remains positive and to date there has been no impact on the planned repatriation of funds. In addition, our interests remain largely aligned with those of our tenants, whose quality and reputation indirectly underpin our objectives. Political Risk Insurance is nonetheless in place for Morocco

and Mozambique, covering Mara Delta against currency inconvertibility and non-transfer cover.

The Board is confident that the Group remains in a strong position to deal with the current challenges in Mozambique as a result of its ability to manage the flow of funds through its liquidity facilities in Mauritius, the careful management of cash flow surrounding investments and the strength of its tenants in that country.

Zambia

Policy trends

The Zambian Government is in the process of developing the new 7th National Development Plan 2017 to 2021 (7th NDP). It provides an opportunity to prioritise government objectives towards poverty reduction and strengthening the linkages between budgeting and planning. It is part of the cascading system of planning that commenced with the National Vision 2030 prepared in 2005 and breaks down to rolling annual plans. A critical legislation in this respect is the Planning and Budgeting Bill 2015, which is expected to be considered by parliamentarians in October 2015. A final draft of the 7th NDP shall be distributed for public discussion just before the elections in August 2016.

At the time of writing, Zambia's opposition leader waged a last-ditch effort in the country's constitutional court to have the vote results of the national election held on 11 August 2016 overturned, citing widespread irregularities.

Under a new law introduced in January, the suit means Mr Lungu's inauguration — initially scheduled for early September — can't go ahead until court rules on the matter, according to the Zambian president's office. But with a final decision not expected until late September, this matter deepens political uncertainty in Zambia, Africa's second-largest producer of copper.

Economic growth

Zambia's economy grew at an average annual rate of 7% between 2010 and 2014. However, global headwinds and domestic pressures have strained the Zambian economy. Consequently, growth in 2015 fell to an estimated 3% (compared to 4.9% in 2014) following a six-year low in copper prices, increasing power outages, and El Nino-related poor harvests. Growth is expected to remain around 3% in 2016, subject to the 2016 harvest, the mining industry's reaction to softer copper prices, and stabilisation of the power situation. The benefits of gross domestic product (GDP) growth have accrued mainly to the richer segments of the population in urban areas.

The falling copper prices, exports and foreign direct investment (FDI) have weakened the economy. Copper prices declined by almost a third from their peak in February 2011 to $4 595/ton in February 2016 (LME) and are forecast to remain soft until 2018 as global supply currently exceeds demand. The mine closures in 2015 led to the loss of over 7 700 jobs.

(Sources: http://www.worldbank.org/en/country/zambia/overview and http://www.wsj.com/articles/zambian-opposition-goes-to-court-to-overturn-results-of-presidential-election-1471679851)

Mara Delta has pioneered direct property investment on the continent and it has been a steep learning curve.

As we mature, our efforts are steadily gaining traction, which is increasingly being recognised by international funders and investors, providing further access to international debt and capital markets.

CHIEF EXECUTIVE OFFICER'S REPORT
continued

Fiscal policy

Fiscal consolidation efforts by the Zambian Government will help to minimally narrow the budget deficit for 2016 to 7.1% of GDP. The government has also revised the mining tax regime to better accommodate falling copper prices, although another revision leading to inconsistent policies will weigh on investor sentiment.

Zambia's economy will continue to struggle through 2016 due to subdued copper prices and lower demand for the metal from China. The government has agreed to cut back on spending in order to improve investor confidence as well as the fiscal deficit. However, there are still some concerns regarding President Lungu's commitment to prudent fiscal policy. For instance, the government turned down a proposed US$1 billion loan from the IMF that would have solidified the government's commitment to carrying out austerity measures, unlike a loan from China, for example. The fund had suggested that the government should scrap fuel subsidies and rein in spending on road and infrastructure projects. While the finance minister was open to this, Lungu did not agree due to political reasons ahead of elections scheduled for August 2016.

(Source: http://www.worldbank.org/en/country/zambia/overview)

Portfolio overview

During the prior reporting year, the executive team identified key expansion opportunities in Zambia and on 20 August 2015 Mara Delta announced the successful acquisition of a 50% interest in two A-grade Zambian retail properties from Rockcastle Global Real Estate Company Limited.

The investments met our rigid investment criteria of strong counterparty leases, underpinned by long-term dollar-based contracts and provides a strong in-country partner who will provide invaluable local knowledge and insight into the Zambian market.

The transactions were yield enhancing with negligible vacancies and strong multi-national anchor tenants in both malls. The tax incentives associated with the investments further enhanced the yield accretion in Mauritius.

Kafubu Mall is based in Ndola and comprises a gross lettable area of 11 964m^2. The mall is anchored by Shoprite (33% of rentals) with other major tenants including OK Furnishers, Innscor Africa, Spur, Jet and Edgars Active.

Mukuba Mall has a gross lettable area of 28 235m^2 and is located in Kitwe. Game (17% of rentals) and Shoprite (14% of rentals) are the anchor tenants, followed by Pick n Pay, Mr Price, Woolworths, Carnival Furnishers, Innscor Africa, Spur, First National Bank and Barclays Bank.

The purchase consideration amounted to US$4 075 831 and US$17 530 465 for the interests in Kafubu Mall and Mukuba Mall respectively and were settled in cash from proceeds of a placement of shares with key shareholders (see Funding and Borrowing below) as well as from debt facilities.

Shortly before the financial year-end, on 27 June 2016, Mara Delta announced a third acquisition in Zambia from Rockcastle when it acquired a 50% interest in a new A-grade Zambian retail property, Cosmopolitan Mall in the capital city Lusaka.

Cosmopolitan Mall comprises 26 512m^2 of gross lettable area with 1 300 parking bays and is anchored by major multinational tenants including Shoprite (10% of rentals), Game (13% of rentals), as well as The Foschini Group (6% of rentals) all with US Dollar underpinned leases. Other major tenants include Pep, Jet, OK Furniture, Woolworths, Ackermans, Truworths, Max Clothing, Carnival Furnishers, Edgars and Mr Price.

The anchor lease term is for a period of 10 years, expiring in 2026, and escalates in line with annual USA CPI. There are zero vacancies in the shopping centre.

Valued independently at US$74 350 000 by Quadrant Properties Proprietary Limited as at 31 March 2016, the Company's purchase consideration amounted to US$24 167 597 and transfer was taken is expected in October 2016.

This acquisition also represents the third investment into dominant retail assets in Zambia with the same strong in-country partner at an attractive purchase yield attributable to shareholders of 10.4%.

A number of stakeholders have raised the depreciation of the kwacha as well as announcements by operators in the Zambian mining sector to reduce production costs over the next 18 months. It is therefore important to note that Mara Delta's overall net kwacha exposure following the Cosmopolitan Mall acquisition has been reduced to below 10% of income.

Total kwacha exposure is estimated at a maximum of 8.7% of rental by the end of the 2016 financial year, and has been hedged by the seller for a period of 12 months.

Kenya

Policy trends

With support of the World Bank Group (WBG), International Monetary Fund (IMF) and other development partners, Kenya has made significant structural and economic reforms that have contributed to sustained economic growth in the past decade. Development challenges include poverty and inequality, and vulnerable of the economy to internal and external shocks.

Devolution is rated the biggest gain from the August 2010 constitution, which ushered in a new political and economic governance system. The Constitution is transformative and has strengthened accountability and public service delivery at local levels. The government's agenda is to deepen implementation of devolution and strengthen governance institutions, while addressing other challenges including land reforms and security to improve economic and social outcomes, accelerate growth and equity in distribution of resources, and reduce extreme poverty and youth employment.

Economic growth

Kenya's growth is projected to rise to 5.9% for 2016 and 6.1% in 2017. The positive outlook is predicated on infrastructure investments. Fiscal consolidation is expected to ease pressure on domestic interest rates and increase credit uptake by the private sector. The contraction in the current account deficit will continue to be supported by declining commodity prices and rising exports of tea.

Low commodity prices had a net positive impact in Kenya in 2015. The gains through low oil prices and the rising earnings from tea have offset the loss in earnings from other exports (coffee and horticulture). As a result, the current account deficit contracted from 10.4% to 7.1% of GDP.

According to the October 2015 Kenya Economic Update, Kenya is poised to be among the fastest growing economies in Eastern Africa. The 2016 Country Economic Memorandum states that Kenya's growth prospects will depend significantly on innovation, oil, and urbanisation on the long term.

Fiscal policy

Sound monetary policy restored stability in the currency markets and contained the 12-month average overall inflation at 6.6% in December 2015. The Central Bank effectively managed currency volatility and ran down Forex reserves to cushion the shilling. The Kenya shilling stabilised, and the depreciation moderated in comparison to other regional currencies.

(Source: http://www.worldbank.org/en/country/kenya/overview)

Portfolio overview

Mara Delta's interest in Kenya is a 45.5% ownership of Buffalo Mall located in Naivasha, Kenya. The acquisition transferred in March 2016 and formed part of the joint venture with The Pivotal Group's Africa operations.

Buffalo Mall comprises 6 615m^2 of GLA with 250 parking bays and is anchored by Tuskys over a 15-year lease term. The average escalation rate is 3% per annum and vacancies are exceptionally low at 1.9%.

Kenya is one of Mara Delta's priority, or "first wave" jurisdictions and the Company is considering additional pipeline opportunities in that country.

QUALITY OF INCOME

The quality of Mara Delta's income is underpinned by a disciplined approach to investments managed by a dogmatic set of criteria, including:

- the ability to conduct business in hard currency;
- the ability to repatriate funds;
- the ability to mitigate/insure against political and currency risk;
- land tenure; and
- ability to raise in-country debt.

CHIEF EXECUTIVE OFFICER'S REPORT

continued

Once the Investment Committee is satisfied that the above (and other) criteria have been met, the second phase assessment consists of verification against the following guidelines:

Sector	Tenant	Vacancy (GLA)	Lease term (main tenant)	Lease currency	Minimum yield to shareholders
Office	Blue chip or multinational	Max 5%	Min five years	US$ only	7%
Retail	Min 70% A-grade tenants/ nationals/anchors	Max 10%	Anchors min 10 years[1] (at inception) with min five years unexpired	Min 70% in US$*#	8%
Other	Blue chip or multinational	Max 5%	Min five years	US$ only	8%

* *or where the ability to hedge local currency can be done at minimal cost*

\# *the Fund will minimise exposure to local trading currencies and mitigate the risk by only investing in centres with high trading densities and where US$ income is prevalent, eg expat communities.*

SUSTAINABILITY

During the year under review, Mara Delta internalised its asset management function and significantly bolstered its team to manage the much increased portfolio.

As reported by the Chairman, Ms Heidi Rix was appointed as Chief Operating Officer, Ms Moira van der Westhuizen was appointed as Chief Integration Officer, with Mr Greg Pearson continuing as Head of Developments and New Business.

Ms Karen Bramley has been appointed as Country Executive – East Africa.

Mr Mike Sewell has been appointed to head up acquisitions.

Mr Jaco van Zyl has been appointed as Group Finance Manager, in support of the CFO Mr Leon van de Moortele.

Ms Chanel van Zyl-Swart was appointment as the Country Risk Analyst to specifically identify and advise management on potential risks across jurisdictions.

Together the team brings a wealth of key competencies that further supports management's 45 years' combined experience on the continent.

These skill sets are further augmented by Mara Delta's in-country partners, who not only bring key relationships, but on-the-ground experience and insights. Mara Delta is promoted on the continent by Abland, Hodari, McCormick Property Development and Heriot Properties.

PROSPECTS

Mara Delta holds the right of first refusal over the development pipeline from Abland Africa. This is an important differentiator, allowing Mara Delta to benefit from development yield uplift. The Company will not take development risk but will acquire assets under construction on the back of secured leases.

Mara Delta has pioneered direct property investment on the continent and it has been a steep learning curve. As we mature, our efforts are steadily gaining traction, which is increasingly being recognised by international funders and investors, providing further access to international debt and capital markets.

We have significantly bolstered the team and are drawing on this expertise to optimise funding structures and diversify the real estate asset classes and operational footprint, which is expected to be further supported by the introduction of REIT legislation in a number of countries.

APPRECIATION

I would like to thank Sandile and the board for their continued guidance and support in what was a challenging year.

A special thanks should also go to my fellow executives and management team and their families, who committed themselves entirely to our vision for Mara Delta.
Your passion is what makes Mara Delta great.

Bronwyn Corbett
Chief Executive

2 September 2016

CHIEF FINANCIAL OFFICER'S REPORT

Key performance indicators

4.1% INCREASED DPS

US$11.75 cps

2015: US$11.28 cps

US$44.8 MILLION CAPITAL RAISED

26.4 million shares issued

at 2.3% premium to NAV[2]

Notes

1 Total asset value, including associated companies

2 Shares issued at an average of US$1.697 vs average NAV of US$1.658

Mara Delta has been able to produce a solid return to our shareholders through its diversified quality portfolio of assets in a number of jurisdictions across Africa and the focus on the underlying counterparty.

FINANCIAL PERFORMANCE

Achieving its distribution targets for the year, Mara Delta posted a full year distribution of US$11.75 cps, 4.1% increase from the previous year's US$11.28 cps. Mara Delta's full year distributable income increased by 66.7% to US$10.6 million from US$6.4 million in 2015.

Rental income increased 50% due to the full year impact of the assets acquired in the last quarter of the previous financial year and new acquisitions. The rental income increases included the impact of the US Dollar-based rental escalations as well as the three yearly 10% Anfa Place Shopping Centre rental escalations.

Operating cost percentage rose from 25.0% in 2015 to 27.6% in 2016, the increase attributable to concessions provided to tenants in Anfa Place Shopping Centre in Morocco as part of the planned upgrade of the centre due to commence in January 2017. The concessions provided for write-offs of a number of disputed invoices (US$0.68 million) as well as concessions related to the recovery of municipal taxes (US$1.4 million).

Utilising its strong dollar position in Mozambique (holding US$15.6 million at year-end) has enabled Mara Delta to achieve substantial realised foreign currency gains of US$3.4 million. The denomination of local costs and taxes in Mozambique meticais and the significant depreciation of the meticais versus the dollar (66% in 2016) has resulted in monthly exchange profits which are expected to continue as the meticais continues its slide versus the dollar in the months to come.

Net finance costs increase in line with the additional US$60.0 million debt raised during the year. Further commentary on finance costs are included below.

COST OF DEBT DOWN 2.49%

FY2016: 6.22% (FY2015: 6.94%)

June 2016: 5.66% (2015: 8.15%)

40% INCREASE IN PROPERTY

US$295.5 million[1]

2015: US$210.4 million

INTEREST COVER 2.2

Interest cover 2.2

2015: 2.7

LTV 48.85%

Net debt increased

by US$60 million

Net property income	2016 US$'000	2015 US$'000
Rental income	20 878	13 918
Property operating expense	(5 769)	(3 478)
Net operating income	15 109	10 440
Income from associated company	3 220	–
Sundry income	2 933	384
Administration expenses	(3 850)	(1 711)
Realised foreign exchange profit	3 450	552
Cash operating profit	20 863	9 665
Net finance cost	(9 528)	(3 024)
Current taxation	(1 494)	(79)
Antecedent dividend	636	
Profits (retained)/released	168	(176)
Total distributable income	10 644	6 387
Number of shares in issue	100 061 130	73 656 447
Dividend per share (US$ cents per share)	11.75	11.29
H1	6.17	6.64
H2	5.58	4.65

CHIEF FINANCIAL OFFICER’S REPORT
continued

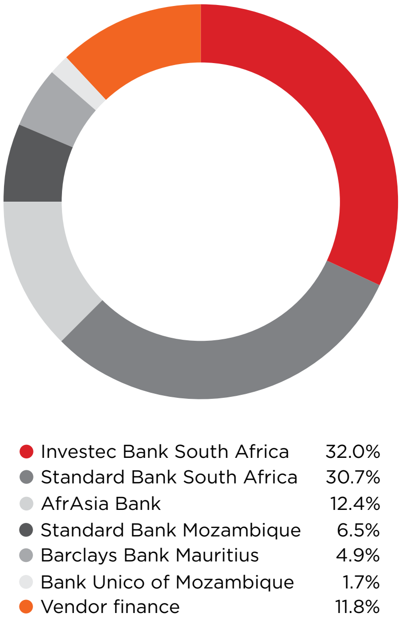
Funding and borrowings

Mara Delta achieved its goal to reduce the cost of borrowings during the year. The overall cost of borrowings reduced from 8.15% in June 2015, to 5.66% in June 2016. This was achieved by successfully refinancing US$80.5 million and raising additional debt of US$60.0 million at competitive rates.

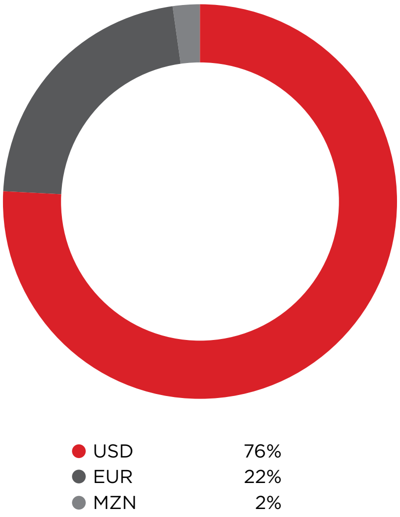
Within the countries of operations, Mara Delta has developed successful banking relationships. During the year, Mara Delta concluded finance deals with Investec Bank South Africa, Barclays Bank Mauritius and Banco Unico – this together with the existing relationship with Standard Bank across the continent and a new finance partner in the form of Bank of China (to be closed on transfer of the Cosmopolitan Mall), places the group in a strong position to negotiate cost effective finance packages to compliment the strong asset portfolio. The strong relationships with financing partners reduces any refinance risk and provides scope to further reduce borrowing costs in the future.

The current exposure to the banks are as follows:

Debt exposure by lender



Debt currency exposure



Financier	Debt amount	Debt refinanced/ settled	Net debt raised	Rate	Material terms
New debt					
Barclays Bank	7 900	–	7 900	3m libor + 4.0% (70% fixed)	Fixed charge over the Barclays House in Ebene Mauritius and floating charge over the assets of BH Investments Limited
Banco Unico	3 884	(1 000)	2 884	17.50% in MZN	First rank mortgage bond on the Zimpeto Square Shopping Centre in Maputo Mozambique
Rockcastle Global Real Estate Limited/Standard Bank	19 000	–	19 000	5% fixed	Secured by the mortgage bonds over the Makuba Mall in Kitwe Zambia and the Kafubu Mall in Ndola Zambia. Pledge and cession of the shares in Kitwe Makuba Investments Limited and Ndola Kafubu Investments Limited
	30 784	**(1 000)**	**29 784**		
Refinance and bridging transactions					
Standard Bank of South Africa	38 000	(24 639)	13 361	3m libor + 5.4% (70% fixed)	Mortgage bond on the Anadarko, Vodacom and KPMG/Hollard Buildings in Maputo Mozambique
AfrAsia Bank	24 400	(4 400)	20 000	3m libor + 5.4% – 6.5%	Floating charges of the assets of Mara Delta and Delta International Mauritius Limited
Investec Bank	51 719	(51 476)	243	3m libor + 4.0% (63.6% fixed)	Mortgage bond on Anfa Place Shopping Centre, limited guarantee from Delta Property Fund in South Africa and Mara Delta
Standard Bank of South Africa	17 052	(17 052)	–	3m libor + 6.5%	Equity bridge facility
	131 171	**(97 567)**	**33 604**		
Debt settled from cash		(2 624)	(2 624)		
Interest accrued and forex movements		(803)	(803)		
	161 955	**(101 993)**	**59 962**		

CHIEF FINANCIAL OFFICER'S REPORT

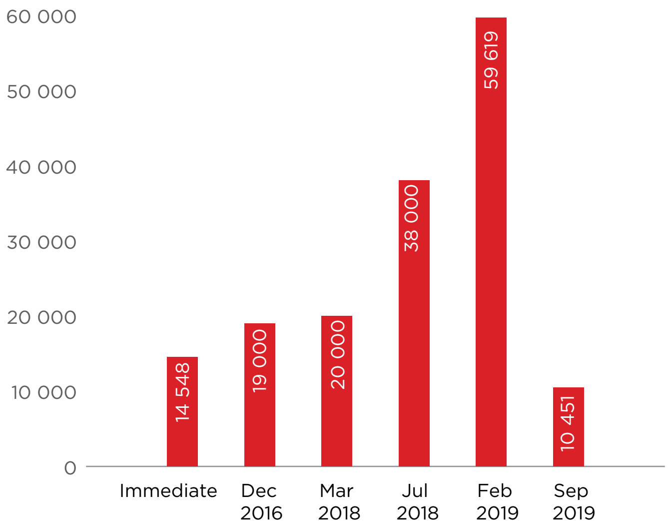
continued

Debt expiry profile

Three loans, as detailed in the table below, will become due within the next 12 months:

Financier	Debt amount	Maturity date	Action taken
Banco Unico	2 885	Jul 2016	The debt has been converted to the 10-year loan at a MZN interest rate of 19.68%
Standard Bank South Africa	11 664	Jun 2016	The loan was settled from cash on 29 July 2016
Rockcastle Global Real Estate Limited/Standard Bank	19 000	Dec 16	The loan will be refinanced by Bank of China at a rate of 6m Libor +4.05%. The refinance transaction is part of the Cosmopolitan Mall finance transaction which will be paid out in early October 2016

Debt expiry profile



Debt composition

● Term debt	81%
● Bridge	7%
● Revolver	12%
– Property fixed interest	*64.6%*
– Property floating interest	*35.4%*

Covenants/Ratio's

Ratio	Required	Actual	Status
AfrAsia Bank			
Debt to equity	1:1	0.99:1	Complies
Loan to value	50%	48.96%	Complies
Investec Bank			
Loan to value (Property level)	60%	51.38%	Complies
Loan to value (Group)	50%	48.96%	Complies
Standard Bank			
Loan to value (Property level)	50%	45.752%	Complies
Barclays Bank			
Loan to value (Property level)	60%	55.421%	Complies
Interest cover			
Target	2.00	2.19	Complies

INVESTMENT PROPERTY

Mara Delta continued its asset acquisitions drive during the year with the successful transfer of six additional assets (now valued at $83.3 million), with an additional two assets due to transfer shortly. These being the Vale accommodation compound (valued at US$34.9 million) which is due to transfer on the successful subdivision of the property, and the 50% acquisition of the Cosmopolitan Mall (valued at US$37.2 million) which is due to transfer once the COMESA Competition Approval and Shareholder Approval for the Category 1 transaction are obtained – expected during October 2016.

The existing properties rentals have escalated during the year (as can be seen by the rental income increases above), however the expected increase in the property valuations have been eliminated by the change in the economic climate. The Brexit vote and the impact on revenue streams of the planned redevelopment of Anfa Place Shopping Centre have negatively impacted the valuation, resulting in a write-down of the asset of US$4.8 million. The IMF suspension of Mozambique and the resultant movements in the risk adjusted discounting rates has negated the revaluation impact of the increased cash flows with a net valuation movement in Mozambique of US$0.6 million.

The property acquisitions have been financed through a combination of debt (at both property and fund levels) and equity. During the year, the Company raised US$44.8 million through the issue of 26 404 683 shares. It is particularly encouraging that the shares have been issued at US$1.70 per share (a premium of US$0.04 per share over the average NAV per share of $1.66).

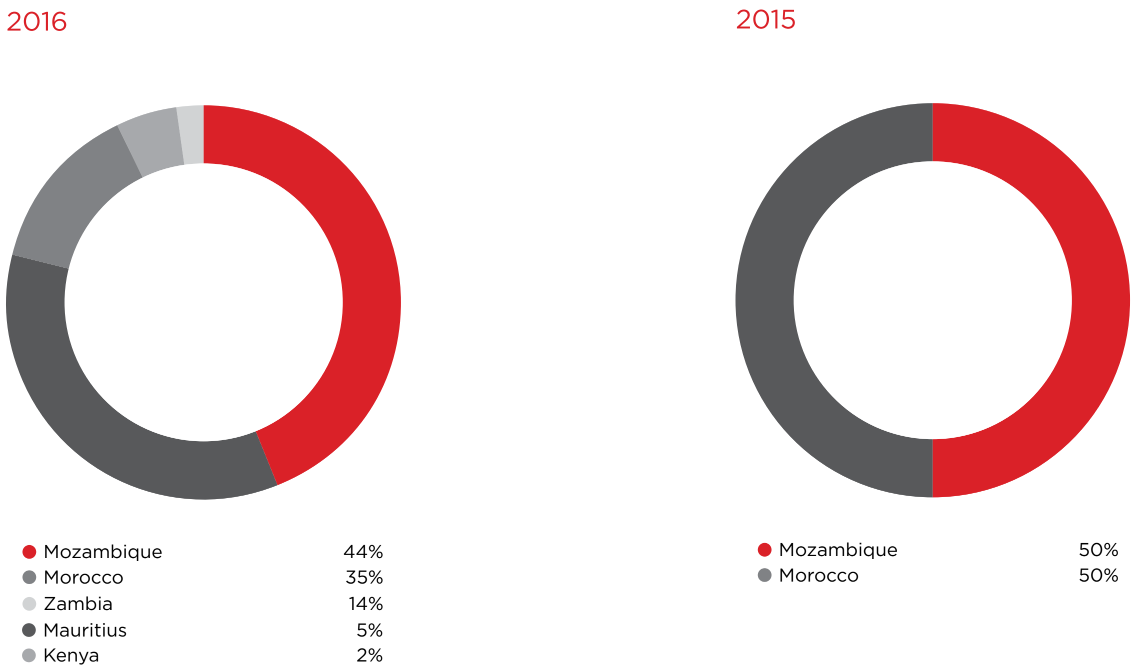
CHIEF FINANCIAL OFFICER'S REPORT

continued

Property portfolio

Property	Date acquired	Valuer	Location	2016 US$'000	2015 US$'000
Existing property portfolio					
Anadarko building	31 Dec 15	JLL Valuations	Mozambique	41 600	41 200
Hollard building	31 Dec 15	JLL Valuations	Mozambique	18 600	18 600
Vodacom building	31 Dec 15	JLL Valuations	Mozambique	45 700	45 900
Anfa Place Mall	31 Dec 15	CBRE Valuations	Morocco	100 622	104 691
				206 522	**210 391**
Acquisition during the year (direct property investments)					
Zimpeto Square	31 Dec 15	JLL Valuations	Mozambique	11 050	–
Bollore Warehouse	31 Dec 15	JLL Valuations	Mozambique	8 663	–
Barclays House	31 Oct 15	CBRE Valuations	Mauritius	14 254	–
				33 967	–
Acquisition during the year (associated companies)					
Buffalo Mall (45.5%)	31 Dec 15	Jones Lang LaSalle	Kenya	6 097	–
Mukuba Mall (50%)	31 Oct 15	Quadrant	Zambia	31 562	–
Kafubu Mall (50%)	31 Oct 15	Quadrant	Zambia	8 750	–
				50 380	–
Total portfolio				**286 898**	**210 391**

Geographical spread by value(%)



The diversification of the geographical spread of the portfolio is a significant risk mitigant when assessing the ability for the Company to absorb the impact of any changes to the economic situations of particular countries.

Appreciation

Mara Delta's geographical spread across the African continent and the aggressive acquisition drive for quality yield enhancing properties creates a challenging and pressurised operational environment. Through the continued dedication of our highly qualified, talented staff and the support of the Board and executives we look forward to delivering successful results and achieving our ambitious growth targets for the benefit of our various stakeholders.

Leon van de Moortele
Chief Financial Officer

27 August 2016

ACCOUNTABILITY

BOARD OF DIRECTORS

Sandile Nomvete
BOARD CHAIRMAN

Sandile is the founder and CEO of Delta Property Fund Limited (South Africa) ("Delta SA"), a REIT listed on the JSE with a portfolio of assets valued at R8 billion as at 28 February 2015. At listing, Delta SA comprised of assets to the value of R2.1 billion. Under Sandile's leadership, Delta SA has grown its asset base to R8 billion in 18 months.

He co-founded Motseng Investment Holdings Proprietary Limited which eventually became the empowerment partner to Marriot Property Group. A series of mergers and acquisitions within the sector provided the opportunity for Motseng to become the largest 100% black-owned property management company in South Africa.

Sandile serves as a director on a number of other listed entities, including KAP Limited. He has nearly a decade and a half of experience in executive and non-executive positions.

In addition, Sandile is a graduate of the Property Development Programme from the University of Cape Town Graduate School of Business (2003), and holds an Executive Development Programme of Finance for non-financial managers Diploma from the University of Witwatersrand Graduate School of Business (2004).

Appointed to the Board on 14 August 2014
Listed directorships: 3

Bronwyn Anne Corbett EXECUTIVE DIRECTOR, CHIEF EXECUTIVE OFFICER

Bronwyn holds a BCompt Degree from the University of South Africa, an Honours Degree in Accounting from the University of Durban and she is a qualified Chartered Accountant.

Formerly she was the COO and CIO of Delta SA, a REIT listed on the JSE with a portfolio of assets valued at R8 billion at 28 February 2015. She has been instrumental in growing the fund from R2.1 billion in 2012 to R8 billion by 28 February 2015 as well as in the establishment of a successful DMTN programme.

She has over 10 years' experience in the property sector with a specific focus on property ownership. Prior to joining Motseng in April 2009 as the CFO, Bronwyn was the Financial Director and joint founder of Universal Retail Construction Company. Bronwyn also filled the role as the Financial and Operations Director of Universal Property Professionals, a development and property ownership company with a portfolio in excess of R12 billion.

Appointed to the Board on 14 August 2014
Listed directorships: 2

Leon van de Moortele EXECUTIVE DIRECTOR
CHIEF FINANCIAL OFFICER

Leon holds a BCompt and BCompt Honours Degree from the University of South Africa and qualified as a Chartered Accountant in 2001. He further qualified as a Certified Information Systems Auditor, although this membership has since lapsed he brings a wealth of IT skills and experience to the Group.

After completing articles with PwC in South Africa, Leon moved to Global Risk Management Services within PwC, where he become the Senior Manager in charge of Data Management division while still managing an audit portfolio of aviation clients for PwC.

In 2004, he moved to Solenta Aviation where he took up the position of Group Finance Director within 18 months. During his tenure, he gained valuable experience across the African continent and was a crucial member of the executive team that saw the group expand operations from a fleet of 12 aircraft to 48 aircraft, operating in eight African countries (including South Africa, Mozambique, Algeria, Ghana, Gabon, Kenya, Tanzania and Cote d'Ivoire). During his career within the aviation sector of 11 years, he oversaw the implementation of ERP accounting and reporting systems, mergers and acquisitions, provided effective tax structuring advise for the purchase of aircraft, IFRS implementation and new company start-ups for a number of players in the aviation space across Africa.

Appointed to the Board on 1 July 2015
Listed directorships: 1

Jacqueline Roxanne van Niekerk

NON-EXECUTIVE DIRECTOR

Jackie is the CEO of the Pivotal Fund Limited (South Africa). Jackie studied a BCom Accounting at the University of Pretoria. She has 12 years of property experience in all property industries and disciplines. She joined Pivotal in 2009 as asset manager, where she gained experience in property management, investment and development in all property sectors. Jackie was elected to the Board and appointed as CEO in June 2013. She has been instrumental in growing Pivotal from a R200 million to a R6.5 billion market capped fund.

Appointed to the Board on 1 June 2016
Listed directorships: 2

David Stanley Savage

NON-EXECUTIVE DIRECTOR

Dave is an executive director of the Pivotal Fund Limited. He holds a BSc (Building) and MSc (Building). Dave has 27 years' experience in the property industry, 25 years of which have been dedicated to the growth of the Abcon Group. Dave has been involved in all aspects of Abland becoming a national property development company active in all industry sectors. He was also integrally involved in the formation and listing of the Pivotal Fund. Dave currently serves as CEO of the Abcon group of companies. In addition, he serves on the Board of Fountainhead Property Trust.

Appointed to the Board on 1 June 2016

Peter Todd

LEAD INDEPENDENT DIRECTOR

Peter was appointed as an Independent Non-Executive Director with effect from 14 August 2014. Peter is a qualified attorney and began his career as the senior tax manager at Arthur Anderson and Associates in Johannesburg. He joined TWS Rubin Ferguson in 1993 as a tax partner, which practice consulted to a range of property companies.

Peter established Osiris International Trustees Limited in the British Virgin Islands ("BVI") to provide international trust and corporate administrative services to global clients in particular listed property companies and clients investing into the UK.

Peter held a Non-Executive Director position at Redefine International Limited from the initial listing for some nine years and has been involved in the property industry for many years including the listing of several companies which included Mara Delta.

Appointed to the Board on 14 August 2014
Listed directorships: 3

BOARD OF DIRECTORS continued

Maheshwar Doorgakant

NON-EXECUTIVE DIRECTOR

Maheshwar is a fellow of the Institute of Chartered Accountants of England and Wales. He holds the position of Managing Director of Apex Fund Services (Mauritius) Limited, which forms part of the Apex Group. He holds a number of directorships on numerous boards in both India and Africa for various funds and companies through which he has acquired extensive experience and knowledge on key industries in India and its principal capital markets as well as Africa. Mahesh is also the President of the Executive Committee of the Association of Trust and Management Companies of Mauritius.

Appointed to the Board on 11 March 2015
Listed directorships: 2

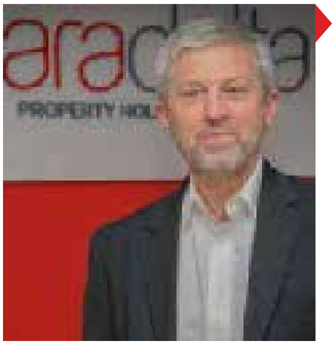
Chandra Kumar Gujadhur

NON-EXECUTIVE DIRECTOR

Chandra is the Chairman and co-founder of Apex Fund Services (Mauritius) Limited. He is also a member of the Institute of Chartered Accountants in England and Wales and an associate member of the Society of Trust and Estate Practitioners, has long standing experience in the auditing of offshore funds, fund structuring and tax planning.

He was previously a member of the Accounting and Auditing task team of the Corporate Governance Committee of Mauritius and the Chairman and member of the Consultative Sub-Committee on the drawing up of the New Listing Rules of the Stock Exchange of Mauritius. He retired as a senior partner with Deloitte at the end of September 2006, after 18 years, to assume the responsibility of Managing Director at Apex Mauritius. As a board member of numerous India-focused funds and companies he has gained extensive experience and knowledge on key industries in India and its principal capital markets.

Appointed to the Board on 11 March 2015
Listed directorships: 1

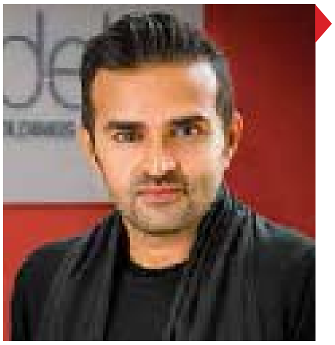


Ian Macleod

NON-EXECUTIVE DIRECTOR

Ian holds a BCom (Honours) in Real Estate Investment, Valuation and Development and has over 43 years of experience with financial institutions, including Standard Bank of South Africa and Nedbank with a specific focus on Real Estate Credit Risk. He has extensive knowledge of the real estate sector's key roleplayers, business sector and geographic nodes. Ian has managed portfolios in Africa in excess of R80 billion during changing economic cycles and managing problematic properties in economic downturns. It is Ian's expertise and knowledge that have seen him previously hold the position of Head of Credit for Real Estate.

Appointed to the Board on 1 July 2015
Listed directorships: 2



Ashish Thakkar

NON-EXECUTIVE DIRECTOR

Ashish is the Executive Chairman of Mara Sokoni, an African e-commerce platform with a focus on B2C marketplace for general merchandise. He is also the Founder of Mara Group and Mara Foundation. Ashish has driven the growth of the Mara Group from a small IT business in Uganda to the globally recognised multi-sector investment group that exists today. Through its investments, Mara Group now employs over 11 000 people across 25 African countries in sectors spanning technology, banking, real estate, infrastructure and agriculture. Ashish serves as Chair of the United Nations Foundation, Global Entrepreneurship Council and is the author of The Lion Awakes: Adventures in Africa's Economic Miracle.

Appointed to the Board on 1 June 2016
Listed directorships: 2

EXECUTIVE TEAM

Bronwyn Anne Corbett

CHIEF EXECUTIVE OFFICER

BCom (Acc) (Univ. of Natal, PMB), CA(SA)

Bronwyn holds a BCompt Degree and she is a qualified Chartered Accountant. Bronwyn has significant corporate finance and deal making experience. She played an instrumental role in the JSE listing of Delta Property Fund Limited in 2012 where she held the positions of CFO and COO prior to taking up the leadership role at Mara Delta. Over the past two years she has grown the fund from US$220 million to approximately US$359 million.

Leon van de Moortele

CHIEF FINANCE OFFICER

BCompt (Hons), CA(SA)

After completing articles with PwC, Leon moved to the Global Risk Management Services within PwC, where he become the Senior Manager in charge of Data Management. In 2004, he moved to Solenta Aviation where he became Group Finance Director within 18 months. During his tenure as Group Finance Director, the group expanded from 12 aircraft to 48 aircraft, operating in 8 African countries (including South Africa, Mozambique, Algeria, Ghana, Gabon, Kenya, Tanzania and Cote d'Ivoire). He joined Mara Delta in April 2015, as CFO, where he has continued to utilise his tax structuring knowledge and experience in operating in Africa to expand the asset base of the group.

Greg Pearson

HEAD OF DEVELOPMENTS AND NEW BUSINESS

MCMI, Elec Eng

A graduate of Kingston University, London, Greg studied Business Management and Project Management and is registered with the Chartered Management Institute. Greg was formerly an executive with AECOM, a global provider of Design, Development, Engineering and construction services having had the responsibility of expanding the footprint for the 'Rest of Africa' business from 2006 (outside of South Africa). He gained his basic training and experience in London working mostly on commercial, retail and residential mixed use projects. Greg's expertise includes development management, cost planning, procurement, time management and traditional project management of major engineering and building projects. His market sector knowledge includes: office, retail, Leisure, education and healthcare schemes and he has experience in over 40 African countries.

Heidi Rix

CHIEF OPERATIONAL OFFICER

BCom LLB

Heidi joined Mara Delta in May 2016 as Chief Operating Officer. She brings 18 years of commercial and real estate experience and holds BCom LLB degrees with further studies in the real estate industry including an Advanced Diploma in Property Practice (cum laude). Heidi was formerly a Director of the Broll Property Group where she held the position of Managing Director Investor Services with overall responsibility and accountability for the Asset Management, Property Management and Retail Leasing businesses. Prior positions held by Heidi include Director of Atterbury Asset Managers (Pty) Ltd and General Manager Rand Merchant Bank Properties (Pty) Ltd.

Moira van der Westhuizen

CHIEF INTEGRATION OFFICER

BCom (Hons), CA(SA)

Moira joined Mara Delta in May 2016 as the Chief Integration Officer. She holds a BCom (Honours) degree from the University of South Africa and is a qualified Chartered Accountant.

She has over 20 years of experience in finance, business and auditing. Most of her career she has worked as a private consultant and an Audit partner in private practice, later moving to Investec Bank (Mauritius), followed by joining the CCI Group of companies as the Group Finance Controller.

CORPORATE GOVERNANCE

Governance structure

Mara Delta Board		
Sandile Nomvete# (Chairman)	Jacqueline Rouxanne van Niekerk#	Chandra Kumar Gujadhur*
Bronwyn Anne Corbett (CEO)	Peter Todd* (Lead Independent)	Ian Macleod*
Leon van de Moortele (CFO)	Maheshwar Doorgakant*	Ashish Thakkar#
David Stanley Savage#	Aditya Mittal^	

* *independent non-executive*

\# *non-executive*

^ *Aditya Mittal will be appointed as the Permanent Alternate Director to Ashish Thakkar*
Aditya is a CFA Charterholder and holds an MBA. He has extensive investment advisory experience in the banking sector. He has been with the Mara Group since 2013 and currently is responsible for group investments and managing Mara Group's businesses across Africa

Board Sub-committees		
Audit and Risk	**Remuneration and Nomination**	**Investment**
Chandra Kumar Gujadhur (Chairman)	Peter Todd (Chairman)	Peter Todd (Chairman)
Jacqueline Rouxanne van Niekerk	Ian Macleod	Bronwyn Anne Corbett
Ian Macleod	Sandile Nomvete	Ian Macleod

Mara Delta is and remains fully committed to the principles of the Code of Corporate Governance of Mauritius and the Code of Corporate Practices and Conduct set out in King III, compliance with relevant laws, regulations and best practice connected with corporate governance and responsible corporate citizenship.

The directors conduct the enterprise with integrity and in accordance with generally acceptable corporate practices. This process includes timely, relevant and meaningful reporting to all stakeholders providing a proper and objective perspective of the Company and its activities.

Mechanisms and policies, appropriate to the Company's business, have been put in place, reflecting the Board's commitment to best practices in corporate governance and compliance with the Code of Corporate Governance of Mauritius, King III and relevant laws, regulations and best practice connected with corporate governance and responsible corporate citizenship. The Board reviews these from time to time.

In order to achieve the above the actions taken by the directors are summarised below:

Board of directors

The Board is responsible for the day-to-day management of the Company's business, the Company's strategy, key policies and the approval of financial objectives and targets. It acts as the focal point for and custodian of the Company's corporate governance and ensures that Mara Delta is a responsible corporate citizen in light of the impact its operations might have on the environment and the society in which it operates.

The Board's responsibilities are formalised by way of a charter, which is reviewed on an annual basis.

The Charter sets out its responsibilities for the adoption of strategic plans, monitoring of operational performance and management, communication policy and director selection, orientation and evaluation and determination of policy and processes to ensure the integrity of the Company's risk management and internal controls.

The Board has established a number of committees to give detailed attention too certain of its responsibilities. All these sub-committees operate under Board approved mandates and terms of reference. Save for the Executive Committee, all other committees are chaired by an Independent Non-executive Director.

Certain functions are delegated by the Board to the Audit and Risk Committee, the Remuneration and Nomination Committee and the Investment Committee. The Board and its members are conscious of the fact that such delegation of duties is not an abdication of the Board members' responsibilities. The various committees' terms of reference have been drafted in line with the increased requirements as set out by the SEM Rules, JSE Listings Requirements and the Code of Corporate Governance of Mauritius King III.

The Board has also delegated the day-to-day business activities of the Company to the Executive Committee. This committee is responsible for ensuring that Board decisions are effectively implemented in line with its mandates. The Board ensures that the role and function of the CEO is formalised and that the CEO's performance is evaluated against specific criteria. The Chairperson, or a sub-committee appointed by the Board, appraises the performance of the CEO at least annually.

Although members of the Board are appointed by the Company's shareholders, the Board has the authority to appoint directors to fill any vacancy that may arise from time to time. These appointments are ratified by shareholders at the following Annual General Meeting.

In accordance with the Company's Constitution, all directors are subject to retirement by rotation and re-election by the Company's shareholders annually.

The Remuneration and Nomination Committee is tasked with identifying and recommending suitable board candidates for the Board's consideration through a formal process. In summary directors are appointed based on their specific skills set, industry expertise and experience as well as the overall level of contribution they can make to the activities of the Group.

New appointees are appropriately familiarised with the Group's business through a formal induction programme which the Board has established. The programme aims to familiarise incoming directors with the Group's operations, senior management and its business environment, and to induct them in their fiduciary duties and responsibilities, including but not limited to SEM Rules and JSE Listings Requirements. Directors continue to receive ad hoc briefings from time to time on relevant new laws and regulations as well as on changing economic risks.

The directors have a working understanding of applicable laws. The Board ensures that the Company complies with applicable laws and considers adherence to non-binding industry rules and codes and standards.

The information needs of the Board are reviewed annually and directors have unrestricted access to all Company information, records, documents and property to enable them to discharge their responsibilities effectively. Efficient and timely methods of informing and briefing Board members prior to scheduled Board meetings are in place.

The Board has identified and continuously monitors key risk areas, key performance areas and non-financial aspects relevant to the Group. They are, on an ongoing basis, provided with information in respect of key performance indicators, variance reports and industry trends.

The Board has disclosed details in their directors' report of how it has discharged its responsibilities to establish an effective compliance framework and process.

The Board evaluates the Chairman's performance and ability to add value to the Company on an annual or such other basis as the Board may determine.

Board meetings are held at least quarterly, with additional meetings convened when circumstances necessitate.

The Board has set the strategic objectives of the Company and has determined the investment and performance criteria and continues to be responsible for the sustainability, proper management, control, compliance and ethical behaviour of the businesses under its direction.

The Board has agreed a policy detailing the manner in which a director's interest in transactions are to be determined, and accordingly addressed. The policy also manages the interested director's involvement in the decision-making process.

Real or perceived conflicts are disclosed to the Board and managed in accordance with the predetermined policy used to assess a director's interest in transactions. In respect of the non-executive directors, their independence is reviewed by the Board from time to time and it is the Company's belief that, unless the directors have newly acquired recent interest in the Company, passage of time does not lead to a lack of independence.

The Board as well as the individual directors have their performance reviewed annually to identify areas for improvement in the discharge of individual director's and the Board's functions. These reviews will be undertaken by the Chairman and, if so determined by the Board, an independent service provider. Nominations for the reappointment of a director will only occur after the evaluation of the performance and attendance of the director at Board meetings.

External advisors and executive directors who are not members of specific committees are invited to attend committee meetings by invitation.

The Board has established a procedure for directors, if necessary in furtherance of their duties. The Directors of the Group have unfettered access to the advice and services of the Company Secretary and may seek independent professional advice on the affairs of the Group in appropriate circumstances if they believe that such actions will best serve the interests of the Group.

Mara Delta's constitution gives the Board the authority to indemnify directors. Deeds of indemnification have been issued to all directors and prescribed officers of Mara Delta, to the extent permitted by the Companies Act. During the reporting period, appropriate directors' and officers' liability insurance was in place.

A brief curriculum vita of each director is set out on pages 54 to 59 of this Integrated Report. Mara Delta's Board consists of a majority of Non-executive Directors of which an equal number is independent, entrenching the balance of power and authority at Board level. At the end of the review period, the Board comprised two Executive Directors and eight Non-executive Directors, four of whom are independent.

Mr. Peter Todd continues in his capacity as Lead Independent Director. No individual director has unfettered powers of decision-making.

The size and composition of the Board and its various committees is reviewed on an annual basis and the current size and composition is considered appropriate for the size of the Company.

Compliance review

The Board endorses and remains committed to the Code of Corporate Governance of Mauritius and the Code of Corporate Practices and Conduct set out in King III to ensure that the interests of all the Company's stakeholders are properly protected.

It is the intention of all directors that the principles of integrity and the highest ethical standards are upheld by all who serve the Company and its stakeholders.

Management are satisfied that appropriate governance structures exist and are operational within the Company, and they have implemented, to the best of their ability, the procedural recommendations that have emanated from both the Code of Corporate Governance for Mauritius and the King III as well as appropriate legislation. They have completed the King III Compliance Checklist and this is included on the Mara Delta website.

For the 2016 financial year, management hereby confirms that the Company has complied with King III.

Company Secretary

Intercontinental Fund Services Limited is a suitably qualified, experienced and competent Company Secretary that is appropriately empowered to fulfil duties and provide assistance to the Board. The Board can remove the Company Secretary from office by virtue of the Company's constitution.

The Company Secretary is responsible to the Board for ensuring that procedures and regulations are complied with and that Directors are conversant with their duties and responsibilities.

The Company Secretary provides the Board as a whole and directors individually with detailed guidance on the discharging of their responsibilities in the best interest of the Company and is a central source of guidance and advise to the Board, as well as within the Company, on matters of ethics, good corporate governance as well as appointments to the Board.

The Company Secretary is subject to an annual evaluation by the Board. Having completed their evaluation, the Board is comfortable that the Company Secretary [is suitably qualified and experienced and] maintains an arm's length relationship with the Board and individual directors in terms of section 3.84(j) of the JSE Listings Requirements and is satisfied with their level of expertise, experience and competency.

The Certificate from the Company Secretary, which states that the company has filed all such returns as are required under the Mauritius Companies Act, 2001 in terms of section 166(d), appears on page 79 of this Integrated Annual Report.

Risk management

The Board is responsible for the establishment and monitoring of the Group's risk management programme, which incorporates internal controls and risk management procedures. The Board's responsibility for the establishment of a robust risk management system has been cascaded to the Audit and Risk Committee and management. This will also be done with the support of the Internal Audit function.

The risk management mechanisms in place include a system for the ongoing identification and assessment of risks, development of strategies in respect of risk, communication of risk management policies throughout the group and processes to mitigate and reduce identified risks.

The Group's policy on risk management encompasses all significant business risks. These risks and measures adopted to address the risks are detailed on pages 71 to 75.

Board Committees

AUDIT AND RISK COMMITTEE

The Board's Audit and Risk Committee currently comprises Chandra Gujadhur (Chairman), Ian Macleod and Jacqueline van Niekerk.

The charter of the committee is in line with the Code of Corporate Governance of Mauritius and King III recommendations. The members of the committee are all suitably qualified, experienced and financially literate. The committee's primary objective is to provide the Board with additional assurance regarding the efficacy and reliability of the financial information used by the directors, to assist them in the discharge of their duties. The committee is required to provide satisfaction to the Board that adequate and appropriate financial and operating controls are in place; that significant business, financial and other risks have been identified and are being suitably managed; and that satisfactory standards of governance, reporting and compliance are in operation.

The committee has general oversight over and reports on the sustainability issues, reviews the directors' report to ensure that the information contained therein is reliable and does not contradict the financial aspects of the report and oversees the provision of assurance over sustainability issues. The committee reviews the content of the Company's results and engages external auditors to provide assurance on the summarised financial information.

Within this context, the Board is responsible for the Company's systems of internal, financial and operational control. The executive directors are charged with the responsibility of determining the adequacy, extent and operation of these systems. The committee performs comprehensive reviews and testing of the effectiveness of the internal control systems in operation.

These systems are designed to provide reasonable, but not absolute, assurance as to the integrity and reliability of the financial statements, to safeguard, verify and maintain accountability of its assets and to identify and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations.

The Committee Charter is in the process of being reviewed to ensure that it encompasses the additional regulatory and compliance requirements and following this will be recommended by the committee to the Board for approval.

The committee meets at least four times a year. Executives and managers responsible for finance and the external auditors are in attendance and it reviews the finance function of the Company on an annual basis.

The Audit and Risk Committee, when required, authorises the engagement of non-audit services with the appointed external auditors or any other practicing firm of auditors, after consideration of the following:

- the essence of the work being performed may not be of a nature that any reasonable and informed observer would construe as being detrimental to good corporate governance or in conflict with that normally undertaken by the accountancy profession;
- the nature of the work being performed will not affect the independence of the appointed external auditors in undertaking the normal audit assignments;

- the work being done may not conflict with any requirement of generally accepted accounting practice or principles of good corporate governance;
  - the operational structure, internal standards and processes being adopted by the audit firm in order to ensure that audit independence is maintained in the event that such audit firm is engaged to perform accounting or other non-audit services to its client base. Specifically:
  - the Company may not appoint a firm of auditors to improve systems or processes where such firm of auditors will later be required to express a view as to the functionality or effectiveness of such systems or processes;
  - the Company may not appoint a firm of auditors to provide services where such firm of auditors will later be required to express a view on the fair representation of information the result of these services to the Company;
- the total fee being earned by an audit firm for non-audit services in any financial year of the Company, expressed as a percentage of the total fee for audit services, may not exceed 35% without the prior approval of the Board; and
- a firm of auditors will not be engaged to perform any management functions (e.g. acting as curator) without the express prior approval of the Board. A firm of auditors may be engaged to perform operational functions, including that of bookkeeping, when such firm of auditors are not the appointed external auditors of the Company and work is being performed under management supervision.

Separate disclosure of the amounts paid to the appointed external auditors for non-audit services as opposed to audit services, is made in the notes to the annual financial statements.

On an annual basis, the committee considers, and satisfies itself of the appropriateness of the expertise and experience of the Chief Financial Officer and the Company confirms this by reporting to shareholders in its Integrated Annual Report that the committee has executed this responsibility.

The Audit and Risk Committee reports at the Company's Annual General Meeting ("AGM") as to how it has discharged its duties during the financial year to be reported on.

During the year under review, the committee met four times:

- 6 August 2015
- 15 September 2015
- 17 February 2016
- 5 May 2016

INTERNAL AUDIT

Internal Audit assists the Board and management to maintain and improve the process by which risks are identified and managed and helps the board discharge its responsibilities to maintain and strengthen the internal control framework. The internal audit function is responsible for providing assurance to the Board regarding the implementation, operation and effectiveness of internal control and risk management.

The Board has delegated the responsibility for managing the internal audit function and receiving internal audit reports to the Audit and Risk Committee. The Audit and Risk Committee approved the appointment of Grant Thornton to carry out the internal audit function at the end of the financial year.

During the financial period, a framework consisting of financial reporting guidelines, Group policies, internal and operating controls has been established by the Board to ensure reasonable assurance as to accurate and timely reporting of business information, safeguarding of Company assets, compliance with laws and regulations, financial information and general operation.

The Board reviewed and was satisfied with the effectiveness of internal financial and operating controls as well as the process of risk management and the monitoring of legal governance compliance within the Company carried out by the Company's management team.

REMUNERATION AND NOMINATION COMMITTEE

During the year under review, the Board's Remuneration and Nomination Committee comprised Peter Todd (Chairman), Chandra Gujadhur and Sandile Nomvete. On 5 May 2016, Chandra Gujadhur resigned from the committee and Ian Macleod was appointed. The composition of the committee is in line with the Code of Corporate Governance of Mauritius and King III.

The committee is responsible for reviewing the Board composition and structure, including the size and composition of the various Board committees as well as the adequacy of the split between executive and non-executives, independent and non-independent.

The committee also assists in the identification and nomination of new directors and is responsible for ensuring that appropriate induction and training takes place.

The committee further has the responsibility and authority to consider and make recommendations to the Board on, *inter alia*, the Company's Remuneration Policy, payment of performance bonuses, executive remuneration, short, medium and long-term incentive schemes and employee retention schemes.

The committee uses external market surveys and benchmarks to determine executive directors' remuneration and benefits as well as non-executive directors' base fees and committee fees. Mara Delta's Remuneration Policy sets out to structure remuneration packages in such a way that long and short term incentives are aimed at achieving business objectives and the delivery of shareholder value.

None of the non-executive directors have entered into service contracts with the Company.

During the year under review, the committee met three times:

- 15 September 2015
- 17 February 2016
- 5 May 2016

INVESTMENT COMMITTEE

The Board's Investment Committee currently comprises Peter Todd (Chairman), Bronwyn Corbett, Ian Macleod and Jacqueline van Niekerk. The committee is constituted so as to ensure independence, objectivity and industry expertise.

The committee is required to assist the Board in recommending to them an investment strategy, policy and guidelines and then ensuring that the Group's investments are in line with the Board approved strategy, policy, guidelines and vision.

The committee, within the approved investment policy and authority limits, recommends and effects acquisitions and disposals. They also ensure that appropriate due diligence procedures are followed when acquiring or disposing of assets.

The committee meets at least four times a year and is responsible for making recommendations and decisions so as to ensure appropriate investment of shareholder funds.

SOCIAL AND ETHICS COMMITTEE

On 25 May 2016, Mara Delta internalised its asset management functions. It remains committed to promoting the highest standards of ethical behaviour amongst all persons involved in the Company's operation, to this extent, a code of ethics for the Company has been adopted.

The Company is in the process of assessing the requirements of a Social and Ethics Committee which will then be established as soon as practical.

The Board ensures that the Company's performance and interaction with its stakeholders is guided by the by-Laws of the country and is cognisant of the impact its property holding business may have on the environment, society and the economy.

The Board and the executive management are assessed annually and this includes reviewing its adherence to corporate citizenship principles and ethics performance.

No political or charitable donations have been made by the Company or its subsidiaries during the financial period.

DIRECTORS' DEALINGS

Dealing in the Company's securities by directors and company officials is regulated and monitored as required by the SEM Listing Rules and JSE Listings Requirements. With regard to directors' dealings in the shares of their own company, the directors confirm that they have followed the model code for securities transactions by directors as detailed in Appendix 6 of the SEM Listing Rules as well as the JSE Listings Requirements.

All directors' trading must take place exclusively outside the closed periods prescribed by the Stock Exchange Regulations. The Company's policy prohibits dealings by directors and certain other managers in periods immediately preceding the announcement of its interim and year-end financial results, any period while the Company is trading under cautionary announcement and at any other time deemed necessary by the Board.

This policy is managed by the Company Secretary with the persons authorised to clear directors for trading in open periods being the Chairman and in his absence (or in the case of any potential conflict) the lead independent director.

CORPORATE GOVERNANCE continued

Attendance at meetings during the financial year

	Board meetings*	Audit and Risk Committee meetings	Remuneration and Nomination Committee meetings	Investment Committee meetings
Attendees				
Sandile Nomvete(1)	3(4)		3(3)	1(1)
Bronwyn Corbett(2)	4(4)	1(1)		
Gregory Pearson(3)	3(4)			
Peter Todd(4)	4(4)	3(3)	3(3)	3(3)
Maheshwar Doorgakant(5)	2(4)			
Chandra Gujadhur(6)	3(4)	4(4)	3(3)	
Ian Macleod(7)	4(4)	3(3)		3(3)
Leon van de Moortele(8)	4(4)			
Van Niekerk Jacqueline Roxanne(9)	–			
Savage David Stanley(10)	–			
Ashish Thakkar(11)	–			
Greg Stanley Booyens(12)	0(2)			

* *Please note that board meetings of administrative nature were held during the period 1 July 2015 to 30 June 2016 in addition to meetings for approval of accounts*

(1) *Mr Nomvete was appointed to the Board on 12 May 2014. Mr Nomvete is the Chairman of the Board and was appointed as a member of the Nomination and Remuneration and Investment Committee on 6 August 2015. He resigned as member of the Investment Committee on 17 March 2016*

(2) *Mrs Corbett was appointed to the Board on 12 May 2015 and has resigned as member of the Audit and Risk Committee on 6 August 2015*

(3) *Mr Pearson was appointed to the Board on 12 May 2014 and resigned from the Board on 1 June 2016*

(4) *Mr Todd was appointed to the Board on 14 August 2014 and is the Chairman of the Nomination and Remuneration and the Investment Committee. He has resigned as member of the Audit and Risk Committee on 5 May 2016*

(5) *Mr Doorgakant was appointed to the Board on 11 March 2015. He will not stand for re-election at the AGM but will be appointed as the permanent alternate director for Chandra Gujadhur*

(6) *Mr Gujadhur was appointed to the Board on 30 June 2015. He was appointed as the Chairman of the Audit and Risk Committee and member of the Nomination and Remuneration Committee on 6 August 2015. He resigned as member of the Nomination and Remuneration Committee on 5 May 2016*

(7) *Mr Macleod was appointed to the Board on 30 June 2015 and as member of the Audit and Risk and Investment Committee on 6 August 2015. He was appointed as a member of the Nomination and Remuneration Committee on 5 May 2016*

(8) *Mr van de Moortele was appointed to the Board on 30 June 2015*

(9) *Mrs van Niekerk was appointed to the Board on 1 June 2016*

(10) *Mr Savage was appointed to the Board on 1 June 2016*

(11) *Mr Thakkar was appointed to the Board on 1 June 2016. It is the intention of the Board to appoint Mr Aditja Mittal as PAD to Mr Thakkar*

(12) *Mr Booyens was appointed to the Board on 22 May 2014 and resigned from the Board on 12 November 2015*

PROFESSIONAL ADVICE

As advised earlier, all directors have direct access to the advice and services of the Company Secretary. There is a Board procedure in place for directors, to take independent professional advice, if necessary, in furtherance of their duties, at the Company's expense.

CONFLICTS OF INTEREST

In terms of managing potential conflicts of interest, the Board has established a procedure for the directors. Directors are required to submit written declarations of interests and directorships annually to the Company Secretary.

Following this at each meeting of the Investment Committee and the Board, directors are required to confirm any changes to their interests. Should there be any potential and/or deemed conflicts these are immediately addressed and appropriate action is taken.

DIRECTORS' INTEREST IN CONTRACTS

Freedom Asset Management was the appointed asset manager of the Group until 25 May 2016 and is a company owned by entities controlled by Sandile Nomvete and Bronwyn Corbett. The fee payable by the Group to Freedom Asset Management was split into an acquisition fee and an asset management fee.

Mara Delta terminated the asset management agreement with Freedom Asset Management effective 25 May 2016, in order to internalise the asset management function.

All related party transactions are disclosed in detail in note 31 of the annual financial statements.

MATERIAL CLAUSES OF THE CONSTITUTION

There are no clauses of the Constitution deemed material enough for separate disclosure.

Shareholders' Agreement affecting the Governance of the company by the Board: The Directors confirm that, to the best of their knowledge, they are not aware of the existence of any such agreement.

SHARE OPTIONS PLANS

There are no share option plans offered to directors and key management by the Company.

SHAREHOLDER INFORMATION

Kindly refer to pages 148 and 149 for detailed share price information and shareholder analysis.

DIVIDEND POLICY

In the ordinary course of business, distributions shall be made biannually to shareholders, after each reporting period, i.e. the interim reporting period of 31 December and the year-end reporting date of 30 June. Special distributions may be made by the Board from time to time.

The dividend declared will be limited to the maximum amount of distributable reserves within Mara Delta Property Holdings Limited and shall be determined by the Board in compliance with the solvency and liquidity requirements set out in the Mauritian Companies Act, 2001.

Special resolutions passed during the last financial year

14 December 2015

SPECIAL RESOLUTION NUMBER 1: DIRECTORS' AUTHORITY TO ISSUE A MAXIMUM OF 37 729 158 ADDITIONAL ORDINARY SHARES

THAT the board of directors be authorised to allot and issue all or part of the authorised and unissued shares of the Company at their discretion, subject to the provisions of the Mauritian Companies Act 2001, the SEM Listing Rules and the JSE Listings Requirements being a maximum of 37 729 158 ordinary shares at a price not less than net asset value per share until this authority lapses in order to fund the Acquisitions as set out in paragraph 1 of this circular.

SPECIAL RESOLUTION NUMBER 2: DIRECTORS' AUTHORITY TO EFFECT THE ISSUE OF SHARES

THAT the Company Secretary be authorised to do all the things as may be necessary to give effect to the issue of shares set out in resolution number 1.

6 May 2016

SPECIAL RESOLUTION NUMBER 1 – CHANGE OF NAME

THAT the change in the Company's name from "Delta Africa Property Holdings Limited" to "Mara Delta Property Holdings Limited" be and is hereby approved, with the name change to take effect on the date of the issue of the new certificate of incorporation on change of name by the Registrar of Companies in Mauritius.

SPECIAL RESOLUTION NUMBER 2 – WAIVER BY SHAREHOLDERS

THAT the Company shall not be required to first offer to Shareholders, whether in proportion to their shareholdings in the Company or otherwise:

- the Naivasha Consideration Shares to be issued by the Company to Pivotal Global in terms of the Acquisition Issue;
- the Pivotal Subscription Shares to be issued by the Company to Pivotal Global in terms of the Pivotal Subscription;
- the Termination Consideration Shares to be issued by the Company to Freedom in terms of the Termination Issue; and
- the Shares to be issued by the Company pursuant to the authority granted under Ordinary Resolution Number 8.

SPECIAL RESOLUTION NUMBER 3 – ANTECEDENT DIVIDEND (REDUCTION IN STATED CAPITAL)

THAT the Company is hereby authorised, in accordance with the provisions of section 62 of the Mauritian Companies Act and subject to satisfying the solvency test in terms of section 6 of Mauritian Companies Act, to reduce the Company's stated capital by an amount not exceeding US$1 836 089 for the purpose of making a distribution to Shareholders as antecedent dividends.

REMUNERATION AND NOMINATION COMMITTEE REPORT

Letter from the Chairman of the Remuneration and Nomination Committee ("REMCO")

Dear Shareholder,

It is with pleasure that I present to you Mara Delta's remuneration report for the year ended 30 June 2016.

This report sets out Mara Delta's Remuneration and Nomination Charter terms of reference (Part 1) and the remuneration awarded (Part 2) for the current year to its Executive and Non-executive Directors.

In the prior reporting period, the Executive Directors were employees of and were paid by Freedom Asset Management. Only the Non-executive Directors were remunerated by the Company and accordingly the Remuneration Committee's only responsibility was to determine Non-executive Directors and Directors' committee fees which are recommended to shareholders for approval by way of special resolution.

On 24 May 2016 Mara Delta announced the termination of the asset management agreement and the internalisation of the asset management function. Effective 25 May 2016 Mara Delta's Remuneration and Nominations Committee took on the additional responsibility of determining and advising on the Executive Directors' remuneration.

I am comfortable that in the last year, much progress has been made to ensure sound remuneration practices have been adopted within the organisation.

The Remuneration and Nominations Committee approved and recommended this Remuneration and Nominations Committee Report to the Board on the 2 September 2016.

Peter Todd
Chairperson

Part 1: The Remuneration and Nomination Charter – terms of reference

Under its terms of reference to assist the Board, the Remuneration and Nominations Committee's ("the committee's" or "Remco") dual objectives are to ensure that:

- Remuneration of the executives and the staff are competitive and stimulates sustainable performance and behaviours that create shared value over the long term; and
- The Board composition and structures are appropriate, including the size and composition of the various Board committees and considering whether there is an appropriate split between Executive, Non-executive and Independent Directors.

The committee has the responsibility and authority to consider and make recommendations to the Board on, *inter alia*, the remuneration policy of the Company, executive remuneration, short-, medium- and long-term incentive schemes and employee retention schemes.

The terms of reference of the committee is reviewed annually by the Board and is available on request from the Company secretary.

Concerning remuneration matters specifically, the Committee endeavours to ensure that:

- Through its oversight role, the remuneration practices of staff are applied consistently in accordance with the Remuneration Policy and they are compliant with the laws, governance principles and regulations of Mauritius;
- Quality staff are retained and developed;
- Remuneration is regularly benchmarked against other property funds listed on the SEM and the JSE; and
- Employees are responsibly and fairly remunerated and equal opportunity is afforded to all employees.

The Committee consists of three Non-executive Directors. At the date of this report the Remuneration and Nomination Committee comprised the following Directors:

- Peter Todd (Lead Independent)
- Sandile Nomvete
- Ian Macleod

The Committees continue to hold joint meetings, with the agenda's appropriately structured so as to separate out nomination and remuneration matters.

The CEO, the CFO and representatives from the Intercontinental Fund Services Limited attend the Committee meetings by invitation only.

The charter requires that the Committee meet a minimum of three times prior to the end of the financial year.

The Committee met three times during the year. Refer to page 66 for a schedule of meeting attendance.

Part 2: Remuneration in 2016 Executive and Non-executive Directors' contracts

The Executive Directors do not have fixed-term contracts with the Group. A three-month notice period is required for the Executive Directors, employed by the Asset Manager, for the termination of services. There is no provision in the contracts for loss of office payments, other than those required by employment law.

REMUNERATION AND NOMINATION COMMITTEE REPORT continued

The remuneration and benefits approved for the executive directors is respect of the 2015 and 2016 financial year were:

	Year ended 30 June 2016 $	**Year ended 30 June 2015 $**
Directors' emoluments		
Basic Salaries paid to executive directors		
Bronwyn Corbett	**190 056**	–
Greg Pearson	**205 692**	–
Leon van de Moortele	**207 958**	–
Total executive directors' emoluments	**603 705**	
Fees executive directors' emoluments by category		
Basic salary	**431 787**	
Performance bonus	**26 550**	–
Pension fees	**9 008**	–
Other benefits	**136 360**	–
Total executive directors' emoluments	**603 705**	
Payment made by company:		
Paid from Freedom Asset Management Limited	**528 116**	
Paid from Delta International Mauritius Limited	**75 589**	
Total fees paid	**603 705**	
The table below sets out the current shareholder approved fees for the non-executive directors.		
Director fees paid to non-executive directors		
Directors of holding company		
Peter Todd	**11 400**	31 441
Maheshwar Doorgakant	**19 500**	5 250
Chandra Gujadhur	**16 050**	5 250
Ian Macleod	**12 600**	–
James Keyes	**–**	21 663
David Brown	**–**	21 663
	59 550	85 267
Directors of subsidiaries		
Brian Holmes	**17 500**	
Franck Mialon	**–**	1 750
Mahmad Hayder Amiran	**–**	400
Subiraj Gujadhur	**–**	400
Mahmad Tahleb Rujub	**–**	400
Keerti Ramnarain	**–**	400
	17 500	3 350
Total non-executive directors' emoluments	**77 050**	88 617
Total directors' emoluments	**680 755**	88 617

KEY RISK FACTORS AND RISK MANAGEMENT

RISK IS THE VOLATILITY OF UNEXPECTED OUTCOMES. WITHIN THE MARA DELTA FRAMEWORK, THIS WOULD SPECIFICALLY RELATE TO THE ADVERSE IMPACT ON THE VALUE OF ITS ASSETS, EQUITY OR EARNINGS.

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

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

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

- The identification, assessment and mitigation of risks on a timely basis;
- The provision of timely information on risk situations and appropriate risk responses;
- The identification of potential opportunities which would result in increasing firm value; and
- The installation of a culture of risk management throughout the company.

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

The risk management framework is presented to the Audit and Risk Committee on an annual basis.

KEY RISK FACTORS AND RISK MANAGEMENT continued

The key risks include:

Key risks

Key risk	Impact	Mitigation measures
Market/Strategic		
Regulatory risk – JSE and SEM compliance	Fines and public censures if non-compliance occurs Reputational risk	Strong relationships with corporate sponsors and Company secretary in both Mauritius and South Africa Completion of annual compliance checklist Appointment of consultants for specialised assignments
Regulatory risk – multi-jurisdictional legal compliance	Unintentional non-compliance with new laws resulting in fines or public censures Contractual terms in contradiction to specific country law resulting in inability to enforce contractual terms	Detailed country due diligence process conducted to form part of Investment Committee decision making for initial investments in new jurisdictions Engagement of local offices of international legal firms within the operational jurisdictions Appointment of suitably qualified local in-country managers with oversight from senior management dedicated to specific countries
Regulatory risk – exchange control regulations in operating jurisdictions	Repatriation of funds for foreign supplier payments, debt repayments, interest and dividends may be delayed or blocked Projects delayed due to approval processes of foreign equity and/or debt	Appointment of reputable audit firms and legal advisors to ensure compliance with laws and process Outsource registration of equity, debt and foreign supplier contracts with the applicable central bank to reputable local experts
Reputational risk	Loss of investor confidence resulting in share price volatility	Oversight by the Board and independent directors Regular communication with stakeholders Transparent culture and reporting AGM to address issues and queries

Key risk	Impact	Mitigation measures
Currency risk – foreign investments/assets and debt	Net asset value fluctuations may occur due to unrealised foreign exchange movements, which ultimately impacts share prices and the ability to raise additional capital at the correct price	New investment limited to strong economies with stable foreign exchange rates to the US$
	Erosion of distributable earnings	Where appropriate, enter into cross currency swap agreements Conversion of all cash balances to US$ on receipt Matching the currency of debt related to the investment to the underlying functional currency
Non-compliance with covenants	Increased finance costs by financiers	Ratios (both actual and forecast) monitored by management on a monthly basis
	Inability to raise additional funding for future projects	Ratios (both actual and forecast) monitored by the Board on a quarterly basis
Country risk	New government policies and processes may be adopted that are to the determent of foreign investors (flow of dividends, capital, taxation and land ownership)	Careful country due diligence prior to initial investments and limits to investments in countries that target foreign investment
Financial		
Destruction of investment property	Financial loss to the Company and reduced asset value	Properties are adequately insured by reputable underwriters Adequacy of insurance cover (covering replacement cost and loss of income) reviewed by the Board
Interest rate volatility	Increased finance costs resulting in reductions to distributable earning	Minimum of 70% of long-term debt is fixed by entering into interest rate swap contract Ability to access debt from multiple jurisdictions and currencies Terms of loans are kept to a maximum of five years to facilitate refinance transactions where required

KEY RISK FACTORS AND RISK MANAGEMENT continued

Key risk	Impact	Mitigation measures
Liquidity and refinance risk	Inability to refinance debt on expiry Inability to raise debt to fund new projects	Forward cash flow management Monitoring debt markets in all operational jurisdictions Early engagement with financiers Diverse source of funding (in both type and jurisdiction)
Skills shortage for finance staff in certain jurisdictions	Inability to produce on time, accurate reporting	Strong management oversight on management reporting Engagement of reputable audit firms to provide monthly review of management accounts
Operational		
Underperformance of property managers	Reputational risk	Performance driven contracts with property managers
	Delays in recovering amounts due from tenants	Increased supervision by the Group
	Increased vacancies	Regular meetings between the Group and property managers covering property performance, tenant arrears, vacancies, building conditions and tenant relationships
	Deterioration of buildings	Regular property inspections
Language barriers	Misinterpretations of instructions result delays to projects and non-delivery services Delays in producing required reporting	All local employees required to have a working knowledge of English Where required additional English training is provided
Contracts required to be recorded in the official language of the specific country	Inability to correctly interpret detailed terms and conditions in contracts	Use of suitably qualified sworn translations for all legal documentation Engagement of local legal council who are fluent in both English and the official language

Key risk	Impact	Mitigation measures
Arrears and bad debts	Failure to recover amounts on time	Vigilant credit control process by property managers
	Breakdown in relationships with key tenants	Continued engagement with tenants by asset manager
	Write-offs of material bad debts	Robust debt collection process Continual monitoring of trading densities within the retail environment to identify and address potential risks before default Deposits and security (including personal sureties where applicable)
Information technology (IT) failures	Impaired operational ability	Daily backups to an offsite storage facility
	Delayed and/or inaccurate financial reporting due to loss of data	Multiple iterations of backup data
		IT services outsourced to suitably qualified service providers
		Virtual server environment
Vacancy risk	Erosion of rental income and distribution	Early engagement with tenants approaching lease expiry dates
		Strong focus on tenant relationships to ensure retention
Physical deterioration of properties	Physical deterioration may result in untenantable building	Asset managers perform regular site visits in addition to the monthly inspections conducted by the property managers
	Increase vacancies and operating costs	Strong tenant relationships identify potential issues early

ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY AND COMPLIANCE

The directors of Mara Delta Property Holdings Limited ("the Company") are responsible for the preparation and fair presentation of the financial statements, comprising the Company's Statement of Financial Position as at 30 June 2016, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ("IFRS") and in Compliance with the Mauritius Companies Act 2001.

The directors acknowledge their responsibilities for the design and implementation of adequate accounting records and maintaining internal control systems; the fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are consistent and reasonable in the circumstances.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The directors report that adequate accounting records and maintenance of internal control systems, and risk management have taken place; the appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently; IFRS principles have been adhered to; the Code of Corporate Governance for Mauritius has been adhered to (reasons have been provided in the Corporate Governance Report in case of non-compliance with any requirement).

The directors have made an assessment of the Company's ability to continue as a going-concern and have no reason to believe the business will not be a going-concern in the year ahead.

Approval of the annual financial statements of the Company

The annual financial statements of the Company have been approved by the Board on 2 September 2016.

Signed on behalf of the Board by

Sandile Nomvete
Chairman

Bronwyn Corbett
Chief Executive Officer

STATEMENT OF COMPLIANCE

We, the Directors of Mara Delta Property Holdings Limited, confirm to the best of our knowledge that this Public Interest Entity has complied with all of its obligations and requirements under the Code of Corporate Governance ("the Code") under section 75(3) of the Financial Reporting Act of Mauritius for the period ended 30 June 2016, except for s2.10.3 whereby no formal board appraisals were performed during the period as explained in the corporate governance report.

Sandile Nomvete
Chairman

Bronwyn Corbett
Chief Executive Officer

2 September 2016

CERTIFICATE FROM THE COMPANY SECRETARY

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Mauritius Companies Act 2001 in terms of section 166(d), for the year ended 30 June 2016.

Intercontinental Fund Services Limited
Company Secretary

2 September 2016

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee is an independent statutory committee and, in addition to having specific statutory responsibilities to the shareholders in terms of the Code of Corporate Governance for Mauritius, King Code of Governance Principles for South Africa and the Companies Act of Mauritius 2001, the role of the audit committee is to ensure the integrity of financial reporting and the audit process. In pursuing these objectives, the audit committee oversees relations with the external auditors. The committee also assists the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and internal control processes, overseeing the preparation of accurate financial reports and statements in compliance with all applicable legal requirements and accounting standards, ensuring compliance with good governance practices and nomination of external auditors.

Terms of reference

The committee has adopted a formal charter which has been approved by the board and has been incorporated in the board charter.

Composition and meetings

The committee consists of three non-executive directors, all of which are independent.

At the date of this report the Audit and Risk Committee comprised the following directors:

- Chandra Kumar Gujadhur (Chairman)
- Peter Todd
- Ian Macleod

The CEO, the CFO and representatives from the external auditors attend the committee meetings by invitation only. The external auditors have unrestricted access to the committee.

The committee met four times prior to the end of the financial year. This being in accordance with its charter, King III and Companies Act, which requires that the committee meet a minimum of four times prior to the end of the financial year.

Statutory duties

In the execution of its statutory duties relating to the financial year under review, the Audit and Risk Committee:

- nominated and recommended BDO for appointment, as external auditors of the Company, a registered auditor who, in the opinion of the Committee, is independent;
- determined the fees to be paid to the auditors and the auditor's terms of engagement;
- ensured that the appointment of the auditor complied with the provision of the Companies Act of Mauritius 2001, and any other legislation relating to the appointment of auditors;
- determined the nature and extent of any non-audit services that the auditor may provide to the Company;
- pre-approved any proposed agreement with the auditor for the provision of non-audit services to the Company;
- prepared a report, which has been included in the annual financial statements of the Company for the financial year under review;
- received and dealt appropriately with any concerns or complaints, whether from within or outside the Company, or on its own initiative, in relation to the matters as set out in the Companies Act; and
- made submissions to the board on any matter concerning the Company's accounting policies, financial control, records and reporting.

The committee has fulfilled its statutory responsibilities in compliance with its terms of reference for the year under review.

Regulatory compliance

The committee has complied with all the applicable regulatory and legal responsibilities.

External audit

The committee reviewed the independence, objectivity and effectiveness of the external auditors and based on our satisfaction with the results of the activities outlined above we have recommended to the Board that BDO should be reappointed for the financial year ending 30 June 2017.

Internal audit

Freedom Asset Management Limited, who were responsible for internal audit services was internalised into Mara Delta in May 2016. Grant Thornton have subsequently been appointed for internal audit services for the Group.

Terms of engagement and fees paid to external auditor

Prior to the commencement of the annual audit, the nature and scope of the audit was discussed with the external auditors. Following this discussion, the committee, in consultation, with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the financial year ended 30 June 2016. The committee considered the fee to be fair and appropriate. Information relating to non-audit services provided by the appointed external auditors of the Company has been disclosed in the notes to the annual financial statements. Separate disclosures have been made of the amounts paid to the appointed external auditors for non-audit services as opposed to audit.

Finance function

The committee has reviewed the consolidated and separate financial statements of the Group, and is satisfied that they comply with International Financial Reporting Standards.

The external auditor has expressed an unqualified opinion on the annual financial statements for the year ended 30 June 2016.

We are satisfied that Leon van de Moortele, the CFO, has the appropriate expertise and experience to meet his responsibilities in that position as required by the JSE and the SEM.

We are satisfied with:

- The expertise and adequacy of resources within the finance function; and
- The experience of the senior financial management staff.

Going concern

The committee through its review of the 2017 budget and cash flows and discussions with executive management reported to the Board that it supports management's view that the Company will continue to operate as a going concern for the foreseeable future.

Integrated report

The committee has reviewed and commented on the financial statements and the disclosure of sustainability issues included in this Integrated Report to ensure that they are reliable and do not conflict with the financial information disclosed in this Integrated Report. This Integrated Report was recommended to the Board for approval.

On behalf of the Audit and Risk Committee

Chandra Kumar Gujadhur
Chairman

1 September 2016

DIRECTORS' REPORT

The Board has pleasure in submitting the directors' report for the year ended 30 June 2016.

Nature of business

The Company was initially incorporated in Bermuda on 16 May 2012 as a Bermudian exempted company under the laws of Bermuda and has been operational since 1 June 2012. The Company was discontinued from Bermuda on 11 March 2015 and on the same day was registered by continuation in Mauritius as a public company limited by shares. Effective 13 March 2015, it holds a Category One Global Business License.

Primary listing was transferred on 30 March 2015 from the Bermuda Stock Exchange to the Stock Exchange of Mauritius Ltd ("SEM"). It then moved its secondary listing on the Alternative Exchange (or AltX) of the Johannesburg Stock Exchange ("JSE") to a second primary listing on the main board of the JSE on 10 July 2015. The attraction of a more diverse shareholder base and increased share liquidity was the rationale for the migration.

The Company and its subsidiaries ("the Group") has been significantly restructured since the change in ownership in May 2014. The Group has since embarked on a strategy of acquiring a portfolio of African real estate assets (excluding assets situated in South Africa) in furtherance of its objective of investing in real estate assets that will provide strong sustainable income from high quality tenants.

Strategy

The strategy for the Group remains the acquisition of assets that provide a sustainable income from high quality tenants across the African continent, excluding South Africa, while maintaining an accretive distribution over the long term. The Company's focus will remain predominantly on US Dollar leases in stable economies.

The Group's immediate focus is to capitalise on its knowledge base by expanding within its current jurisdictions of Mauritius, Zambia and Kenya and, to a lesser degree, Mozambique and Morocco. The current footprint and brand awareness in these existing jurisdictions has provided the Group with a large pipeline of assets, which will enable it to select the highest yielding assets that meet the Group's investment criteria.

In a bid to maximise shareholder returns by reducing tax leakage, the Group has entered into contracts that will place the Group in a position to convert the Moroccan structures to a REIT as soon as REIT legislation is promulgated. This is expected to take place in quarter three of the 2016 financial year.

Capital structure

The number of shares in issue have increased significantly from 73 656 447 (2015) to 100 061 130 by the end of the 2016 financial year. During the year the Company raised US$44.8 million by issuing these 26 404 683.

Review of activities

These results of the Group and the Company are commented on in the Chairman's, Chief Executive Officer's and the Chief Financial Officer's reports on pages 28 to 51 and are set out in the financial statements on pages 86 to 156.

Distributions

The following distributions were declared during the 2016 financial period:

- Distribution number 3 of US$6.17 cents per share for the six months ended December 2015.
- Distribution number 4 of US$5.58 cents per share for the six months ended June 2016.
- The full year distribution will amount to US$11.75 cents per share.

Directorate

Executive directors

- BA Corbett – CEO
- L van de Moortele – CFO

Non-executive directors

- Sandile Nomvete – Chairman
- Peter Todd (Lead Independent)
- Jacqueline van Niekerk (appointed 1 June 2016)
- David Savage (appointed 1 June 2016)
- Maheshwar Doorgakant
- Chandra Gujadhur
- Ian Macleod
- Ashish Thakkar (appointed 1 June 2016)

Resignations during the year under review

- Gregory Pearson – resigned 1 June 2016.

At the Board meeting held on the 2 September 2016, the Board approved the following permanent alternate directors ("PAD"):

- Mr Aditya Mittal would be acting as the PAD to Mr Ashish Thakkar; and
- Mr Maheshwar Doorgakant would be acting as the PAD to Mr Chandra Gujadhur.

Directors interests

The interest of the directors in the shares of the Company at the financial year-end was as follows:

Director	Direct beneficial holding	Indirect beneficial holding	Total number of Shares held as at 30 June 2016	Total number of shares held as at 30 June 2015
SH Nomvete	–	4 070 043	**4 070 043**	3 682 441
BA Corbett	478 097	3 660 442	**4 138 539**	3 112 582
LP van de Moortele	–	422 061	**422 061**	1 729
GS Booyens	–	–	**–**	1 651
G Pearson	–	–	**–**	107
JR van Niekerk	–	13 836	**13 836**	n/a
DS Savage	–	2	**2**	n/a
Total	478 097	8 166 384	**8 644 481**	3 116 069

There have been no changes to the number of shares held by the directors, both directly and indirectly, from the financial year-end date to the date of approval of the annual financial statements.

Directors' interests in contracts

Freedom Asset Management Limited ("FAM"), a company owned by entities controlled by Sandile Nomvete and Bronwyn Corbett, were appointed as the asset manager of the Group until 25 May 2016, when the asset management function was internalised. The fee payable by the Group to FAM was made up of an acquisition fee and an ongoing asset management fee. The acquisition fee was calculated as 1% of the cost of the asset at the date of acquisition and was payable on transfer of the asset. The ongoing management fee was determined as 0.5% of fair value of the assets per annum and was payable monthly in arrears.

Executive directors' service contracts

The Executive Directors have service contracts with the Company. A three-month notice period is required for the executive directors.

Events after the reporting period

Event 1

On 11 August 2016, Mara Delta successfully placed 645 441 additional ordinary shares of no par value ("Placing Shares") at an issue price of US$1.65 per share. The issue price was at a premium of US$3.96 cents to the last published net asset value per share of US$161.04 cents.

DIRECTORS REPORT continued

Event 2

On 24 June 2016, Mara Delta, through its wholly-owned subsidiary Delta International Mauritius Limited, entered into an agreement ("Acquisition Agreement") with Rockcastle Global Real Estate Company Limited ("Seller") and Lusaka Cosmopolitan Investments Limited ("LCI"), in terms of which Mara Delta purchased from the Seller:

- 100% of the issued share capital of LCI ("Sale Shares"); and
- all amounts owing to the Seller by LCI from any cause whatsoever ("Sale Claims"), (the "Acquisition"), with the Sale Shares and the Sale Claims being collectively referred to as the "Sale Equity".

LCI holds 50% of the issued ordinary share capital of Cosmopolitan Shopping Centre Limited ("CSC"), which, in turn, is the registered title holder of the land in Lusaka, Zambia ("Land") on which the retail shopping centre, known as Cosmopolitan Mall, is located. Cosmopolitan Mall officially opened on 24 March 2016.

CSC has concluded a long-term lease in respect of certain adjoining land ("Leased Land"), which has been utilised for the creation of additional parking for Cosmopolitan Mall.

Cosmopolitan Mall, the Land and the Leased Land are hereafter collectively referred to as the "Property".

Event 3

Mara Delta entered into a non-binding heads of terms with Néréide Limited ("Vendor"), a wholly-owned subsidiary of Lux Island Resorts Limited, for the acquisition of the hotel building known as Tamassa Resort, located on Coastal Road, Bel Ombre, Mauritius, as well as the Vendor's rights, title and interests in the lease agreement with the Vendor and the Republic of Mauritius, in relation to the property on which the Tamassa Resort is located ("Property"), for a total consideration of the Euro equivalent of US$40 000 000 (Forty million US Dollars), on a cash free, debt free basis ("Acquisition").

The Acquisition is subject to certain conditions precedent including approval from the Board of Investment of Mauritius and the exchange and execution of a binding sale and purchase agreement acceptable to the parties ("SPA").

Subsequent to the sale, the Property will be leased back to Néréide Limited, for an initial period of 10 years (renewable at its option, for a period not shorter than the initial lease term). The Euro denominated lease agreement will be on a triple net basis. The annual rent payable during the initial period of the lease will represent between 8% and 9% of the purchase consideration, resulting in a yield accretive investment for Mara Delta.

Lux Island Resorts Limited, being one of the largest listed hotel chains in Mauritius (with a market capitalisation of Rs8 billion or approximately US$228.5 million), will provide a guarantee for lease payments over the duration of the lease.

Event 4

On 29 July 2016 the group settled the SBSA loan of US$11,67 million out of cash reserves.

Event 5

On 1 August 2016 the group converted the short-term loan of MZN182.7 million to a long-term loan, repayable over 10 years, with an interest rate of 19.68%.

Going concern

The directors are of the opinion that the Group and Company have adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going-concern basis in preparing the Group's financial statements.

The directors have satisfied themselves that the Group and Company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

Report on the financial statements

We have audited the financial statements of Mara Delta Property Holdings Limited (the "Group") and the Company's separate financial statements on pages 86 to 146 which comprise the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 86 to 146 give a true and fair view of the financial position of the Group and of the Company at 30 June 2016, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on other Legal and Regulatory Requirements

Companies Act 2001

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

We have obtained all information and explanations we have required.

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

Financial Reporting Act 2004

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

In our opinion, the disclosure in the annual report is consistent with the requirement of the Code.

BDO & CO
Chartered Accountants

Rookaya Ghanty, FCCA
Licensed by FRC
Port Louis
Mauritius

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2016

		GROUP		COMPANY	
	Notes	As at 30 June 2016 $	As at 30 June 2015 $	As at 30 June 2016 $	As at 30 June 2015 $
Assets					
Non-current assets					
Investment property		248 545 665	210 390 631	–	–
Fair value of property portfolio	3	243 705 971	207 768 336	–	–
Straight-line rental income accrual	4	4 839 694	2 622 295	–	–
Property, plant and equipment	5	803 240	96 512	–	–
Intangible assets	6	5 699 199	8 774	5 100 000	–
Investment in subsidiaries	7	–	–	42 275 095	27 054 356
Investment in associates	8	45 945 339	–	–	–
Related party loans	9	978 277	11 778	157 337 526	99 947 560
Deferred tax	10	5 984 142	190 143	–	–
Total non-current assets		307 955 862	210 697 838	204 712 621	127 001 916
Current assets					
Trade and other receivables	11	18 101 466	18 777 373	644 581	3 894 121
Cash and cash equivalents	12	17 771 821	6 565 282	46 947	1 664 714
Total current assets		35 873 287	25 342 655	691 528	5 558 835
Total assets		343 829 149	236 040 493	205 404 149	132 560 751
Equity and liabilities					
Total equity attributable to equity holders					
Share capital	13	171 995 297	127 958 794	171 995 297	127 958 794
Foreign currency translation reserve		(1 898)	(785 389)	52 865	52 865
Antecedent dividend reserve		635 547	–	635 547	–
Retained (loss)/income		(9 256 498)	(2 760 583)	11 234 948	3 423 445
Total equity attributable to equity holders		163 372 448	124 412 822	183 918 657	131 435 104
Liabilities					
Non-current liabilities					
Interest-bearing borrowings	14	127 070 183	10 490 966	–	–
Deferred tax	10	835 646	807 205	–	–
Total non-current liabilities		127 905 829	11 298 171	–	–
Current liabilities					
Interest-bearing borrowings	14	34 548 386	91 165 629	20 000 000	–
Trade and other payables	15	15 029 156	8 671 831	1 485 492	1 125 647
Related party loans	9	1 365 000	–	–	–
Withholding tax payable		33 180	11 893	–	–
Current tax payable		1 020 938	137 756	–	–
Financial instruments	16	554 212	–	–	–
Cash and cash equivalents	12	–	342 391	–	–
Total current liabilities		52 550 871	100 329 500	21 485 492	1 125 647
Total liabilities		180 456 700	111 627 671	21 485 491	1 125 647
Total equity and liabilities		343 829 149	236 040 493	205 404 149	132 560 751
Net asset value per share (cents)		163.27	168.91	183.81	178.44
Net asset value per share (excluding deferred taxation) (cents)		158.13	169.75	183.81	178.44

The notes on pages 90 to 146 form an integral part of these financial statements.

Please refer to the auditors report found on page 85.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

		GROUP		COMPANY	
	Notes	**Year ended June 2016 $**	**Year ended June 2015 $**	**Year ended June 2016 $**	**Year ended June 2015 $**
Gross rental income	17	**20 878 458**	13 918 198	**-**	–
Straight-line rental income accrual		**2 217 399**	2 622 295	**-**	–
Revenue		**23 095 857**	16 540 493	**-**	–
Income from associates		**3 219 866**	–	**-**	–
Property operating expenses		**(5 769 024)**	(3 477 760)	**-**	–
Net property income		**20 546 699**	13 062 733	**-**	–
Other income		**2 933 782**	384 061	**-**	–
Administrative expenses		**(3 856 608)**	(1 711 297)	**(1 269 262)**	(972 324)
Profit/(loss) from operations	18	**19 623 873**	11 735 497	**(1 269 262)**	(972 324)
Acquisition fees		**(990 338)**	(3 291 940)	**689 852**	(2 098 563)
Set-up and merger costs		**(848 462)**	(829 279)	**(794 676)**	(718 004)
Fair value adjustment on investment properties	20	**(3 759 543)**	4 560 459	**-**	–
Fair value adjustment on financial instruments		**(99 198)**	–	**-**	–
Fair value adjustment on investment in subsidiary	20	**-**	–	**15 220 739**	7 129 463
Gain from bargain purchase	29	**250 515**	3 504 523	**-**	–
Unrealised foreign currency loss		**(725 284)**	(11 803 314)	**-**	(14 129)
Realised foreign currency gain		**3 489 058**	551 853	**(3 384)**	534 858
Profit before interest and taxation		**16 940 621**	4 427 799	**13 850 037**	3 861 301
Interest income	21	**170 158**	91 478	**3 692 424**	2 533 424
Finance costs	22	**(9 698 267)**	(3 640 293)	**(1 261 254)**	(27 317)
Profit for the year before tax		**7 412 512**	878 984	**16 281 207**	6 367 408
Current tax expense	23	**(1 493 959)**	(78 542)	**-**	–
Deferred tax expense	10	**(3 944 764)**	(617 062)	**-**	–
Profit for the year after tax		**1 973 789**	183 380	**16 281 207**	6 367 408
Other comprehensive income					
Profit/(loss) on translation of functional currency		**783 491**	(838 254)	**-**	–
Total comprehensive income/(loss)		**2 757 280**	(654 874)	**16 281 207**	6 367 408
Basic earnings per share (cents)*	24	**2.42**	0.39	**19.92**	13.52

* *The Company does not have any dilutionary instruments in issue*

The notes on pages 90 to 146 form an integral part of these financial statements.

Please refer to the auditors report found on page 85.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

		GROUP		COMPANY	
	Notes	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Cash generated from/(utilised in) operations	25	**19 286 276**	(6 715 572)	**(1 719 031)**	(2 131 403)
Interest received		**170 158**	91 477	**3 692 424**	2 533 424
Finance costs	27	**(9 241 646)**	(4 357 686)	**(1 182 716)**	(27 317)
Taxation paid	26	**(589 490)**	(171 207)	**-**	-
Dividends paid	28	**(8 469 704)**	(2 963 434)	**(8 469 704)**	(2 963 434)
Net cash generated from/(utilised in) operating activities		**1 155 594**	(14 116 422)	**(7 679 026)**	(2 588 730)
Acquisition of investment property	3	**(31 490 817)**	(172 115 747)	**-**	-
Acquisition of property, plant and equipment	5	**(798 114)**	-	**-**	-
Acquisition of intangible assets	6	**(593 172)**	-	**-**	-
Net cash outflow on acquisition of subsidiaries and associates	29	**(31 419 780)**	(31 115 210)	**-**	-
Dividends received from associates	8	**1 786 552**	-	**-**	-
Loans raised from/(advanced to) subsidiaries and related parties		**398 501**	263 956	**(54 475 532)**	(99 685 955)
Investment in subsidiaries		**-**	-	**-**	(19 924 893)
Net cash utilised in investing activities		**(62 116 830)**	(202 967 002)	**(54 475 532)**	(119 610 848)
Proceeds from the issue of shares	13	**40 695 047**	126 825 299	**40 695 046**	126 825 299
Share issue expenses	13	**(158 256)**	(3 610 335)	**(158 255)**	(3 610 335)
Proceeds from interest-bearing borrowings	14	**142 152 774**	122 745 142	**24 400 000**	-
Settlement of interest-bearing borrowings	14	**(110 179 398)**	(23 303 118)	**(4 400 000)**	-
Net cash generated from financing activities		**72 510 166**	222 656 987	**60 536 792**	123 214 964
Net movement in cash and cash equivalents		**11 548 930**	5 573 563	**(1 617 767)**	1 015 386
Cash at the beginning of the year		**6 222 891**	649 328	**1 664 714**	649 328
Total cash at the end of the year	12	**17 771 821**	6 222 891	**46 947**	1 664 714

The notes on pages 90 to 146 form an integral part of these financial statements.

Please refer to the auditors report found on page 85.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Notes	Share capital $	Foreign currency translation reserve $	Antecedent dividend reserve $	Retained earnings/ (revenue deficit) $	Total equity holders $
GROUP						
Balance as at 1 July 2014		864 655	52 865	–	19 471	936 991
Profit for the year		–	–	–	183 380	183 380
Dividends paid	28	–	–	–	(2 963 434)	(2 963 434)
Foreign currency translation reserve movement		–	(838 254)	–	–	(838 254)
Shares issued	13	130 704 474	–	–	–	130 704 474
Share issue expenses	13	(3 610 335)	–	–	–	(3 610 335)
Balance as at 30 June 2015		**127 958 794**	**(785 389)**	**-**	**(2 760 583)**	**124 412 822**
Profit for the year		–	–	–	1 973 789	1 973 789
Dividends paid	28	–	–	–	(8 469 704)	(8 469 704)
Foreign currency translation reserve movement		–	783 491	–	–	783 491
Shares issued	13	44 830 305	–	–	–	44 830 305
Share issue expenses	13	(158 255)	–	–	–	(158 255)
Transfer from share issues		(635 547)	–	635 547	–	–
Balance as at 30 June 2016		**171 995 297**	**(1 898)**	**635 547**	**(9 256 498)**	**163 372 448**

		Share capital $	Foreign currency translation reserve $	Antecedent dividend reserve $	Retained earnings/ (revenue deficit) $	Total equity holders $
COMPANY						
Balance as at 1 July 2014		864 655	52 865	–	19 471	936 991
Profit for the year		–	–	–	6 367 408	6 367 408
Dividends paid	28	–	–	–	(2 963 434)	(2 963 434)
Shares issued	13	130 704 474	–	–	–	130 704 474
Share issue expenses	13	(3 610 335)	–	–	–	(3 610 335)
Balance as at 30 June 2015		**127 958 794**	**52 865**	**-**	**3 423 445**	**131 435 104**
Profit for the year		–	–	–	16 281 207	16 281 207
Dividends paid	28	–	–	–	(8 469 704)	(8 469 704)
Shares issued	13	44 830 305	–	–	–	44 830 305
Share issue expenses	13	(158 255)	–	–	–	(158 255)
Transfer from share issues		(635 547)	–	635 547	–	–
Balance as at 30 June 2016		**171 995 297**	**52 865**	**635 547**	**11 234 948**	**183 918 657**

The notes on pages 90 to 146 form an integral part of these financial statements.

Please refer to the auditors report found on page 85.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2016

1. Accounting policies

1.1 Statement of compliance

The financial statements include the consolidated financial statements of the parent company and its subsidiaries ("the Group") and the separate financial statements of the parent company ("the Company").

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE and SEM Listings Requirements, the requirements of the Mauritian Companies Act 2001, the Companies Regulations 2011, and incorporate the principal accounting policies set out below.

The accounting policies have been applied consistently to all periods presented except for the adoption of new accounting standards as set out below.

1.2 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board that makes strategic decisions.

1.3 Basis of preparation

The financial statements are presented in USD ($), which is the functional and presentational currency of the Group. They are prepared using the historical cost basis except for investment property and financial instruments at fair value through profit or loss, which are stated at fair value.

Fair value adjustments do not affect the determination of distributable earnings but have an effect on the net asset value per share presented on the statement of financial position to the extent that such adjustments are made to the carrying values of assets and liabilities.

Critical judgments and estimates

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The estimates and assumptions relating to the fair value of investment properties have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The principal areas where such judgments and estimates have been made are:

Going concern

The financial statements have been prepared on a going concern basis.

Property acquisitions

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

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

Otherwise corporate acquisitions are accounted for as business combinations.

Trade receivables and loans and receivables

The Group assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Fair value estimation

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

The fair value of investment property is determined using a combination of the discounted cash flows method and the income capitalisation valuation method, using assumptions that are based on market conditions existing at the period-end date.

Impairment testing

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

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

Taxation

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

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

For the purpose of measuring deferred tax liabilities or assets arising from investment property carried at fair value, the directors have determined that the carrying amounts of the investment properties will be realised through the sale of the structure holding the properties. As a result, no deferred tax has been recognised on changes in fair value of investment properties due to the fact that the sale of shares is not subject to capital gains tax in Mauritius.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2016

1. Accounting policies continued

1.4 Consolidation

Basis of consolidation

The consolidated Group annual financial statements incorporate the Group annual financial statements of the Company and all entities, including special purpose entities, which are controlled by the Group.

The Group has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries are included in the consolidated Group annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation.

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

Transactions which result in changes in ownership levels, where the Group has control of the subsidiary, both before and after the transaction, are regarded as equity transactions and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest rate and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal group) that are classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the Group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

1.5 Intangible assets

Investment in subsidiaries

Group and Company annual financial statements

The Group annual financial statements include those of the holding company and its subsidiaries. The results of the subsidiary are included from the date control of the subsidiary is obtained (i.e. effective date of acquisition) until the date that control of the subsidiary is lost (i.e. disposal date). All intercompany transactions and balances are eliminated on consolidation.

Company annual financial statements

In the Company's separate annual financial statements, investment in subsidiaries are carried at fair value through profit and loss less any accumulated impairment.

Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss. Fair values are determined by reference to the underlying fair value of the subsidiaries' net assets.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Average useful life
Computer software	4
Right of use of land	15

Right of use of land

Land held under an operating lease is accounted for as operating leases. Upfront payments for operating leases are capitalised as non-current assets and carried at cost less accumulated depreciation. These non-current assets are not revalued. Depreciation is calculated on a straight-line basis over the lease periods.

Management agreement

The Group recognises management agreements as intangible assets on the basis of future cost savings to the Group. The asset is tested annually for impairment.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Where the net recognised amount of the identifiable assets acquired and liabilities assumed exceeds the fair value of the consideration transferred (including the recognised amount of any non-controlling interest in the acquiree), this excess is recognised immediately in profit or loss (gain on bargain purchase).

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

1.6 Currency translation reserve

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the rates at the dates of the transaction or at an average rate for the period where this is a reasonable approximation.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2016

1. Accounting policies continued

1.6 Currency translation reserve continued

The functional and presentation currency of Mara Delta Property Holdings Limited was changed from Pounds Sterling to USD on 16 May 2014. The reason for the change in functional and presentation currency of the Company is largely due to the change in primary focus of the Group as the majority of its transactions within Africa are denominated in USD.

At the reporting date, the assets and liabilities of the entities that have a functional currency different from the presentation currency were translated into the presentation currency of the Company (USD) at the ruling exchange rate at reporting date and the statement of comprehensive income was translated at the average exchange rate for the period.

1.7 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the Group, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised

Investment properties are those which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. External, independent valuation companies, having professionally qualified valuers' and recent experience in the location and category of property being valued, value the portfolios on a bi-annual basis. Every other year a Directors' valuation will be done. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and without compulsion.

The valuations are prepared by considering comparable market transactions for sales and letting and having regard for the current leases in place. In the case of lettings this includes considering the aggregate of the net annual market rents receivable from the properties and where relevant, associated costs. A yield which reflects the risks inherent in the net cash flows is applied to the net annual rentals to arrive at the property valuation.

Any gain or loss arising from a change in fair value is recognised in profit or loss.

Under the revised IAS 40 "Investment Property", property that is under construction or development for future use as investment property is within the scope of IAS 40. As the fair value model is applied, such property is measured at fair value. However, where the fair value of investment property under redevelopment is not reliably measurable, the property is measured at cost.

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

1.8 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred to initially acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, or replace part of it.

If a replacement cost is recognised in the carrying amount of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on a straight-line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Leasehold improvements are depreciated over the shorter of the useful life of the asset or the lease term.

Item	Average useful life
Leasehold improvements	3
Furniture and fixtures	6
Computer equipment	3
Equipment	8

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period.

If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit and loss.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit and loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Where the carrying amount of an asset is greater than its recoverable amount, it is written down immediately to its recoverable amount.

1.9 Financial instruments – Recognition, classification and measurement

Classification

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

- financial assets at fair value through profit or loss – designated;
- loans and receivables;
- financial liabilities measured at amortised cost.

Classification depends on the purpose for which the financial instruments were obtained and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

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

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the Group's right to receive payment is established.

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

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

1. Accounting policies continued

1.9 Financial instruments – Recognition, classification and measurement continued

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment of financial assets

At each reporting date, the Group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the Group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Non-derivative financial instruments

Non-derivative financial instruments comprise investment in equity securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not carried at fair value through profit or loss, any directly attributable transaction costs, except as described below.

A financial instrument is recognised when the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of ownership of the asset.

Investments at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated as fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value.

Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Loans to/(from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

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

Trade and other receivables

Trade receivables are measured on initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand, cash deposited with financial institutions and other short-term liquid investments that are readily convertible to a known amount of cash. These are initially recorded at fair value and subsequently measured at amortised cost. Cash and cash equivalents are classified as loans and receivables.

Bank overdraft and borrowings

Bank overdraft and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Bank borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

1.10 Leases

A lease is classified as a finance lease if it substantially transfers all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term. The difference between the amounts recognised as income and the contractual amounts received are recognised as an operating lease asset.

This asset is not discounted.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.11 Income tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent it is unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2016

1. Accounting policies continued

1.11 Income tax continued

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

For the purpose of measuring deferred tax liabilities or assets on investment properties that are measured using the fair value model, the carrying amount of such properties are presumed to be recovered through the sale of the structure through which the investment properties are held.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

1.12 Share capital

Ordinary share capital

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

1.13 Revenue

Rental income from investment property leased out under operating leases is recognised in the statement of comprehensive income on a straight-line basis over the term of the leases. Lease incentives granted are recognised as an integral part of the total rental income and amortised over the term of the leases.

Contingent rental income is recognised as it arises. Premiums to terminate leases are recognised in the statement of comprehensive income as they arise.

Management has considered the potential transfer of risks and rewards of ownership for all properties leased to tenants and has determined that all such leases are to be classified as operating leases.

Interest earned on cash invested with financial institutions is recognised as it accrues using the effective interest method.

Dividends are recognised, in profit or loss, when the Group's right to receive payment has been established.

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.15 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings;
- weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred; and

- activities that are necessary to prepare the asset for its intended use or sale are in progress.

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

Capitalisation ceases when all the activities necessary to prepare the qualifying asset for its intended use or sale are substantially complete.

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

1.16 Translation of foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Foreign currency transactions continued

The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign operations

Items included in each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The results and financial position of all the Group entities that have a functional currency different from that of the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate;
- income and expenses are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income as a separate component of equity until such foreign entity is disposed of at which time such translation difference is recognised in profit or loss.

1.17 Earnings per share and headline earnings per share

Basic earnings per share is calculated by dividing the profit or loss by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders holders and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares.

In calculating headline earnings per share, headline earnings include fair value adjustments for financial liabilities and accounting adjustments required to account for lease income on a straight-line basis, as well as other non-cash accounting adjustments that do not affect distributable earnings.

1.18 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the financial statements in the period in which the dividend is declared.

1.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation on a result of past events and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

1.20 Fair value hedges

"The Company's policy is to use derivative instruments (primarily interest rate swaps) to convert a proportion of its fixed rate debt to floating rates in order to hedge the interest rate risk arising, principally, from capital market borrowings.

The Company designates these as fair value hedges of interest rate risk with changes in fair value of the hedging instrument recognised in the profit and loss for the period together with the changes in the fair value of the hedged item due to the hedged risk, to the extent the hedge is effective. The ineffective portion is recognised immediately in the profit and loss account."

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2016

1. Accounting policies continued

1.21 Investment in associated companies

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for under the equity method.

The Group's investments in associates include goodwill (net of any accumulated impairment loss) identified on acquisition. They are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associates less any impairment in the value of individual investments.

Any excess of the cost of acquisition and the Group's share of the net fair value of the associate's identifiable assets and liabilities recognised at the date of acquisition is recognised as goodwill which is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of acquisition, after assessment, is included as income in the determination of the Group's share of the associate's profit or loss.

When the Group's share of losses exceeds its interest in an associate, the Group discontinues recognising further losses, unless it has incurred legal or constructive obligation or made payments on behalf of the associate.

The results of associated companies acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of their acquisition or up to the date of their disposal.

Unrealised profits are eliminated to the extent of the Group's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Where necessary, appropriate adjustments are made to the financial statements of associates to bring the accounting policies used in line with those adopted by the Group.

2. New Standards and Interpretations

2.1 Standards and interpretations effective

There are no standards, amendments to publish standards and interpretations effective for the first time in the reporting period.

2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2016 or later periods:

IFRS 9 Financial Instruments – 1 January 2018
"This new standard is the first phase of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement.

To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities. The following are the main changes from IAS 39:

- financial assets will be categorised as those subsequently measured at fair value or at amortised cost;
- financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value;
- under certain circumstances, financial assets may be designated as at fair value;
- for hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.

- voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model;
- financial liabilities shall not be reclassified;
- investments in equity instruments may be measured at fair value through other comprehensive income.

When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.

IFRS 9 does not allow for investments in equity instruments to be measured at cost.

- the classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss."

The impact of these amendments has not yet been estimated.

IFRS 15 – Revenue from Contracts with Customers Plans – 1 January 2017

The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

The impact of these amendments has not yet been estimated.

IAS 1 – Presentation of Financial Statements – 1 January 2016

"Disclosure Initiative: Amendments designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements.

For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that entities should use professional judgement in determining where and in what order information is presented in the financial disclosures."

The impact of these amendments has not yet been estimated.

IAS 16 – Property, Plant and Equipment – 1 January 2016

"Amendments to IAS 16 and IAS 38 to clarify the basis for the calculation of depreciation and amortisation, as being the expected pattern of consumption of the future economic benefits of an asset.

Amendment to both IAS 16 and IAS 38 establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets.

The impact of these amendments has not yet been estimated.

2. New Standards and Interpretations continued

2.1 Standards and interpretations not yet effective continued

IAS 27 – Consolidated and Separate Financial Statements – 1 January 2016

Amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

The impact of these amendments has not yet been estimated.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 'Regulatory Deferral Accounts' describes regulatory deferral account balances as amounts of expense or income that would not be recognised as assets or liabilities in accordance with other standards, but that qualify to be deferred in accordance with this standard because the amount is included, or is expected to be included, by the rate regulator in establishing the price(s) that an entity can charge to customers for rate-regulated goods or services.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

The amendments to IFRS 11 clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)

The amendments define a bearer plant and include bearer plants within the scope of IAS 16 and clarify that an entity is required to apply the principles of this standard to items of property, plant and equipment used to develop or maintain biological assets and mineral rights and mineral reserves such as oil, natural gas and similar non-regenerative resources. Bearer plants must be accounted for as property plant and equipment and measured either at cost or revalued amounts, less accumulated depreciation and impairment losses.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

Amendments to IFRS 10 bring changes to the re-measurement of an investor's retained interest in a subsidiary when it loses control over that subsidiary. Additional guidance is provided in respect of gain or loss arising on loss of control of a subsidiary that does not constitute a business, as defined by IFRS 3, as a result of a transaction involving an associate or a joint venture accounted for using the equity method.

Amendments to IAS 28 are in respect of gains and losses resulting from 'upstream' and 'downstream' transactions involving assets that do not constitute a business as defined by IFRS 3 and gain or loss resulting from the contribution of non-monetary assets that do not constitute a business, as defined in IFRS 3, to an associate or a joint venture in exchange for an equity interest in that associate or joint venture.

Annual Improvements to IFRSs 2012–2014 Cycle

The annual improvements process provides a vehicle for making non-urgent but necessary amendments to Standards. Some amendments result in consequential amendments to other standards. Those consequential amendments are set out in the same section as the amended standard. Standards addressed are IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' – changes in methods of disposal, IFRS 7 'Financial Instruments: Disclosures' – Servicing contracts – Applicability of the amendments to IFRS 7 to condensed interim financial statements, IAS 19 'Employee Benefits' – discount rate: regional market issue) and IAS 34 'Interim Financial Reporting' – Disclosure of information 'elsewhere in the interim financial report.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

Amendments made to IFRS 10 and IAS 28 clarify that:

- the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities;
- an investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities; and
- entities which are not investment entities but which have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement.

IFRS 16 Leases

International Financial Reporting Standard 16 Leases (IFRS 16) sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the entity.

Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)

The amendments in Recognition of Deferred Tax Assets for Unrealised Losses clarify the following aspects:

Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use. The carrying amount of an asset does not limit the estimation of probable future taxable profits. Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences. An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

Amendments to IAS 7 Statement of Cash Flows

The amendments in Disclosure Initiative (Amendments to IAS 7) come with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. They require that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The amendments state that one way to fulfil the new disclosure requirement is to provide a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities.

2. New Standards and Interpretations continued

Clarifications to IFRS 15 Revenue from Contracts with Customers

International Financial Reporting Standard 15 Revenue from Contracts with Customers (IFRS 15) establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

The amendments provide guidance on how vesting conditions affect the fair value of liabilities for cash-settled share-based payments and add guidance that introduces accounting requirements for cash-settled share-based payments that follows the same approach as used for equity-settled share-based payments.

An exception into IFRS 2 is introduced so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

The following clarifications addressing situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions are introduced : On such modifications, the original liability recognised in respect of the cash-settled share-based payment is derecognised and the equity-settled share-based payment is recognised at the modification date fair value to the extent services have been rendered up to the modification date. Any difference between the carrying amount of the liability as at the modification date and the amount recognised in equity at the same date would be recognised in profit and loss immediately.

3. Investment property

		GROUP		COMPANY	
	Notes	As at 30 June 2016 $	As at 30 June 2015 $	As at 30 June 2016 $	As at 30 June 2015 $
Net carrying value					
Cost		**234 285 056**	203 207 878	**–**	–
Deposits paid on property		**8 620 000**	–	**–**	–
Fair value surplus		**800 915**	4 560 458	**–**	–
		243 705 971	207 768 336	**–**	–
Movement for the year					
Investment property at the beginning of the year		**207 768 336**	–	**–**	–
Acquisitions of investment properties		**21 897 958**	163 684 460	**–**	–
Acquired through business combination	29	**8 663 000**	50 700 000	**–**	–
Transaction costs capitalised		**972 859**	8 421 694	**–**	–
Interest costs capitalised		**–**	717 393	**–**	–
Deposits paid on property		**8 620 000**	–	**–**	–
Capital expenditure		**–**	128 852	**–**	–
Foreign currency translation difference		**(456 639)**	(20 444 521)	**–**	–
Fair value adjustments		**(3 759 543)**	4 560 458	**–**	–
As at 30 June		**243 705 971**	207 768 336	**–**	–
Reconciliation to valuations					
Investment property carrying amount		**243 705 971**	207 768 336	**–**	–
Straight-line rental income accrual		**4 839 694**	2 622 295	**–**	–
		248 545 665	210 390 631	**–**	–

Investment property pledged as security

Investment property has been pledged as security for interest-bearing borrowings (refer to note 14) as follows:

- Mozambican Investment property with a market value of $116.95 million (2015: $105.70 million) is mortgaged to Standard Bank of Mozambique to secure debt facilities amounting to $10.45 million (2015: $10.49 million), Standard Bank of South Africa to secure debt facilities amounting to $38.00 million (2015: $24.64 million)and Banco Unico of Mozamique to secure debt facilities amounting to $2.88 million (2015: $0.00);
- Moroccan Investment property with a market value of $100.62 million (2015: $104.69 million) is mortgaged to Anfa Plage SARL to secure debt facilities amounting to $51.72 million (2015: $52.24 million);
- Mauritian Investment property with a market value of $14.25 million (2015: $0.00) is mortgaged to Barclays Bank of Mauritius to secure debt facilities amounting to $7.90 million (2015: $0.00); and
- Zambian Investment properties which are disclosed under: Investment in Associate, with a market value of $40.31 million (2015: $0.00) are mortgaged to Standard Bank (via Rockastle) to secure debt facilities amounting to $19.00 million (2015: $0.00).

Valuation policy

In terms of the accounting policy, investment properties are valued annually. Independent valuations are performed every second year by reputable valuation experts who have sufficient expertise in the jurisdictions where the properties are located. Directors value the property on a discounted cash flow basis in the intervening period. All valuations are performed in the functional currency of the relevant company and converted to United States Dollars at the effective closing rate of exchange. The expected future income has been discounted at appropriate discount rates and added to the estimated revisionary value. The revisionary value has been computed by capitalising the net income prevailing at the end of the cash flow projections and discounted at appropriate discount rates.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2016

3. Investment property continued

In respect of the Mozambican and Kenyan property portfolio, independent valuations were performed by Jones Lang LaSalle Proprietary Limited, led by Roger Long (BSc MBA FRICS MIV(SA)), Professional Registered Valuer, member of the South African Council for the Property Valuers Profession, Chartered Valuation Surveyor and Associate of the Royal Institution of Chartered Surveyors, using the discounted cash flow method.

The Moroccan property portfolio was independently valued by CBRE Morocco, led by Michaelangelo Zasy (MRICS) in accordance with the RICS valuation – professional standards 2014, using the discounted cash flow method.

The Zambian property portfolio was independently valued by Quadrant Properties, led by Peter Parfitt (Dip. Val. MIV(SA)), Professional Registered Valuer, member of the South African Council for the Property Valuers Profession, using the discounted cash flow method.

The Mauritian property portfolio was independently valued by CBRE Mauritius, led by Rhoy Ramlackhan (B.Sc Hons MRICS MMIS) in accordance with the RICS valuation – professional standards 2014, using the discounted cash flow method.

Summary of valuations conducted during the year				**2016 $**	**2015 $**
Anadarko building	31 Dec 2015	JLL Valuations	Mozambique	**41 600 000**	41 200 000
Hollard Building	31 Dec 2015	JLL Valuations	Mozambique	**18 600 000**	18 600 000
Vodacom Building	31 Dec 2015	JLL Valuations	Mozambique	**45 700 000**	45 900 000
Zimpeto Square	31 Dec 2015	JLL Valuations	Mozambique	**11 050 000**	–
Bollore Warehouse	31 Dec 2015	JLL Valuations	Mozambique	**8 663 000**	–
Barclays House	31 Oct 2015	CBRE Valuations	Mauritius	**14 254 422**	–
Anfa Place Mall	31 Dec 2015	JLL Valuations	Morocco	**100 621 561**	104 690 631
Total of investment properties				**240 488 983**	210 390 631
Buffalo Mall (45.5%)	31 Dec 2015	JLL Valuations	Kenya	**6 097 000**	–
Mukuba Mall (50%)	31 Oct 2015	Quadrant	Zambia	**31 562 500**	–
Kafubu Mall (50%)	31 Oct 2015	Quadrant	Zambia	**8 750 000**	–
Total of investment properties acquired through associates				**46 409 500**	–
Deposits paid				**8 620 000**	–
Total Property Portfolio				**295 518 483**	210 390 631

The valuations were performed using the discounted cash flow methodology. These methods are based on open market values with consideration given to the future earnings potential and applying an appropriate discount rate to the property and country. The Group's discount rate applied for valuations performed on the discounted cash flow method ranged between 11% and 13%. Other significant inputs factored into account in the valuations were vacancy rates based on current and expected future market conditions; terminal value taking into account rental, maintenance projections and vacancy expectations as well as additional bulk where applicable.

The directors' valuation at 30 June 2016 was based on discounted cash flow method with discount factors ranging from 11% to 13% and capitalised revisionary rate ranges from 8.25% to 10%.

The fair value adjustments on investment property are included in profit or loss. Refer to note 20.

Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. The three levels are explained as per note 35.

$	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Investment property valuation				
– 30 June 2016	–	–	**248 545 665**	**248 545 665**
– 30 June 2015	–	–	**210 390 631**	**210 390 631**

Please refer to pages 16 to 27 in the integrated annual report for a detailed breakdown of the property portfolio.

	GROUP		COMPANY	
	As at 30 June 2016 $	As at 30 June 2015 $	As at 30 June 2016 $	As at 30 June 2015 $
4. Straight-line rental income accrual				
Movement for the year				
Balance at the beginning of the year	**2 622 295**	–	**–**	–
Movement for the year	**2 217 399**	2 622 295	**–**	–
As at 30 June	**4 839 694**	2 622 295	**–**	–
5. Property, plant and equipment				
Computer equipment	**143 509**	11 700	**–**	–
Cost	**158 707**	11 901	**–**	–
Accumulated depreciation	**(15 198)**	(202)	**–**	–
Furniture and fittings	**303 199**	48 791	**–**	–
Cost	**331 092**	62 133	**–**	–
Accumulated depreciation	**(27 894)**	(13 342)	**–**	–
Leasehold improvements	**292 291**	262	**–**	–
Cost	**294 185**	262	**–**	–
Accumulated depreciation	**(1 894)**	–	**–**	–
Office equipment	**1 423**	–	**–**	–
Cost	**1 447**	–	**–**	–
Accumulated depreciation	**(24)**	–	**–**	–
Plant and machinery	**62 818**	35 759	**–**	–
Cost	**123 015**	36 036	**–**	–
Accumulated depreciation	**(60 197)**	(277)	**–**	–
Total property, plant and equipment	**803 240**	96 512	**–**	–
Movement for the year				
Balance at the beginning of the year	**96 512**	–	**–**	–
Acquisitions	**798 114**	110 333	**–**	–
Computer equipment	**146 806**	11 902	**–**	–
Furniture and fittings	**268 959**	62 133	**–**	–
Leasehold improvements	**293 923**	262	**–**	–
Office equipment	**1 447**	–	**–**	–
Plant and machinery	**86 979**	36 036	**–**	–
Depreciation	**(91 386)**	(13 821)	**–**	–
Computer equipment	**(14 997)**	(202)	**–**	–
Furniture and fittings	**(14 551)**	(13 342)	**–**	–
Leasehold improvements	**(1 894)**	–	**–**	–
Office equipment	**(24)**	–	**–**	–
Plant and machinery	**(59 920)**	(277)	**–**	–
As at 30 June	**803 240**	96 512	**–**	–

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2016

	GROUP		COMPANY	
	As at 30 June 2016 $	As at 30 June 2015 $	As at 30 June 2016 $	As at 30 June 2015 $
6. Intangible assets				
Computer software	**35 881**	8 774	**-**	–
Cost	**38 781**	8 926	**-**	–
Accumulated depreciation	**(2 899)**	(152)	**-**	–
Right of use of land	**563 318**	–	–	–
Cost	**563 318**	–	–	–
Amortisation	**-**	–	–	–
Management agreement	**5 100 000**	–	**5 100 000**	–
Cost	**5 100 000**	–	**5 100 000**	–
Amortisation	**-**	–	**-**	–
Total intangible assets	**5 699 199**	8 774	**5 100 000**	–
Movement for the year				
Balance at the beginning of the year	**8 774**	–	**-**	–
Acquisitions	**5 693 172**	8 926		–
Computer software	**29 854**	8 926	**-**	–
Right of use of land	**563 318**	–	**-**	–
Management agreement	**5 100 000**	–	**-**	–
Depreciation	**(2 747)**	(152)	**-**	–
Computer software	**(2 747)**	(152)	**-**	–
As at 30 June	**5 699 199**	8 774	**-**	–

During the period the Group acquired the Barclays building in Mauritius. As part of the acquisition, the right of use of the land was obtained. This will be amortised over 15 years.

The management agreement was bought from Freedom Asset Management Limited with a share issue of 3 million shares at the value of $1.70 a share. The Group recognised this as an Intangible asset as a result of the future cost savings to the Group. The asset was tested for impairment based on future cost savings over a period of five years discounted at 12% p.a.

7. Investment in subsidiaries

		GROUP		COMPANY	
		As at 30 June 2016 $	As at 30 June 2015 $	As at 30 June 2016 $	As at 30 June 2015 $
Name of company	**% held**				
Delta International Mauritius Limited	100.0%	**-**	–	**42 275 095**	27 054 356
		-	–	**42 275 095**	27 054 356
Movement for the year					
Balance at the beginning of the year		**-**	–	**27 054 356**	–
Acquisitions		**-**	–	**-**	19 924 893
Fair value through profit and loss		**-**	–	**15 220 739**	7 129 463
As at 30 June		**-**	–	**42 275 095**	27 054 356

The fair value of the investment in subsidiaries is determined by the board of directors on the underlying fair value of the subsidiaries net assets.

Details of the Group's subsidiaries at the end of the year are as follows:

				Proportion of ownership interest and voting power held by the group	
Name of subsidiary	**Stated capital ($)**	**Principal activity**	**Place of incorporation and operation**	**30 June 2016 %**	**30 June 2015 %**
Delta International Mauritius Limited (Direct holding)	19 925 100	Investment holding and indirectly acquiring income producing property investments in Africa	Mauritius	**100**	100
Delta International Bahrain SPC (Indirect holding)	270 225	Investment holding and indirectly acquiring income producing property investments in Morocco	Bahrain	**100**	100
DIF 1 Co Limited (Indirect holding)	1	Investment holding and granting of inter-company loans for African assets	Mauritius	**100**	100
HM&K Properties Limited(Indirect holding)	29 965	Investment holding and indirectly acquiring income producing property investments in Mozambique	Mauritius	**100**	100
CD Properties Limited (Indirect holding)	6 900	Investment holding and indirectly acquiring income producing property investments in Mozambique	Mauritius	**100**	–
Gateway Properties Limitada (Indirect holding)	5 913	Mozambican operating entity whereby Bollore warehouse complex is owned	Mozambique	**100**	–
Zimpeto Investment Holdings Limited (Indirect holding)	1 000	Investment holding and indirectly acquiring income producing property investments in Mozambique	Mauritius	**100**	–

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2016

Name of subsidiary	Stated capital ($)	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the group 30 June 2016 %	 30 June 2015 %
Zimpeto Imobiliaria Limitada (Indirect holding)	10 650 682	Mozambican operating entity whereby Zimpeto Square (Shopping centre) is owned	Mozambique	**100**	–
Zambian Properties Investment Limited (Indirect holding)	100	Investment holding and indirectly acquiring income producing property investments in Zambia	Mauritius	**100**	–
Kitwe Mukuba Investments Limited (Indirect holding)	1 000	Investment holding and indirectly acquiring income producing property investments in Zambia	Mauritius	**100**	–
Ndola Kafubu Investments Limited (Indirect holding)	1 000	Investment holding and indirectly acquiring income producing property investments in Zambia	Mauritius	**100**	–
BME Kenya Investments Limited (Indirect holding)	1 000	Investment holding and indirectly acquiring income producing property investments in Kenya	Mauritius	**100**	–
BH Property Investment Limited (Indirect holding)	3	Investment holding and indirectly acquiring income producing property investments in Kenya	Mauritius	**100**	–
Abland Diversified Holdings Limited (Indirect holding)	100	Investment holding and indirectly acquiring income producing property investments in Kenya	Mauritius	**100**	–
Sal Investment Holdings Limited (Indirect holding)	1 002	Investment holding and indirectly acquiring income producing property investments in Mozambique	Mauritius	**100**	100
S&C Imobiliaria Limitada (Indirect holding)	66 958	Mozambican operating entity whereby the Andarko Building is owned	Mozambique	**100**	100
Commotor Limitada (Indirect holding)	29 837 453	Mozambican operating entity whereby the Vodacom and Hollard Buildings are owned	Mozambique	**100**	100
Freedom Property Fund SARL (Indirect holding)	112 818	Morrocan operating entity whereby the Anfa Shopping Centre is owned	Morocco	**100**	100

The subsidiaries reporting period is at 30 June 2016.

8. Investment in associates

Name of company	Country of incorporation and operation	% held	GROUP As at 30 June 2016 $	GROUP As at 30 June 2015 $	COMPANY As at 30 June 2016 $	COMPANY As at 30 June 2015 $
Mukuba Mall Limited	Zambia	50.0	**32 430 353**	–	**-**	–
Kafubu Mall Limited	Zambia	50.0	**8 990 130**	–	**-**	–
Buffalo Mall Naivasha Limited	Kenya	45.5	**4 524 856**	–	**-**	–
			45 945 339	–	**-**	–
Movement for the year						
Balance at the beginning of the year			**-**	–	**-**	–
Acquisitions			**44 512 025**	–	**-**	–
Fair value through profit and loss			**1 433 314**	–	**-**	–
			45 945 339	–	**-**	–

The Groups' combined interest in the associates disclosed above is detailed below:	Mukuba Mall $	Kafubu Mall $	Buffalo Mall $	Total $
Non-current assets	**32 546 920**	9 254 013	**6 280 274**	48 081 208
Current assets	**47 886**	33 573	**346 436**	427 896
	32 594 807	**9 287 587**	**6 626 710**	**48 509 104**
Non-current liabilities		218 042	**2 101 856**	2 319 898
Current liabilities	**164 452**	79 415	**-**	243 867
	164 452	297 457	**2 101 856**	2 563 765
Share of net asset value	**32 430 355**	**8 990 130**	**4 524 855**	**45 945 339**
Initial investment	**31 459 025**	8 534 442	**4 518 558**	44 512 025
Share of retained profits from associates	**971 328**	455 688	**6 298**	1 433 314
Investment in associate	**32 430 353**	**8 990 130**	**4 524 856**	**45 945 339**
Revenue	**1 620 817**	594 297	**81 116**	2 296 230
Operating expenses	**(256 499)**	(140 498)	**(23 601)**	(420 598)
Operating profit	**1 364 318**	**453 799**	**57 515**	**1 875 632**
Administrative expenses	**(10 396)**	(7 630)	**(2 865)**	(20 891)
Fair value adjustment	**947 823**	470 576	**2**	1 418 401
Net finance cost	**3 065**	(7 987)	**(48 354)**	(53 276)
Dividends paid	**(1 333 482)**	(453 070)	**-**	(1 786 552)
Profit for the period of associate	**971 328**	**455 688**	**6 298**	**1 433 314**
Share of retained profits from associates	**971 328**	455 688	**6 298**	1 433 314
Share of dividends from associates received	**1 333 482**	453 070	**-**	1 786 552
Profit for the period of the group	**2 304 810**	**908 758**	**6 298**	**3 219 866**

Mara Delta acquired a 100% interest in Kitwe Mukuba Investments Limited on 1 December 2015 for a net purchase consideration of US$17.57 million. Kitwe Mukuba Investments Limited owns 50% of the share capital of Mukuba Mall Limited, a Zambian incorporated entity and the owner of the Mukuba Mall. The acquisition of Kitwe Mukuba Investments Limited gives the Group access to high quality African real estate in line with the strategy of the Group.

Mara Delta acquired a 100% interest in Ndola Kafubu Investments Limited on 1 December 2015 for a net purchase consideration of US$4.08 million. Ndola Kafubu Investments Limited owns 50% of the share capital of Kafubu Mall Limited, a Zambian incorporated entity and the owner of the Kafubu Mall. The acquisition of Ndola Kafubu Investments Limited gives the Group access to high quality African real estate in line with the strategy of the Group.

Mara Delta acquired a 100% interest in Abland Diversified Holdings Limited on 28 February 2016 for a net purchase consideration of US$4.28 million. Abland Diversified Holdings Limited owns 45.5% of the share capital of Buffalo Mall Naivasha Limited, a Kenyan incorporated entity and the owner of the Buffalo Mall. The acquisition of Abland Diversified Holdings Limited gives the Group access to high quality African real estate in line with the strategy of the Group.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2016

9. Related party loans

	GROUP		COMPANY	
	As at 30 June 2016 $	As at 30 June 2015 $	As at 30 June 2016 $	As at 30 June 2015 $
Loans to subsidiaries				
Delta International Mauritius Limited	**-**	–	**156 378 587**	99 732 875
The loan is unsecured, bears interest between 2% and 7.4% per annum (2015: 3.63% per annum).				
Each tranche is repayble within 60 months after utilisation date or such later date as may be notified by the lender to the borrower in writing from time-to-time.				
Current accounts with subsidiaries				
DIF1 Co Limited	**-**	–	**10 535**	1 750
Freedom Property Fund SARL	**-**	–	**248 609**	185 357
SAL Investment Holdings Limited	**-**	–	**24 160**	16 000
Zimpeto Investment Holdings Limited	**-**	11 578	**15 498**	11 578
Kitwe Mukuba Investments Limited	**-**	–	**1 770**	–
Ndola Kafubu Investments Limited	**-**	–	**1 770**	–
HM&K Properties Limited	**-**	–	**8 060**	–
BH Property Investments Limited	**-**	–	**2 237**	–
The above loans are unsecured, do not bear interest and the borrower has an unconditional right to defer payment for a period of 12 months.				
Loans to/(from) related parties				
Freedom Asset Management Limited	**978 275**	200	**646 300**	–
The Pivotal Fund Limited	**(1 365 000)**	–	**-**	–
The above loans are unsecured, do not bear interest and the borrower has an unconditional right to defer payment for a period of 12 months.				
	(386 723)	11 778	**157 337 526**	99 947 560
In the opinion of the directors, the carrying value of loans to subsidiaries and related parties approximate the fair value as the interest rates on the loans approximate interest rates on borrowings.				
Non-current assets	**978 277**	11 778	**157 337 526**	99 947 560
Current liabilities	**(1 365 000)**	–	**-**	–
	(386 723)	11 778	**157 337 526**	99 947 560

10. Deferred tax

	GROUP		COMPANY	
	As at 30 June 2016 $	As at 30 June 2015 $	As at 30 June 2016 $	As at 30 June 2015 $
Deferred tax asset/(liability)				
Assessed losses	**-**	190 143	**-**	–
Foreign exchange losses	**5 984 142**	–	**-**	–
Total deferred tax asset	**5 984 142**	190 143	**-**	–
Straight-line rental income	**(835 646)**	(807 205)	**-**	-
Total deferred tax liability	**(835 646)**	(807 205)	**-**	–
	5 148 496	(617 062)	**-**	–
Movement for the year				
Balance at the beginning of the year	**(617 062)**	–	**-**	–
Assessed losses (utilised)/recognised	**(190 143)**	190 143	**-**	–
Foreign exchange losses	**5 980 517**	–	**-**	–
Straight-line rental income	**(28 441)**	(807 205)	**-**	–
As at 30 June	**5 148 496**	(617 062)	**-**	–

Deferred tax assets have been recognised on deductible temporary differences where management, having reviewed the Group's projections, believe that there will be sufficient taxable income in future to utilise the temporary differences.

Deferred tax assets have not been recognised for certain companies within the Group, with tax losses amounting to $5.39 million (2015: $0.80 million).

Further consequences of exchange retranslation and consolidation resulted in deferred tax losses recognised in profit and loss of US$10.58 million.

11. Trade and other receivables

	GROUP		COMPANY	
	As at 30 June 2016 $	As at 30 June 2015 $	As at 30 June 2016 $	As at 30 June 2015 $
Trade receivables	6 551 511	7 066 747	-	–
Allowance for credit losses	(1 819 486)	(987 885)	-	–
Net trade receivables	4 732 025	6 078 862	-	–
Accrued income	361 785	1 081 402	-	–
Deposit paid	90 615	39 805	-	–
Prepaid expenses	3 226 262	175 583	16 667	14 945
Sundry debtors	5 339 493	5 146 811	627 914	3 879 176
VAT	4 351 286	6 254 910	-	–
Other receivables	13 369 441	12 698 511	644 581	3 894 121
Total trade and other receivables	18 101 466	18 777 373	644 581	3 894 121
Movement of the provision for doubtful debts				
Opening balance	(987 885)	–	-	–
Provision for doubtful debts raised during the year	(831 600)	(987 885)	-	–
	(1 819 486)	(987 885)	-	–
Ageing of trade receivables past due but not impaired				
30 days	360 033	471 318	-	–
60 days	181 082	306 706	-	–
90 days	358 624	98 557	-	–
120 days +	3 832 286	4 243 823	-	–
	4 732 025	5 120 404	-	–
Ageing of impaired receivables				
120 days +	1 819 486	987 885	-	–
	1 819 486	987 885	-	–

Trade and other receivables past due but not impaired

Trade and other receivables are generally collected within 30 days of invoice, once a property has been fully integrated, which represents normal terms. A provision is made for all debtors where legal action has been taken. All other debtors older than 30 days are considered past due, not impaired, are considered fully collectable based on historic payment behaviour, security deposits held by tenants and extensive analysis of the circumstances in respect of each amount.

At 30 June 2016, trade receivables of $4.73 million (2015: $5.12 million) for the Group and $0.00 million (2015: $0.00 million) for the Company were past due but not impaired.

Trade and other receivables

None of the financial assets that are fully performing have been renegotiated in the last year. The other classes within trade and other receivables are not considered impaired.

Trade and other receivables impaired

At 30 June 2016, trade and other receivables of $1.82 million (2015: $0.99 million) for the Group and $0.00 million (2015: $0.00 million) for the Company were impaired and provided for.

12. Cash and cash equivalents

	GROUP		COMPANY	
	As at 30 June 2016 $	**As at 30 June 2015 $**	**As at 30 June 2016 $**	**As at 30 June 2015 $**
Cash and cash equivalents consists of the following:				
Bank balances	**5 843 338**	4 939 061	**35 180**	1 664 714
Bank balance held under guarantee	**11 670 000**	–	**-**	–
Petty cash	**13 950**	64 854	**11 767**	–
Short-term deposits	**244 533**	1 561 367	**-**	–
Current assets	**17 771 821**	6 565 282	**46 947**	1 664 714
Bank overdraft	**-**	(342 391)	**-**	–
Current liabilities	**-**	(342 391)	**-**	–
	17 771 821	6 222 891	**46 947**	1 664 714
Cash and cash equivalents are held in the following currencies:				
United State Dollars	**12 313 106**	1 948 572	**46 947**	1 664 714
Mozambique Meticais	**3 568 155**	644 891	**-**	–
Moroccan Dirhams	**1 378 574**	3 489 513	**-**	–
Mauritian Rupees	**499 220**	–	**-**	–
Bahraini Dinars	**12 667**	139 140	**-**	–
South African Rands	**99**	524	**-**	–
Great British Pound	**-**	251	**-**	–
	17 771 821	6 222 891	**46 947**	1 664 714

Freedom Property Fund SARL in Morocco holds an overdraft facility of MAD8 million with BMCE Bank, secured by tenant deposits.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2016

13. Share capital

	GROUP		COMPANY	
	As at 30 June 2016 $	As at 30 June 2015 $	As at 30 June 2016 $	As at 30 June 2015 $
Authorised				
7 500 000 000 ordinary shares of no par value				
(2015: 7 500 000 000 ordinary shares of no par value)				
Issued				
Ordinary shares				
100 061 130 ordinary shares of no par value	**171 995 298**	127 958 794	**171 995 298**	127 958 794
(2015: 73 656 446 ordinary shares of $1.69 each)				
Movement for 2015				
Balance at the beginning of the year – 664 180 shares	**127 958 794**	864 655	**127 958 794**	864 655
Shares issued to 31 December 2014 – 43 992 266[1]	**-**	87 941 691	**-**	87 941 691
Shares issued to 30 June 2015 – 29 000 000[1]	**-**	42 762 783	**-**	42 762 783
Movement for 2016				
Balance at the beginning of the year – 73 656 446 shares	**127 958 794**	131 569 129	**127 958 794**	131 569 129
Shares issued to 31 December 2015 – 6 124 370[2]	**10 411 429**	–	**10 411 429**	–
Transferred to Antecedent dividend reserve	**(295 558)**		**(295 558)**	
Shares issued to 30 June 2016 – 20 280 313[2]	**34 418 877**	–	**34 418 877**	–
Transferred to Antecedent dividend reserve	**(339 989)**		**(339 989)**	
Share issue expenses	**(158 255)**	(3 610 335)	**(158 255)**	(3 610 335)
In issue at the end of the year – 100 061 130	**171 995 298**	127 958 794	**171 995 298**	127 958 794

[1] *72 992 266 shares were issued during the year for a total cash consideration of US$127 958 794 at an average issue price of US$1.79 per share*

[2] *26 404 683 shares were issued during the year for a total cash consideration of US$44 830 100 at an average issue price of US$1.70 per share*

The unissued shares are under the control of the directors. This authority remains in force until the next annual general meeting of the company.

During the period under review, two issues were made for non-cash considerations. On 25 May 2016, 3 000 000 shares were issued for the settlement of the management agreement as well as 1 714 373 shares as part of the acquisition settlement of Abland Diversified Holdings Limited. Both issues were valued at US$1.70 per share.

Transfers were made during the year from Share capital into the Antecedent dividend reserve amounting to US$635 547. In order for this to be allowed the Group obtained shareholder approval to make distributions from capital up to US$1 836 089 on 4 April 2016.

14. Interest-bearing borrowings

	Notes	GROUP		COMPANY	
		As at 30 June 2016 $	**As at 30 June 2015 $**	**As at 30 June 2016 $**	**As at 30 June 2015 $**
Non-current liabilities					
At amortised cost		**127 070 183**	10 490 966	**-**	–
Current liabilities					
At amortised cost		**34 548 386**	91 165 629	**20 000 000**	–
		161 618 569	101 656 595	**20 000 000**	–
Movement for the year					
Balance at the beginning of the year		**101 656 595**	–	**-**	–
Proceeds of interest-bearing borrowings		**142 955 385**	122 745 142	**24 400 000**	-
Foreign currency translation difference		**(802 611)**	(11 904 737)	**-**	
Debts from business combinations	29	**19 000 000**	10 215 928	**-**	–
Interest accrued		**8 988 598**	3 903 380	**1 128 926**	–
Interest expensed		**8 988 598**	3 185 987	**1 128 926**	–
Interest capitalised		**-**	717 393	**-**	–
Debt settled during the year		**(110 179 398)**	(23 303 118)	**(5 528 926)**	–
As at 30 June		**161 618 569**	101 656 595	**20 000 000**	–
Currency of the interest-bearing borrowings					
United State Dollars		**123 421 290**	49 417 832	**20 000 000**	–
Euros		**35 312 451**	–	**-**	–
Mozambican Meticais		**2 884 828**	–	**-**	–
Moroccan Dirhams		**-**	52 238 763	**-**	–
		161 618 569	101 656 595	**20 000 000**	–

The loans are as follows:

		GROUP		COMPANY	
Lender	**Initial facility**	**As at 30 June 2016 $**	**As at 30 June 2015 $**	**As at 30 June 2016 $**	**As at 30 June 2015 $**
Financial institutions					
Standard Bank Mozambique	$10.4m	**10 451 124**	10 490 966	**-**	–
Standard Bank Mozambique	$24.3m	**-**	24 639 079	**-**	–
Standard Bank South Africa	$1468m	**11 663 558**	14 287 787	**-**	–
Standard Bank South Africa	$38.0m	**38 000 000**	–	**-**	–
Bank Unico of Mozambique	MZN182.7m	**2 884 828**	–	**-**	–
Investec South Africa	$15.7m + €36m	**51 719 059**	–	**-**	–
Barclays Bank Mauritius	$7.9m	**7 900 000**	–	**-**	–
AfrAsia Bank Limited	Revolver	**20 000 000**	–	**20 000 000**	–
Vendor finance		**-**	–	**-**	–
Anfa Plage SARL	MAD62m	**-**	52 238 763	**-**	–
Rockcastle Global Real Estate Limited	$19m	**19 000 000**	–	**-**	–
		161 618 569	101 656 595	**20 000 000**	–

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2016

14. Interest-bearing borrowings continued

Terms of each loan are as follows:

Lender	Base rate	Margin %	% fixed	Initial facility	Interest rate	Maturity date	Weighted average cost of debt
Financial institutions							
Standard Bank Mozambique	6.51%	0.00	100	$10.4m	6.83%	Sep 2019	0.48%
Standard Bank Mozambique	8.60%	4.40	66.2	$24.3m	13.00%	Jul 2015	0.14%
Standard Bank South Africa	1 month Libor	6.50	0	$14.68m	6.18%	Jun 2016	0.53%
Standard Bank South Africa	3 month Libor	5.40	70	$38.0m	6.64%	Jul 2018	1.70%
Bank Unico of Mozambique	17.50%	0.00	0	MZN182.7m	17.50%	Jul 2017	0.17%
Investec South Africa	3 month Libor	4.0 – 4.05	63.6	$15.7m + €36m	4.48%	Feb 2019	0.58%
Barclays Bank Mauritius	3 month Libor	4.00	70	$7.9m	5.32%	Feb 2019	0.11%
AfrAsia Bank Limited	3 month Libor	5.4 – 6.5	0	Revolver	5.76%	Jun 2017	0.58%
Vendor finance							
Anfa Plage SARL			0	MAD62m	6.77%	Jan 2016	1.54%
Rockcastle Global Real Estate Limited	5%	0.0	100	$19m	5.00%	Dec 2016	0.39%
Weighted average cost of debt							**6.22%**

At year-end, the Group's loan facilities were fully drawn down and the gearing ratio was 48.85% (2015:45.2%).

The interest-bearing borrowings are secured over investment property (including associates) with a carrying value of US$272.1 million (2015:US$210.39 million). Refer to note 3 for further details of secured investment property.

The Standard bank facility of US$14.68 million is secured over the bank balance held under guarantee, which balance at the reporting date is US$11.67 million.

Post year-end the Bank Unico of Mozambique loan has been converted to a 10-year loan at a MZN interest rate of 19.68%.

For further details on the maturity profile of the interest-bearing borrowings, please refer to note 32.

15. Trade and other payables

	GROUP		COMPANY	
	As at 30 June 2016 $	As at 30 June 2015 $	As at 30 June 2016 $	As at 30 June 2015 $
Trade payables	**4 889 180**	2 521 973	**1 333 054**	1 019 023
Accruals	**1 845 881**	456 409	**10 800**	71 124
Deposits received	**2 018 310**	3 505 245	**-**	–
Income received in advance	**4 301 550**	2 098 761	**-**	–
Provision for audit fees	**95 954**	24 650	**39 600**	12 000
Sundry creditors	**1 167 989**	21 786	**23 500**	23 500
Payroll control	**38 014**	1 108	**-**	–
Interest accruals	**672 278**	41 899	**78 538**	–
	15 029 156	8 671 831	**1 485 492**	1 125 647

	GROUP		COMPANY	
	As at 30 June 2016 $	As at 30 June 2015 $	As at 30 June 2016 $	As at 30 June 2015 $

16. Financial instruments

Interest rate swap – Barclays	**96 120**	–	**–**	–
Interest rate swap – Standard Bank	**458 092**	–	**–**	–
	554 212	–	**–**	–

1 This interest rate swap is held with Barclays Bank Mauritius Limited. The swap is based on a nominal value of US$5.53 million and it matures on 19 February 2019 with a fixed interest rate of 1.5%

2 This interest rate swap is held with The Standard Bank of South Africa Limited. The swap is based on a nominal value of US$26.6 million and it matures on 31 July 2018 with a fixed interest rate of 1.51%

	GROUP		COMPANY	
	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $

17. Revenue

Contractual rental income	**16 724 420**	11 386 817	**–**	–
Retail parking	**241 827**	51 143	**–**	–
Recoveries	**3 912 211**	2 480 238	**–**	–
	20 878 458	13 918 198	**–**	–

18. Profit/(loss) from operations

Profit/(loss) from operations for the year is stated after accounting for the following:

Asset management fees – annual fees	**1 056 889**	730 120	**298 489**	730 120
Property management fees	**1 319 777**	480 055	**–**	–
Property letting commissions	**33 648**	22 374	**–**	–
Office rentals	**7 292**	16 328	**–**	14 569
Amortisation of intangible assets	**2 747**	152	**–**	–
Depreciation of property, plant and equipment	**91 386**	13 821	**–**	–
Directors' fees*	**77 050**	88 617	**18 199**	74 767
Provision for doubtful debts	**831 600**	413 784	**–**	–
Audit fees	**105 700**	132 588	**24 000**	15 750
Administration fees	**75 040**	30 955	**29 042**	5 306
Accounting services	**94 347**	14 132	**41 669**	1 722
Non-audit services performed by BDO Mauritius	**13 500**	12 000	**13 500**	12 000
Tax services	**3 669**	1 425	**894**	–

Non-audit services provided by BDO Mauritius corporate advisory services were provided during the listing of the company on the SEM and the revised listing particulars in 2016.

* *Non-executive director fees*

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2016

19. Directors' emoluments

	GROUP		COMPANY	
	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Fees paid to executive directors				
Bronwyn Corbett	190 056	–	-	–
Basic salary	125 000	–	-	–
Performance bonus	-	–	-	–
Pension fees	-	–	-	–
Other benefits	65 056	–	-	–
Greg Pearson	205 692	–	-	–
Basic salary	142 468	–	-	–
Performance bonus	14 824	–	-	–
Pension fees	4 186	–	-	–
Other benefits	44 214	–	-	–
Leon van de Moortele	207 958	–	-	-
Basic salary	164 318	–	-	–
Performance bonus	11 727	–	-	–
Pension fees	4 823	–	-	–
Other benefits	27 090	–	-	–
Total executive directors' emoluments	603 705	–	-	–
Fees executive directors emoluments by category				
Basic salary	431 787	–	-	–
Performance bonus	26 550	–	-	–
Pension fees	9 008	–	-	–
Other benefits	136 360	–	-	–
Total executive directors' emoluments	603 705	–	-	–
Payments made by the company				
Paid from Freedom Asset Management Limited	528 116	–	-	–
Paid from Delta International Mauritius Limited	75 589	–	-	–
	603 705	–	-	–
Director fees paid to non-executive directors				
Directors of holding company				
Peter Todd	11 400	31 441	-	31 441
Maheshwar Doorgakant	19 500	5 250	-	–
Chandra Kumar Gujadhur	16 050	5 250	-	–
Ian Macleod	12 600	–	-	–
James Keyes	-	21 663	-	21 663
David Brown	-	21 663	-	21 663
	59 550	85 267	-	74 767
Directors of subsidiaries				
Franck Mialon	-	1 750	-	–
Mahmad Hayder Amiran	-	400	-	–
Subiraj Gujadhur	-	400	-	–
Brian Holmes	17 500	–	-	–
Mahmad Tahleb Rujub	-	400	-	–
Keerti Ramnarain	-	400	-	–
	17 500	3 350	-	–
Total non-executive directors' emoluments	77 050	88 617	-	74 767
Total directors' emoluments	680 755	88 617	-	74 767

		GROUP		COMPANY	
	Notes	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $
20. Fair value adjustment					
Fair value adjustments on investment property	3	**(3 759 543)**	4 560 459	**-**	–
Fair value adjustments on investment in subsidiary	7	**-**	–	**15 220 739**	7 129 463
		(3 759 543)	4 560 459	**15 220 739**	7 129 463
21. Interest income					
Bank accounts		**170 158**	68 809	**-**	–
Tenant arrears		**-**	22 668	**-**	–
Group companies		**-**	–	**3 692 424**	2 533 424
		170 158	91 478	**3 692 424**	2 533 424
22. Finance costs					
Interest-bearing borrowings – financial institutions		**6 061 034**	1 918 145	**1 128 926**	–
Interest-bearing borrowings – vendor loans		**2 927 564**	1 267 842	**-**	–
Amortised debt structuring fees		**696 023**	334 313	**132 328**	–
Bank accounts		**-**	117 362	**-**	3
Tax authorities		**13 646**	2 631	**-**	–
Group companies		**-**	–	**-**	27 314
		9 698 267	3 640 293	**1 261 254**	27 317

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2016

23. Taxation

	Notes	GROUP		COMPANY	
		Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Major components of the taxation expense					
Current taxation – current period		**1 493 959**	78 542	**–**	–
Deferred taxation – current period	10	**3 944 764**	617 062	**–**	–
		5 438 723	695 604	**–**	–
Reconciliation of the taxation expense					
Accounting profit (loss)		**7 412 512**	878 984	**16 281 207**	6 367 408
Statutory taxation expense at 15% (2015: 15%)		**1 111 877**	131 848	**2 442 181**	955 111
Tax effect of adjustments to taxable income:					
Non-taxable income		**–**	(4 609 074)	**–**	(1 069 419)
Non-deductible expenditure		**3 560 963**	558 440	**–**	106 319
Foreign tax credit		**–**	2 621 918	**(1 953 745)**	7 989
Tax losses unutilised carried forward		**501 862**	–	**(488 436)**	–
Effect of different tax rates and consolidation adjustments		**264 021**	1 992 473	**–**	–
Effective taxation expense		**5 438 723**	695 604	**–**	–

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

The company is subject to 15% income tax in Mauritius according to the provisions of the Income Tax Act 1995 as amended.

Taxation rates applicable in operating jurisdictions of the Group:

– Mozambique	32%
– Morocco	30%
– Kenya	30%
– Zambia	35%

The tax losses for Mauritian companies are available for set-off against future profits over a maximum period of five years in accordance with the provisions of the Mauritian Income Tax Act 1995 as amended and expiring as follows:

		GROUP		COMPANY	
Financial year-end	**Expiry year**	2016	2015	2016	2015
30 June 2015	30 June 2019	**360 816**	799 827	**–**	53 258
30 June 2016	30 June 2020	**5 027 037**	–	**–**	–
		5 387 853	799 827	**–**	53 258

Further tax losses are available for set-off against future profits within the Group outside of Mauritius amount to US$111 964 (2015: US$2.85 million).

	GROUP		COMPANY	
	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $

24. Basic earnings and headline earnings

	Group Year ended 30 June 2016 $	Group Year ended 30 June 2015 $	Company Year ended 30 June 2016 $	Company Year ended 30 June 2015 $
Reconciliation of basic earnings and headline earnings				
Basic earnings	**1 973 789**	183 380	**16 281 207**	6 367 408
Fair value adjustments on investment property	**3 759 543**	(4 560 459)	**-**	–
Gain from bargain purchase	**(250 515)**	(3 504 523)	**-**	–
Share of fair value adjustment on investment property accounted by associate	**(1 418 401)**	–	**-**	–
Fair value adjustment on financial instruments	**99 198**	–	**-**	–
Headline earnings/(loss) attributable to shareholders	**4 163 614**	(7 881 602)	**16 281 207**	6 367 408
Number of shares in issue at interim	**79 780 817**	44 656 446	**79 780 817**	6 367 408
Number of shares in issue at year-end	**100 061 130**	73 656 446	**100 061 130**	44 656 446
Weighted average number of shares*	**81 725 430**	47 104 850	**81 725 430**	73 656 446
Earnings per share				
Basic and diluted earnings per share (cents)	**2.42**	0.39	**19.92**	13.52
Headline diluted earnings/(loss) per share (cents)	**5.09**	(16.73)	**19.92**	13.52

* *There are no dilutionary instruments in issue*

25. Cash generated from/(utilised in) operations

	Group Year ended 30 June 2016 $	Group Year ended 30 June 2015 $	Company Year ended 30 June 2016 $	Company Year ended 30 June 2015 $
Profit before tax	**7 412 512**	878 984	**16 281 207**	6 367 408
Adjusted for:				
Depreciation and amortisation	**94 133**	13 821	**-**	–
Interest income	**(170 158)**	(91 478)	**(3 692 424)**	(2 533 424)
Income from associates	**(3 219 866)**	–	**-**	–
Interest expense	**9 698 267**	3 640 293	**1 261 254**	27 317
Allowance for credit losses	**831 600**	413 784	**-**	–
Unrealised foreign exchange loss	**725 284**	11 803 314	**-**	14 129
Straight-line income accrual	**(2 217 399)**	(2 622 295)	**-**	–
Gain from bargain purchase	**(250 515)**	(3 504 523)	**-**	–
Fair value adjustment on investment properties	**3 759 543**	(4 560 459)	**-**	–
Fair value adjustment on financial instruments	**99 198**	–	**-**	–
Fair value adjustment on investment in subsidiary	**-**	–	**(15 220 739)**	(7 129 463)
	16 762 599	5 971 441	**(1 370 702)**	(3 254 033)
Changes to working capital				
Trade and other receivables	**(3 203 268)**	(14 141 497)	**(629 635)**	17 000
Trade and other payables	**5 726 945**	1 454 330	**281 306**	1 105 630
	19 286 276	(6 715 572)	**(1 719 031)**	(2 131 403)

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2016

26. Tax paid

	GROUP		COMPANY	
	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Balance at the beginning of the year	**(149 649)**	–	**-**	–
Current tax expense	**(1 493 959)**	(78 542)	**-**	–
Less: Balance at the end of the year	**1 054 118**	149 649	**-**	–
Balance acquired as part of business combination	**-**	(242 314)	**-**	–
	(589 490)	(171 207)	**-**	–

27. Finance costs paid

	GROUP		COMPANY	
	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Finance costs charged to profit or loss	**9 698 267**	3 640 293	**1 261 254**	27 317
Effects of foreign exchange	**173 758**		**-**	
Interest accrued	**(630 379)**		**(78 538)**	
Finance costs capitalised to investment property	**-**	717 393	**-**	–
	9 241 646	4 357 686	**1 182 716**	27 317

28. Dividends paid to shareholders

	GROUP		COMPANY	
	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Dividends payable at the beginning of the year	**-**	–	**-**	–
Dividends declared and paid during the year	**8 469 704**	2 963 434	**8 469 704**	2 963 434
Dividends payable at the end of the period	**-**	–	**-**	–
	8 469 704	2 963 434	**8 469 704**	2 963 434

An interim dividend of US$6.17 cents per share was declared by the board on 14 March 2016.

A final dividend of US$5.58 cents per share was declared by the board on 2 September 2016. There were 100 061 130 shares in issue at the date of declaration of the final dividend.

For the 2015 reporting period, a total dividend of US$11.28 cents per share was declared by the board. There were 73 656 446 shares in issue at the date of declaration of the final dividend.

29. Business combinations

29.1 Investment in Sal Investment Holdings

	GROUP		COMPANY	
	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Fair value of assets and liabilities assumed				
Assets				
Other assets	-	86 198	-	–
Investment properties	-	32 500 000	-	–
Cash balances	-	98 716	-	–
Trade and other receivables	-	512 125	-	–
	-	33 197 039	-	–
Liabilities				
Interest-bearing borrowings	-	(10 215 928)	-	–
Deferred tax	-	–	-	–
Trade and other payables	-	(3 391 915)	-	–
	-	(13 607 843)	-	–
Identifiable assets acquired and liabilities assumed	-	19 589 196	-	–
Purchase consideration	-	19 038 214	-	–
Gain from bargain purchase	-	(550 982)	-	–
Purchase consideration	-	19 038 214	-	–
Less: Cash and cash equivalents acquired	-	(98 716)	-	–
Net cash outflow	-	18 939 498	-	–

Mara Delta acquired a 100% interest in Sal Investment Holdings Limited on 23 July 2015 for a net purchase consideration of US$19.04 million. Sal Investment Holdings Limited owns 97% of the share capital of S&C Imobiliaira Limitada, a Mozambican incorporated entity and the owner of the Anadarko building. The acquisition of Sal Investment Holdings gives the Group access to high quality African real estate in line with the strategy of the Group.

The gain on bargain purchase amounting to US$0.55 million relates to Delta's acquisition of Sal Investment Holdings Limited and was calculated in terms of IFRS 3 Business Combinations. The gain represents the amount by which the fair value of net assets acquired exceeds the consideration paid and has no impact on distributable earnings.

The gain on bargain purchase arose as a consequence of fairly valuing the underlying property, the Anadarko Building to its fair value at the date of acquisition, together with the measurement of deferred taxation at Mauritian company level, whereby any future sale of the building will be made at Sal Investment Holdings Limited level through the sale of shares which is not subject to capital gains tax.

29. Business combinations continued

29.2 Investment in HM&K Limited

	GROUP		COMPANY	
	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Fair value of assets and liabilities assumed				
Assets				
Investment properties	-	18 200 000	-	–
Other assets	-	764 508	-	–
Cash balances	-	181 386	-	–
Trade and other receivables	-	212 629	-	–
	-	19 358 523	-	–
Liabilities				
Interest-bearing borrowings	-	–	-	–
Deferred tax	-	–	-	–
Trade and other payables	-	(4 047 884)	-	–
	-	(4 047 884)	-	–
Identifiable assets acquired and liabilities assumed	-	15 310 639	-	–
Purchase consideration	-	12 357 098	-	–
Gain from bargain purchase	-	(2 953 541)	-	–
Purchase consideration	-	12 357 098	-	–
Less: Cash and cash equivalents acquired	-	(181 386)	-	–
Net cash outflow	-	12 175 712	-	–

Mara Delta acquired a 100% interest in HM&K Properties Limited on 28 April 2015 for a net purchase consideration of US$12.36 million. HM&K Properties Limited owns 95% of the share capital of Commotor Limitada, a Mozambican incorporated entity and the owner of the Hollard and Vodacom buildings. The acquisition of HM&K Properties Limited gives the Group access to high quality African real estate in line with the strategy of the Group.

The gain on bargain purchase amounting to US$2.95 million relates to Delta's acquisition of HM&K Properties Limited and was calculated in terms of IFRS 3 Business Combinations. The gain represents the amount by which the fair value of net assets acquired exceeds the consideration paid and has no impact on distributable earnings.

The gain on bargain purchase arose as a consequence of fairly valuing the underlying property, the Hollard Building to its fair value at the date of acquisition, together with the measurement of deferred taxation at Mauritian company level, whereby the any future sale of the building will be made at HM&K Properties Limited level through the sale of shares which is not subject to capital gains tax.

	GROUP		COMPANY	
	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $
29.3 Investment in Kitwe Mukuba Investments Limited				
Fair value of assets and liabilities assumed				
Assets				
Investment in associate	**31 574 103**	–	**–**	–
Other financial assets	**–**	–	**–**	–
Cash balances	**–**	–	**–**	–
Trade and other receivables	**–**	–	**–**	–
	31 574 103	–	**–**	–
Liabilities				
Interest-bearing borrowings	**(14 000 000)**	–	**–**	–
Deferred tax	**–**	–	**–**	–
Trade and other payables	**–**	–	**–**	–
	(14 000 000)	–	**–**	–
Identifiable assets acquired and liabilities assumed	**17 574 103**	–	**–**	–
Purchase consideration	**17 574 103**	–	**–**	–
Gain from bargain purchase	**–**	–	**–**	–
Purchase consideration	**17 574 103**	–	**–**	–
Less: Cash and cash equivalents acquired	**–**	–	**–**	–
Net cash outflow	**17 74 103**	–	**–**	–

Mara Delta acquired a 100% interest in Kitwe Mukuba Investments Limited on 1 December 2015 for a net purchase consideration of US$17.57 million. Kitwe Mukuba Investments Limited owns 50% of the share capital of Mukuba Mall Limited, a Zambian incorporated entity and the owner of the Mukuba Mall. The acquisition of Kitwe Mukuba Investments Limited gives the Group access to high quality African real estate in line with the strategy of the Group.

No goodwill or gain on bargain purchase materialised to Delta's acquisition of Ndola Kafubu Investments Limited and was calculated in terms of IFRS 3 Business Combinations.

In the financial period under review to 30 June 2016, Mukuba Mall Limited contributed dividends of US$1 333 482. Had the acquisition been done as from 1 July 2015, share of profit from associate would have increased by US$812 637.

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29. Business combinations continued

29.4 Investment in Ndola Kafubu Investments Limited

	GROUP		COMPANY	
	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Fair value of assets and liabilities assumed				
Assets				
Investment in associate	**9 076 831**	–	**–**	–
Other financial assets	**–**	–	**–**	–
Cash balances	**–**	–	**–**	–
Trade and other receivables	**–**	–	**–**	–
	9 076 831	–	**–**	–
Liabilities				
Interest-bearing borrowings	**(5 000 000)**	–	**–**	–
Deferred tax	**–**	–	**–**	–
Trade and other payables	**–**	–	**–**	–
	(5 000 000)	–	**–**	–
Identifiable assets acquired and liabilities assumed	**4 076 831**	–	**–**	–
Purchase consideration	**4 076 831**	–	**–**	–
Gain from bargain purchase	**–**	–	**–**	–
Purchase consideration	**4 076 831**	–	**–**	–
Less: cash and cash equivalents acquired	**–**	–	**–**	–
Net cash outflow	**4 076 831**	–	**–**	–

Mara Delta acquired a 100% interest in Ndola Kafubu Investments Limited on 1 December 2015 for a net purchase consideration of US$4.08 million. Ndola Kafubu Investments Limited owns 50% of the share capital of Kafubu Mall Limited, a Zambian incorporated entity and the owner of the Kafubu Mall. The acquisition of Ndola Kafubu Investments Limited gives the Group access to high quality African real estate in line with the strategy of the Group.

No goodwill or gain on bargain purchase materialised to Delta's acquisition of Ndola Kafubu Investments Limited and was calculated in terms of IFRS 3 Business Combinations.

In the financial period under review to 30 June 2016, Kafubu Mall Limited contributed dividends of US$453 070. Had the acquisition been done as from 1 July 2015, share of profit from associate would have increased by US$261 586.

29.5 Investment in Abland Diversified Holdings Limited

	GROUP		COMPANY	
	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Fair value of assets and liabilities assumed				
Assets				
Investment in associate	**4 529 949**	–	**-**	–
Other assets	**-**	–	**-**	–
Cash balances	**-**	–	**-**	–
Trade and other receivables	**-**	–	**-**	–
	4 529 949	–	**-**	–
Liabilities				
Interest-bearing borrowings	**-**	–	**-**	–
Deferred tax	**-**	–	**-**	–
Trade and other payables	**-**	–	**-**	–
	-	–	**-**	–
Identifiable assets acquired and liabilities assumed	**4 529 949**	–	**-**	–
Purchase consideration	**4 279 434**	–	**-**	–
Gain from bargain purchase	**(250 515)**	–	**-**	–
Purchase consideration	**4 279 434**	–	**-**	–
Less: cash and cash equivalents acquired	**-**	–	**-**	–
Less: equity instruments	**(2 914 434)**			
Net cash outflow	**1 365 000**	–	**-**	–

Mara Delta acquired a 100% interest in Abland Diversified Holdings Limited on 28 February 2016 for a net purchase consideration of US$4.28 million. Abland Diversified Holdings Limited owns 45.5% of the share capital of Buffalo Mall Naivasha Limited, a Kenyan incorporated entity and the owner of the Buffalo Mall. The acquisition of Abland Diversified Holdings Limited gives the Group access to high quality African real estate in line with the strategy of the Group.

The gain on bargain purchase amounting to US$250 515 relates to Delta's acquisition of Abland Diversified Holdings Limited and was calculated in terms of IFRS 3 Business Combinations. The gain represents the amount by which the fair value of net assets acquired exceeds the consideration paid and has no impact on distributable earnings.

The gain on bargain purchase arose as a consequence of fairly valuing the underlying property, the Buffalo Mall to its fair value at the date of acquisition, together with the measurement of deferred taxation at Mauritian company level, whereby the any future sale of the building will be made at Abland Diversified Holdings Limited level through the sale of shares which is not subject to capital gains tax.

In the financial period under review to 30 June 2016, Buffalo Mall Naivasha Limited did not contribute any dividends. Had the acquisition been done as from 1 July 2015, share of profit from associate would have decreased by US$32 709.

29. Business combinations continued

29.6 Investment in CD Properties Limited

	GROUP		COMPANY	
	Year ended 30 June 2016 $	**Year ended 30 June 2015 $**	**Year ended 30 June 2016 $**	**Year ended 30 June 2015 $**
Fair value of assets and liabilities assumed				
Assets				
Investment properties	**8 663 000**	–	**–**	–
Other assets	**4 037**	–	**–**	–
Cash balances	**96 042**	–	**–**	–
Trade and other receivables	**555 000**	–	**–**	–
	9 318 079	–	**–**	–
Liabilities				
Interest-bearing borrowings	**–**	–	**–**	–
Deferred tax	**–**	–	**–**	–
Trade and other payables	**(818 191)**	–	**–**	–
	(818 191)	–	**–**	–
Identifiable assets acquired and liabilities assumed	**8 499 888**	–	**–**	–
Purchase consideration	**8 499 888**	–	**–**	–
Gain from bargain purchase	**–**	–	**–**	–
Purchase consideration	**8 499 888**	-	**–**	–
Less: cash and cash equivalents acquired	**(96 042)**	–	**–**	–
Net cash outflow	**8 403 846**	–	**–**	–

Mara Delta acquired a 100% interest in CD Properties Limited on 26 May 2016 for a net purchase consideration of US$8.5 million. CD Properties Limited owns 100% of the share capital of Gateway Limitada, a Mozambican incorporated entity and the owner of the Bollore Warehouse complex. The acquisition of CD Properties Limited gives the Group access to high quality African real estate in line with the strategy of the Group. Had the acquisition been done as from 1 July 2015, revenue and profit for the year would have been US$23.7 million and US$1 million respectively.

30. Commitments

	GROUP		COMPANY	
	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2016 $	Year ended 30 June 2015 $
Capital commitments				
Acquisition of investment properties				
Approved and committed	**57 250 597**	10 200 000	**-**	–
	57 250 597	10 200 000	**-**	–
Operating leases – as lessee (expense)				
Minimum lease payments due				
Within one year	**3 332 071**	42 000		
Within the second to fifth year inclusive	**18 438 451**	168 000	**-**	–
	21 770 522	210 000	**-**	–
Operating leases – as lessor (income)				
Minimum lease payments receivable				
Within one year	**8 250 070**	19 666 126		
Within the second to fifth year inclusive	**45 540 910**	76 317 786	**-**	–
Later than five years	**39 682 784**	41 852 413	**-**	–
	93 743 764	137 836 325	**-**	–

Minimum lease payments comprise contractual rental income due in terms of signed lease agreements on investment properties.

These figures exclude the straight-line rental income accrual adjustments.

The lease agreements are non-cancellable and have terms from two to 10 years. There are no contingent rentals.

The Group has entered into purchase agreements for the following properties:

1) Vale accommodation compound – US$33 085 million of which US$5.62 million has been paid to date. The balance of US$27 465 million will be due and payable on transfer of the property following successful subdivision of the property.

2) Cosmopolitan Mall Lusaka – US$24 168 million of which US$3 million has been paid to date. The balance of US$21 168 million will become due and payable on transfer of the shares which requires COMESA Competition Commission approval and shareholder approval.

31. Related parties

Parties are considered related if one party has the ability to exercise control or significant influence over the other party in making financial or operational decisions.

Company	Relationships
Delta International Mauritius Limited	Subsidiaries
Delta International Bahrain SPC	Subsidiaries
DIF 1 Co Limited	Subsidiaries
Sal Investment Holdings Limited	Subsidiaries
HM&K Properties Limited	Subsidiaries
Freedom Property Fund SARL	Subsidiaries
S&C Imobiliaria Limitada	Subsidiaries
Commotor Limitada	Subsidiaries
Zimpeto Investment Holdings Limited	Subsidiaries
Zimpeto Imbiliaria Limitada	Subsidiaries
Kitwe Mukuba Investments Limited	Subsidiaries
Ndola Kafubu Investments Limited	Subsidiaries
Abland Diversified Holdings Limited	Subsidiaries
CD Properties Limited	Subsidiaries
BH Properties Investments Limited	Subsidiaries
BME Kenya Investments Limited	Subsidiaries
Buffalo Mall Naivasha Limited	Associates
Kafubu Mall Limited	Associates
Mukuba Mall Limited	Associates
Freedom Asset Management Limited	Members of key management/Common directors
Bowwood and Main No 117 Proprietary Limited	Members of key management/Common directors
Delta Property Fund Limited	Members of key management/Common directors
Osiris Corporate Solutions (Mauritius) Limited	Members of key management/Common directors
The Pivotal Fund Limited	Members of key management/Common directors
Intercontinental Fund Services Limited	Members of key management/Common directors

	GROUP		COMPANY	
	Year ended 30 June 2016 $	**Year ended 30 June 2015 $**	**Year ended 30 June 2016 $**	**Year ended 30 June 2015 $**
Related party transactions and balances				
Delta International Mauritius Limited				
Interest received	**-**	–	**(3 692 424)**	(2 533 424)
Interest paid	**-**	–	**-**	27 313
Loan receivable	**-**	–	**156 378 587**	99 732 875
DIF 1 Co Limited				
Loan receivable	**-**	–	**10 535**	1 750
Freedom Asset Management Limited				
Loan receivable	**978 275**	200	**646 300**	–
Amount owing included in trade and other payables	**-**	(531 313)	**-**	(531 313)
Asset management fees	**(453 074)**	2 828 683	**2 375 609**	2 828 683
Bowwood and Main No 117 Proprietary Limited				
Amount owing included in trade and other payables	**3 713**	–	**-**	–
Advisory fees	**77 979**	–	**-**	–
Freedom Property Fund SARL				
Loan receivable	**-**	–	**248 609**	185 357
Osiris Corporate Solutions (Mauritius) Limited				
Amount owing included in trade and other payables	**-**	(27 022)	**-**	(27 022)
Sal Investment Holdings Limited				
Loan receivable	**-**	–	**24 160**	16 000
Zimpeto Investment Holdings Limited				
Loan receivable	**-**	11 578	**15 498**	11 578
Kitwe Mukuba Investments Limited				
Loan receivable	**-**	–	**1 770**	–
Ndola Kafubu Investments Limited				
Loan receivable	**-**	–	**1 770**	–
HM&K Properties Limited				
Loan receivable	**-**	–	**8 060**	–
BH Property Investments Limited				
Loan receivable	**-**	–	**2 237**	–

The above transactions are made in the normal course of business.

The terms and conditions of loans receivable are disclosed as per note 7. There have been no guarantees provided or received for any related party payables or receivables.

For the year ended 30 June 2016, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2015: $0.00). This assessment is undertaken at each reporting period through examining the financial position of the related parties and the market in which they operate.

32. Risk management

Financial risk management

The Group's financial instruments consist mainly of deposits with banks, interest-bearing liabilities, trade and other receivables, trade and other payables. Exposure to market, credit and liquidity risk arises in the normal course of business.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial commitments as and when they fall due. This risk is managed by holding cash balances, overdraft facilities and by regularly monitoring cash flows.

The Group will utilise undrawn facilities and cash on hand to meet its short-term funding requirements.

The non-current financial liabilities will be serviced through cash generated from operations and the restructuring of debt upon maturity.

The tables below set out the maturity analysis of the Group's and Company's financial assets and liabilities based on the undiscounted contractual cash flows.

	$	Weighted average effective interest rate %	Less than one year	One to two years	Two to three years	Three to five years	More than five years	Total
GROUP								
As at 30 June 2016								
Financial assets								
Related party loans		**–**	**–**	**978 277**	**–**	**–**	**–**	**978 277**
Trade and other receivables		**0.24%**	**18 101 466**	**–**	**–**	**–**	**–**	**18 101 466**
Cash and cash equivalents		**1.91%**	**17 771 821**	**–**	**–**	**–**	**–**	**17 771 821**
			35 873 287	**978 277**	**–**	**–**	**–**	**35 873 287**
Financial liabilities								
Interest-bearing borrowings		**6.22%**	**54 290 211**	**–**	**109 977 093**	**12 786 073**	**–**	**177 053 377**
Trade and other payables		**–**	**15 029 155**	**–**	**–**	**–**	**–**	**15 029 155**
			69 319 366	**–**	**109 977 093**	**12 786 073**	**–**	**192 082 532**
As at 30 June 2015								
Financial assets								
Related party loans		–	–	11 778	–	–	–	11 778
Trade and other receivables		0.24%	18 777 373	–	–	–	–	18 777 373
Cash and cash equivalents		1.91%	6 565 282	–	–	–	–	6 565 282
			25 342 655	11 778	–	–	–	25 342 655
Financial liabilities								
Interest-bearing borrowings		6.94%	91 165 629	–	–	10 490 966	–	101 656 595
Trade and other payables		–	8 671 833	–	–	–	–	8 671 833
Bank overdraft		1.44%	342 391	–	–	–	–	342 391
			100 179 853	–	–	10 490 966	–	110 670 819

	$	Weighted average effective interest rate %	Less than one year	One to two years	Two to three years	Three to five years	More than five years	Total
COMPANY								
As at 30 June 2016								
Financial assets								
Related party loans		**3.63%**	**–**	**–**	**–**	**–**	**157 337 526**	**157 337 526**
Trade and other receivables		**–**	**644 581**	**–**	**–**	**–**	**–**	**644 581**
Cash and cash equivalents		**–**	**46 947**	**(641 184)**	**–**	**–**	**–**	**(594 237)**
			691 528	**(641 184)**	**–**	**–**	**157 337 526**	**50 344**
Financial liabilities								
Interest-bearing borrowings		**–**	**20 000 000**	**–**	**–**	**–**	**–**	**20 000 000**
Trade and other payables		**–**	**1 485 492**	**–**			**–**	**1 485 492**
			21 485 492	**–**	**–**	**–**	**–**	**21 485 492**
As at 30 June 2015								
Financial assets								
Related party loans		3.63%	–	–	–	–	99 947 560	99 947 560
Trade and other receivables		–	3 894 121	–	–	–	–	3 894 121
Cash and cash equivalents		–	1 664 714	–	–	–	–	1 664 714
			5 558 835	–	–	–	99 947 560	5 558 835
Financial liabilities								
Interest-bearing borrowings		–	–	–	–	–	–	–
Trade and other payables		–	1 125 647	–	–	–	–	1 125 646
			1 125 647		–	–	–	1 125 647

32. Risk management (continued)

Interest rate risk

The Group manages its exposure to changes in interest rates by fixing interest rates in respect of borrowings. Interest rates were fixed subsequent to the financial period. The Group is exposed to interest rate risk through its variable rate cash balances and interest-bearing borrowings. At year-end, interest rates in respect of 52% (2015: 0%) of borrowings were fixed.

On 12 August 2015, the Group entered into an interest rate swap to effectively fix the interest rate on US$26.60 million, representing 26.17% of the total interest-bearing borrowings at reporting date.

On the 1 March 2016, the Group entered into an interest rate swap to effectively fix the interest rate on US$5.53 million, representing 4.88% of the total interest-bearing borrowings at reporting date.

The weighted average effective rate of interest for the year was 6.22% (2015: 6.94%) based on the interest rates on long-term borrowings, short-term bridge funding and debt structuring fees capitalised.

An increase of 1% in the interest rate on floating rate borrowings will result in an increase to finance charges of US$1 469 434 for the Group and US$218 968 for the company (2015: US$750 566 for the Group and US$0 for the company) pre-tax per annum. This was based on calculating the effective interest rate of the Group and company and adding 1% escalation to the effective interest rate.

Credit risk

Credit risk is the risk of financial loss to the Group and company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade and other receivables, cash and cash equivalents and loans to subsidiaries. There is no significant concentration of credit risk as exposure is spread over a large number of counterparties.

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

	GROUP		COMPANY	
	2016 $	2015 $	2016 $	2015 $
Financial instrument				
Cash and cash equivalents	**17 771 821**	6 565 282	**46 947**	1 664 714
Investment in subsidiaries	**-**	–	**42 275 095**	27 054 356
Loans to related parties	**978 277**	11 778	**157 337 526**	99 947 560
Trade and other receivables	**18 101 466**	18 777 373	**644 581**	3 894 121

Cash and cash equivalents

It is the Group's policy to deposit short-term cash investments with reputable financial institutions.

Trade and other receivables

Credit risk arises from the risk that a tenant may default or not meet its obligations timeously. The financial position of the tenants is monitored on an ongoing basis. Allowance is made for specific doubtful debts and credit risk is therefore limited to the carrying amount of the financial assets at financial year-end.

Loans to related parties

The credit risk of loans to related parties is minimal due to the fact that the underlying subsidiaries have properties which are currently generating rental income.

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Moroccan Dirham and Mozambican Metical and to a lessor extend the Mauritian Rupee, Zambian Kwacha and Kenyan Schilling. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group has entered into US Dollar denominated rental contracts with tenants within the Mozambican property portfolio. This will ensure that the Group is not exposed to a devaluation of rental income stemming from the Mozambican property portfolio. The rental contracts within the Moroccan property portfolio are not denominated in US Dollar.

Foreign currency exposure at the end of the reporting period

	Moroccan Dirham $	Mozambican Metical $	Zambian Kwacha $	Mauritian Rupee $
Non-current assets				
Investment property	100 621 562	–	18 502 560	13 691 104
Current assets				
Trade and other receivables	4 043 975	764 912	–	71 000
Cash and cash equivalents	1 378 574	3 568 155	–	499 220
Total assets denominated in foreign currency	106 044 111	4 333 067	18 502 560	14 261 324
Liabilities				
Interest-bearing borrowings	–	(2 884 828)	–	–
Cash and cash equivalents	–	–	–	–
Trade and other payables	(4 699 848)	(3 394 786)	–	(682 042)
Total liabilities denominated in foreign currency	(4 699 848)	(6 279 614)	–	(682 042)
Net assets/(liabilities) denominated in foreign currency	101 344 263	(1 946 547)	18 502 560	13 579 282
Exchange rates used for conversion were:	9.81	63.34	10.30	35.50

Profit is sensitive to movement in the below currencies due to the increased amount of US Dollar denominated borrowings in the country. A 1% fluctuation in the below currencies against the US Dollar would have a post tax impact of:

	GROUP	
US Dollar impact of approximately:	**2016**	**2015**
Moroccan Dirham	**70 926**	496 443
Mozambican Metical	**594 307**	165 240
Mauritian Rupee	**(11 518)**	–
Zambian Kwacha	**-**	–
Kenyan Schilling	**-**	–

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33. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

	Loans and receivables $	Fair value through profit and loss – designated $	Total $
GROUP – 2016			
Loans to related parties	**978 277**	**–**	**978 277**
Trade and other receivables	**18 101 466**	**–**	**18 101 466**
Cash and cash equivalents	**17 771 821**	**–**	**17 771 821**
	36 851 564	**–**	**36 851 564**

	Loans and receivables $	Fair value through profit and loss – designated $	Total $
GROUP – 2015			
Loans to related parties	11 778	–	11 778
Trade and other receivables	18 777 373	–	18 777 373
Cash and cash equivalents	6 565 282	–	6 565 282
	25 354 433	–	25 354 433

	Loans and receivables $	Fair value through profit and loss – designated $	Total $
COMPANY – 2016			
Investment in subsidiaries	**–**	**42 275 095**	**42 275 095**
Loans to related parties	**157 337 526**	**–**	**157 337 526**
Trade and other receivables	**644 581**	**–**	**644 581**
Cash and cash equivalents	**46 947**	**–**	**46 947**
	158 029 054	**42 275 095**	**200 304 149**

	Loans and receivables $	Fair value through profit and loss – designated $	Total $
COMPANY – 2015			
Investment in subsidiaries	–	27 054 356	27 054 356
Loans to related parties	99 947 560	–	99 947 560
Trade and other receivables	3 894 121	–	3 894 121
Cash and cash equivalents	1 664 714	–	1 664 714
	105 506 395	27 054 356	132 560 751

34. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

	Financial liabilities at amortised cost $	Total $
GROUP – 2016		
Interest-bearing borrowings	**161 618 569**	**161 618 569**
Trade and other payables	**15 029 155**	**15 029 155**
	176 647 724	**176 647 724**

	Financial liabilities at amortised cost $	Total $
GROUP – 2015		
Interest-bearing borrowings	101 656 595	101 656 595
Trade and other payables	8 671 833	8 671 833
Bank overdraft	342 391	342 391
	110 670 819	110 670 819

	Financial liabilities at amortised cost $	Total $
COMPANY – 2016		
Interest-bearing borrowings	**20 000 000**	**20 000 000**
Trade and other payables	**1 485 491**	**1 485 491**
Bank overdraft	**–**	**–**
	21 485 491	**21 485 491**

	Financial liabilities at amortised cost $	Total $
COMPANY – 2015		
Interest-bearing borrowings	–	–
Trade and other payables	1 125 647	1 125 647
Bank overdraft	–	–
	1 125 647	1 125 647

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35. Fair value hierarchy

The different levels have been defined as:
Level 1 – fair value is determined from quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – fair value is determined through the use of valuation techniques based on observable inputs, either directly or indirectly.
Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Fair value
GROUP – 2016	**(672 278)**	**–**	**–**	**–**
Financial instruments				

	Level 1	Level 2	Level 3	Fair value
COMPANY – 2016	**–**	**–**	**42 275 095**	**–**
Investment in subsidiaries				

	Level 1	Level 2	Level 3	Fair value
COMPANY – 2015	–	–	27 054 356	27 054 356
Investment in subsidiaries				

There have been no significant transfers between level 1, level 2 and level 3 during the financial period.

The following valuation techniques and significant unobservable inputs are as follows:

Investments in subsidiaries are measured at fair value based on the net asset value of its investment and underlying subsidiaries together with the property structure tax considerations. There are no significant unobservable inputs used in the fair value estimation

The fair value of investment property has been categorised as level 3 under fair value hierarchy based on the inputs to the valuation technique used. Refer to note 3 for the level 3 reconciliation.

36. Capital management

To provide returns for shareholders and benefits for other stakeholders and to maintain optimal structure to reduce the cost of capital, the group policy maintains an adequate capital base. The company is funded by bank debt, market funding, and new equity.

In terms of its Memorandum of incorporation, the company has unlimited borrowing capacity. The Group's borrowings, excluding debentures are maintained at 50% of the value of the consolidated property portfolio

As at 30 June 2016, the unutilised borrowing capacity was as follows:

	GROUP		COMPANY	
	2016 $	2015 $	2016 $	2015 $
Investment property	**248 545 665**	210 390 631	**–**	–
Investment in associates	**45 945 339**	–	**–**	–
Investment in subsidiaries	**–**	–	**42 275 095**	27 054 356
	294 491 004	210 390 631	**42 275 095**	27 054 356
50% thereof	**147 245 502**	105 195 316	**21 137 548**	13 527 178
Net borrowings	**149 948 569**	101 656 595	**20 000 000**	–
Gross borrowing	**161 618 569**	101 656 595	**20 000 000**	–
Less: Committed cash	**(11 670 000)**	–	**–**	–
Unutilised borrowing capacity	**(2 703 067)**	3 538 721	**1 137 548**	13 527 178
Gearing	**50.9%**	48.3%	**47.3%**	0.0%

The Board's policy is to maintain a strong capital base, comprising its shareholders/unitholders' interest, so as to maintain investor, creditor and market confidence and to sustain future development of the business. It is the Group's stated purpose to deliver long-term sustainable growth in distributions per share.

37. Events after the reporting period

Event 1

Further to the information provided in the Listing Particulars dated 4 April 2016, shareholders are hereby advised that Mara Delta has successfully placed 645 441 additional ordinary shares of no par value ("Placing Shares") at an issue price of US$1.65 per share on 11 August 2016. The issue price is at a premium of US$3.96 cents to the last published net asset value per share of US$161.04 cents.

Event 2

Shareholders are advised that on 24 June 2016, Mara Delta, through its wholly-owned subsidiary Delta International Mauritius Limited, entered into an agreement ("Acquisition Agreement") with Rockcastle Global Real Estate Company Limited ("Seller") and Lusaka Cosmopolitan Investments Limited ("LCI"), in terms of which Mara Delta will purchase from the Seller:

2.1.1. 100% of the issued share capital of LCI ("Sale Shares"); and

2.1.2. all amounts owing to the Seller by LCI from any cause whatsoever ("Sale Claims"), (the "Acquisition"), with the Sale Shares and the Sale Claims being collectively referred to as the "Sale Equity".

2.2. LCI holds 50% of the issued ordinary share capital of Cosmopolitan Shopping Centre Limited ("CSC"), which, in turn, is the registered title holder of the land in Lusaka, Zambia ("Land") on which the retail shopping centre, known as Cosmopolitan Mall, is located. Cosmopolitan Mall officially opened on 24 March 2016.

2.3. CSC has concluded a long-term lease in respect of certain adjoining land ("Leased Land"), which has been utilised for the creation of additional parking for Cosmopolitan Mall.

2.4. Cosmopolitan Mall, the Land and the Leased Land are hereafter collectively referred to as the "Property".

Event 3

Mara Delta has entered into a non-binding heads of terms with Néréide Limited ("Vendor"), a wholly-owned subsidiary of Lux Island Resorts Limited, for the acquisition of the hotel building known as Tamassa Resort, located on Coastal Road, Bel Ombre, Mauritius, as well as the Vendor's rights, title and interests in the lease agreement with the Vendor and the Republic of Mauritius, in relation to the property on which the Tamassa Resort is located ("Property"), for a total consideration of the Euro equivalent of US$40 000 000 (Forty million US Dollars), on a cash free, debt free basis ("Acquisition").

The Acquisition is subject to certain conditions precedent including approval from the Board of Investment of Mauritius and the exchange and execution of a binding sale and purchase agreement acceptable to the parties ("SPA").

Subsequent to the sale, the Property will be leased back to Néréide Limited, for an initial period of 10 years (renewable at its option, for a period not shorter than the initial lease term). The Euro denominated lease agreement will be on a triple net basis. The annual rent payable during the initial period of the lease will represent between 8% and 9% of the purchase consideration, resulting in a yield accretive investment for Mara Delta.

Lux Island Resorts Limited, being one of the largest listed hotel chains in Mauritius (with a market capitalisation of Rs8 billion or approximately US$228.5 million), will provide a guarantee for lease payments over the duration of the lease.

Event 4

On 29 July 2016 the group settled the SBSA loan of US$11.67 million out of cash reserves.

Event 5

On 1 August 2016 the group converted the short-term loan of MZN182.7 million to a long-term loan, repayable over 10 years, with an interest rate of 19.68%.

38. Going concern

The directors are of the opinion that the Group has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going-concern basis in preparing the Group's financial statements. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors also would like to highlight the fact that at 30 June 2016 the current liabilities exceeds the current assets by US$16.7 million for the group and US$20.8 million for the company. The directors are, however, confident that the Group and company will be able to meet its obligations in the short and long term. The position will be corrected with future capital raises whereby large cash injections are expected to flow within the Group.

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39. Segmental information

The Group reports on a segmental basis in terms of geographical location and type of property. Geographical location is split between Morocco, Mozambique, Zambia, Kenya and Mauritius. In terms of type of property, the Group has investments in the following sectors – retail, office, light industrial and corporate accommodation.

Geographical location 2016	**Morocco $**	**Mozambique $**	**Zambia $**	**Kenya $**	**Mauritius $**	**Total $**
Gross rental income	10 341 658	9 863 570	–	–	673 230	20 878 458
Straight-line rental income accrual	630 031	1 282 085	–	–	305 283	2 217 399
Revenue	10 971 689	11 145 655	–	–	978 513	23 095 857
Income from associate	–	–	3 213 569	6 297	–	3 219 866
Property operating expenses	(4 602 647)	(1 134 596)	–	–	(31 781)	(5 769 024)
Net property rental and related income	6 369 042	10 011 059	3 213 569	6 297	946 732	20 546 699
Other income	329 464	1 993 239	–	–	611 079	2 933 782
Administrative expenses	(1 106 264)	(1 238 365)	(10 730)	(19 091)	(1 488 674)	(3 856 608)
Profit/(loss) from operations	5 592 242	10 765 933	3 202 839	(12 794)	69 137	19 623 873
Acquisition fees	–	(474 883)	–	–	(515 455)	(990 338)
Acquisition fees – Asset management fees	–	(474 883)	–	–	–	(474 883)
Acquisition fees – Other	–	–	–	–	(515 455)	(515 455)
Set-up and merger costs	(384 347)	(159 938)	(2 900)	–	(301 277)	(848 462)
Fair value adjustment	(4 816 060)	1 050 000	–	6 516	(99 197)	(3 858 741)
Gain from bargain purchase	–	–	–	–	250 515	250 515
Foreign currency loss: unrealised	(53 581)	(280 839)	–	–	(390 864)	(725 284)
Foreign currency (loss)/gain: realised	(1 144 621)	4 778 685	–	–	(145 006)	3 489 058
(Loss)/profit before interest and taxation	(806 367)	15 678 958	3 199 939	(6 278)	(1 132 147)	16 940 621
Interest income	–	–	–	–	170 158	170 158
Finance costs	(3 490 559)	(3 353 663)	(561 643)	–	(2 292 402)	(9 698 267)
(Loss)/profit for the period before tax	(4 296 926)	12 325 295	2 638 296	(6 278)	(3 254 391)	7 412 512
Current tax expense	–	(1 493 959)	–	–	–	(1 493 959)
Deferred tax expense	(479 201)	(3 511 355)	–	–	45 792	(3 944 764)
(Loss)/profit for the period after tax	(4 776 127)	7 319 981	2 638 296	(6 278)	(3 208 599)	1 973 789
Reportable segment assets and liabilities						
Assets						
Investment property at fair value	98 395 047	128 925 104	3 000 000	–	13 385 821	243 705 971
Investment property	98 395 047	123 305 104	–	–	13 385 821	235 085 971
Deposits paid on properties	–	5 620 000	3 000 000	–	–	8 620 000
Straight-line rental income accrual	2 226 515	2 307 896	–	–	305 283	4 839 694
Property, plant and equipment	346 517	82 048	–	–	374 675	803 240
Investment in associates	–	–	41 420 485	4 518 338	–	45 945 338
Other non-current assets	15 635	5 987 416	–	–	6 658 567	12 661 619
Current assets	13 313 499	16 778 678	235 909	4 164	5 541 037	35 873 287
	114 297 213	154 081 142	44 656 394	4 522 502	26 265 383	343 829 149
Liabilities						
Total liabilities	58 115 597	59 078 563	19 216 196	10 220	44 036 124	180 456 700
	58 115 597	59 078 563	19 216 196	10 220	44 036 124	180 456 700

Type of property 2016	**Retail $**	**Office $**	**Light Industrial $**	**Corporate Accomo-dation $**	**Corporate $**	**Total $**
Gross rental income	11 197 234	9 606 224	75 000	–	–	20 878 458
Straight-line rental income accrual	766 487	1 450 912	–	–	–	2 217 399
Revenue	11 963 721	11 057 136	75 000	–	–	23 095 857
Income from associate	3 219 866	–	–	–	–	3 219 866
Property operating expenses	(4 844 152)	(924 872)	–	–	–	(5 769 024)
Net property rental and related income	10 339 435	10 132 264	75 000	–	–	20 546 699
Other income	329 612	5 756	–	1 987 335	611 079	2 933 782
Administrative expenses	(1 228 756)	(1 131 463)	–	–	(1 502 905)	(3 856 608)
Profit/(loss) from operations	9 440 291	9 006 557	75 000	1 987 335	(891 826)	19 623 873
Acquisition fees	(102 000)	(529 329)	–	–	(359 009)	(990 338)
Acquisition fees – Asset management fees	(102 000)	(529 329)	–	–	156 446	(474 883)
Acquisition fees – Other	–	–	–	–	(515 455)	(515 455)
Set-up and merger costs	(428 023)	(128 466)	–	–	(291 973)	(848 462)
Fair value adjustment	(3 959 544)	100 803	–	–	–	(3 858 741)
Gain from bargain purchase	–	–	–	–	250 515	250 515
Foreign currency (loss)/gain: unrealised	(1 302 444)	577 160	–	–	–	(725 284)
Foreign currency (loss)/gain: realised	(611 608)	4 106 288	–	–	(5 622)	3 489 058
Profit before interest and taxation	3 036 672	13 133 013	75 000	1 987 335	(1 297 915)	16 940 621
Interest income	559	–	–	–	169 599	170 158
Finance costs	(3 356 831)	(4 217 529)	–	–	(2 123 907)	(9 698 267)
(Loss)/profit for the period before tax	(319 600)	8 915 484	75 000	1 987 335	(3 252 223)	7 412 512
Current tax expense	(111 948)	(1 382 011)	–	–	–	(1 493 959)
Deferred tax expense	(534 884)	(3 409 880)	–	–	–	(3 944 764)
(Loss)/profit for the period after tax	(966 432)	4 123 593	75 000	1 987 335	(3 252 223)	1 973 789
Reportable segment assets and liabilities						
Assets						
Investment property at fair value	112 308 591	117 114 380	8 663 000	5 620 000	–	243 705 971
Investment property	109 308 591	117 114 380	8 663 000	–	–	235 085 971
Deposits paid on properties	3 000 000	–	–	5 620 000	–	8 620 000
Straight-line rental income accrual	2 362 970	2 476 724	–	–	–	4 839 694
Property, plant and equipment	346 516	82 050	–	–	374 675	803 240
Investment in associates	45 945 340	–	–	–	–	45 945 338
Other non-current assets	15 635	6 550 734	–	–	6 095 250	12 661 619
Current assets	13 796 910	17 289 709	647 843	1 987 335	2 151 490	35 873 287
	174 775 962	143 513 597	9 310 843	7 607 335	8 621 415	343 829 149
Liabilities						
Total liabilities	80 507 020	64 526 372	29 316	–	35 393 992	180 456 700
	80 507 020	64 526 372	29 316	–	35 393 992	180 456 700

Major customers

Rental income stemming from the Vodacom building in Mozambique represented approximately US$4.37 million of the Group total contractual rental income.

GROUP

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 June 2016

40. Three-year summary

	Year ended 30 June 2016 $	Year ended 30 June 2015 $	Year ended 30 June 2014 $
Statement of published results and assets and liabilities			
Revenue	**23 095 857**	16 540 493	–
Share of profit from associates	**3 219 866**	–	–
Profit/(loss) before taxation	**7 412 512**	878 984	(47 346)
Income tax expense	**(1 493 959)**	(78 542)	–
Profit/(loss) for the year	**1 973 789**	183 380	(47 346)
Other comprehensive income	**783 491**	(838 254)	83 734
Total comprehensive income/(loss)	**2 757 280**	(654 874)	36 388
Basic earnings/(loss) per share	**2.42**	0,39	(7.13)
Headline earnings/(loss) per share	**5.09**	(16,73)	(2.10)
Dividend per share	**11.75**	11.28	
Statement of financial position			
Assets			
Non-current assets	**307 955 862**	210 697 838	275 734
Current assets	**35 873 287**	25 342 655	681 274
Total non-current liabilities	**343 829 149**	236 040 493	957 008
Equity and liabilities			
Capital and reserves	**163 372 449**	124 412 822	936 991
Total non-current liabilities	**163 372 449**	124 412 822	936 991
Liabilities			
Non-current liabilities	**127 905 829**	11 298 171	–
Current liabilities	**52 550 871**	100 329 500	20 017
Total non-current liabilities	**180 456 700**	111 627 671	20 017
Total equity and liabilities	**343 829 149**	236 040 493	957 008

41. Headline earnings and distributable earnings

	GROUP	
	Unaudited Year ended 30 June 2016 $	Unaudited Year ended 30 June 2015 $
Reconciliation of earnings, headline earnings and distributable earnings		
Basic earnings	**1 973 789**	183 380
Less: Fair value adjustments on investment property (net of deferred taxation)	**3 759 543**	(4 560 458)
Gain from bargain purchase	**(250 515)**	(3 504 523)
Fair value adjustment on investment in associate	**(1 418 401)**	–
Fair value adjustment on financial instruments	**99 198**	–
Headline earnings/(loss) attributable to shareholders	**4 163 614**	(7 881 601)
Less: Straight-line rental income accrual (net of deferred taxation)	**(1 682 107)**	(1 815 090)
Unrealised foreign currency exchange differences	**725 284**	11 803 314
Acquisition costs of investment property	**990 338**	3 626 253
Share in income from associates	**1 418 401**	–
Deferred taxation – other	**3 409 472**	–
Setup and merger costs	**848 462**	829 279
Antecedent dividend	**635 547**	–
Profits released/(retained)	**120 535**	(175 538)
Distributable earnings attributable to shareholders	**10 629 546**	6 386 617
Less: Distribution declared		
Interim	**5 046 135**	2 963 433
Final (declared after 30 June)	**5 583 411**	3 423 184
Distributable earnings attributable to shareholders	**10 629 546**	6 386 617
Number of shares in issue at interim	**81 785 009**	44 656 447
Number of shares in issue at year-end	**100 061 130**	73 656 447
Weighted average number of shares	**81 725 430**	47 104 850
Earnings per share		
Basic and diluted profit/(loss) per share (cents)	**2.42**	0.39
Headline diluted loss earnings per share (cents)	**5.09**	(16.73)
Distribution per share		
Distribution per share (cents) – interim	**6.17**	6.64
Distribution per share (cents) – final (declared after 30 June)	**5.58**	4.65
Distribution per share (cents) – full year	**11.75**	11.28

05

SHAREHOLDER INFORMATION

ANALYSIS OF ORDINARY SHAREHOLDERS

As at 30 June 2016

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000	76	21.35	29 003	0.03
1 001 – 10 000	163	45.79	782 055	0.78
10 001 – 100 000	74	20.79	2 511 470	2.51
100 001 – 1 000 000	33	9.27	10 900 226	10.89
Over 1 000 000	10	2.81	85 838 376	85.79
Total	**356**	**100.00**	**100 061 130**	**100.00**
Distribution of shareholders				
Assurance Companies	5	1.40	2 941 562	2.94
Close Corporations	5	1.40	62 771	0.06
Collective Investment Schemes	30	8.43	10 917 925	10.91
Control Accounts	1	0.28	16 198 288	16.19
Custodians	3	0.84	81 226	0.08
Hedge Funds	4	1.12	747 093	0.75
Managed Funds	4	1.12	1 236 132	1.24
Medical Aid Funds	1	0.28	380 407	0.38
Organs of State	1	0.28	28 447 874	28.43
Private Companies	20	5.62	7 643 937	7.64
Public Companies	2	0.56	23 874 316	23.86
Retail Shareholders	241	67.70	2 438 299	2.44
Retirement Benefit Funds	5	1.40	1 366 992	1.37
Scrip Lending	1	0.28	478 291	0.48
Stockbrokers and Nominees	6	1.69	2 860 018	2.86
Trusts	27	7.58	385 999	0.39
Total	**356**	**100.00**	**100 061 130**	**100.00**

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Non-public shareholders	**12**	**3.37**	**9 170 282**	**9.16**
Directors and Associates (direct holdings)	1	0.28	478 097	0.48
Directors and Associates (indirect holdings)	11	3.09	8 692 185	8.69
Holders of more than 10%	**3**	**0.84**	**68 512 938**	**68.47**
Delta Property Fund (excludes directors indirect holdings)	1	0.28	23 044 284	23.85
Government Employees Pension Fund	1	0.28	28 447 874	28.43
Mauritius Control Account	1	0.28	16 198 288	16.19
Public shareholders	**341**	**95.79**	**22 377 910**	**22.36**
Total	**356**	**100.00**	**100 061 130**	**100.00**

Beneficial shareholders with a holding greater than 5% of the issued shares	Number of shares	% of issued capital
Government Employees Pension Fund	28 447 874	28.43
Delta Property Fund Ltd	23 866 776	23.85
Mauritius Control Account	16 198 288	16.19
Stanlib	5 939 945	5.94
Bowwood & Main No 117 (Pty) Ltd	5 746 061	5.74
Total	**80 198 944**	**80.15**

Total number of shareholdings	**356**
Total number of shares in issue	**100 061 130**

SHAREHOLDERS DIARY

Shareholders diary

Financial year-end	30 June 2016
Announcement of annual results – 2016	5 September 2016
Annual report posted	28 October 2016
Annual general meeting	29 November 2016
Announcement of interim results – 2017	Mid March 2017

Share performance

The board is committed to creating and maintaining stakeholder value by managing the portfolio and by maximising returns on its assets.

Mara Delta Share price history since listing

Share price performance	
Opening price 1 July 2015	R17.98
Closing price 30 June 2016	R19.50
Closing high for period	R21.00
Closing low for period	R15.00
Number of shares in issue	100 061 130
Volume traded during period	6 099 531
Ratio of volume traded to shares issued (%)	6.10
Rand value traded during the period	113 171 976

MARA DELTA PROPERTY HOLDINGS LIMITED
(previously Delta Africa Property Holdings Limited)
(Registered by continuation in the Republic of Mauritius)
(Registration number C128881 C1/GBL)
SEM share code: DEL.N0000
JSE share code: MDP
ISIN: MU0473N00028

NOTICE OF ANNUAL GENERAL MEETING OF MARA DELTA PROPERTY HOLDINGS LIMITED SHAREHOLDERS

Notice is hereby given that the Annual General Meeting of Mara Delta Property Holdings Limited ("**Mara Delta**" or "**the Company**") shareholders will be held at the offices of Intercontinental Fund Services Limited, Level 5, Alexander House, 35 Cybercity, Ebène 72201, Mauritius, on 29 November 2016 at 10:30 am Mauritian time (08:30 South African time) ("**Annual General Meeting**").

Purpose

The purpose of the Annual General Meeting is to transact the business set out in the agenda below.

Agenda

- Approval of the audited annual financial statements of the Company, including the reports of the directors and the audit and risk committee and nomination and remuneration committee for the year ended 30 June 2016. The integrated annual report ("Integrated Report"), of which this notice forms part, contains the summarised group financial statements and the aforementioned reports. The annual financial statements, are available on Mara Delta's website at www.maradelta.co.za, or may be requested and obtained in person, at no charge, at the registered office of Mara Delta during office hours.
- To consider and, if deemed fit, approve, with or without modification, various ordinary and special resolutions, as detailed below.

Notes:

- *In order for the Ordinary Resolutions Numbers 1 to 5 and 7 to be adopted, they must be supported by more than 50% of the votes cast by all shareholders entitled to do so, present in person or represented by proxy.*
- *In order for Ordinary Resolution Number 6 to be adopted, it must be supported by not less than 75% of the votes cast by all shareholders entitled to do so, present in person or represented by proxy.*
- *In order for the Special Resolutions Numbers 1 to 3 to be adopted, they must be supported by not less than 75% of the votes cast by all shareholders entitled to do so, present in person or represented by proxy.*

1. Ordinary Resolution Number 1 – adoption of audited financial statements

IT IS RESOLVED THAT the audited Company and group financial statements for the financial year ended 30 June 2016 be adopted.

2. Ordinary Resolution Number 2

2.1 Re-election of directors

IT IS RESOLVED THAT the following directors, who retire and offer themselves for re-election in terms of clause 12.4.2 of the Company's Constitution, being eligible and offering themselves for re-election, be and are hereby re-elected as directors:

2.1.1 Sandile Hopeson Nomvete – Chairman

2.1.2 Bronwyn Anne Corbett – Chief executive officer

2.1.3 Leon Paul van de Moortele – Chief financial officer

NOTICE OF THE ANNUAL GENERAL MEETING continued

2.1.4 Jacqueline Rouxanne van Niekerk – Non-executive director

2.1.5 Peter McAllister Todd – Lead independent director

2.1.6 Chandra Kumar Gujadhur – Non-executive director

2.1.7 Ian Macleod – Non-executive director

2.1.8 Ashish Jagdish Thakkar – Non-executive director

The reason for Ordinary Resolutions Numbers 2.1.1 to 2.1.8 (inclusive) is that clause 12.4.2 of the Constitution of the Company requires that all directors rotate at each Annual General Meeting of the Company and that such directors may offer themselves for re-election. A brief curriculum vitae of each of the above directors appears on pages 54 to 57 of the Integrated Report of which this Notice forms part.

2.2 Appointment of Alternate Directors

IT IS RESOLVED THAT:

2.2.1 Mr Maheshwar Doorgakant, having retired in accordance with section 12.4.2 of the Company's Constitution, be and is hereby elected as the alternate director to Mr Chandra Kumar Gujadhur; and

2.2.2 Mr Aditya Mittal be and is hereby elected as the alternate director to Mr Ashish Jagdish Thakkar.

A brief curriculum vitae of each of these alternate directors appears on pages 54 to 60 of the Integrated Report of which this Notice forms part.

3. Ordinary Resolution Number 3 – Reappointment of auditors

IT IS RESOLVED THAT BDO & Co be and is hereby reappointed as auditors of the Company, with Mrs Rookaya Ghanty as the designated audit partner, until the next Annual General Meeting, and that their remuneration be determined by the directors following recommendation from the Audit and Risk Committee.

The reason for Ordinary Resolution Number 3 is that the Company, being a public listed company, must have its financial results audited and such auditors must be appointed or reappointed each year at the Annual General Meeting of the Company.

4. Ordinary Resolution Number 4 – Approval of remuneration of non-executive directors

IT IS RESOLVED THAT the Board be authorised to determine the remuneration of the non-executive directors upon recommendation from the Nomination and Remuneration Committee. A summary of the directors' remuneration appears on page 70 of the Integrated Report of which this Notice forms part.

5. Ordinary Resolution Number 5 – Directors' Authority to Issue a Maximum of 95 041 317 Additional Ordinary Shares

IT IS RESOLVED THAT the Board be hereby authorised to allot and issue up to 95 041 317 additional ordinary shares from the authorised and unissued share capital of the Company, at the Board's discretion, subject to the provisions of the Mauritian Companies Act, No. 15 of 2001 ("**Mauritian Companies Act**") the SEM Listing Rules and the JSE Listings Requirements, at a target price of not less than the net asset value per share of the Company at the time of such issue, in order to fund any future acquisitions in line with investment policy of the Company.

Shareholder approval of this Ordinary Resolution Number 5 is being sought purely to comply with the SEM Listing Rules. In terms of the SEM Listing Rules, shareholder approval is required to issue any new Shares, regardless of the circumstances. The issue of the Shares referred to in this Ordinary Resolution Number 5 will still be subject to compliance with the JSE Listings Requirements. The effect of Ordinary Resolution Number 5, if passed, will be to grant the requisite approval under the SEM Rules.

6. Ordinary Resolution Number 6 – General authority to issue shares for cash

IT IS RESOLVED THAT the directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue shares for cash, to such person/s on such terms and conditions and at such times as the directors may, from time to time, in their discretion deem fit, subject to the Mauritian Companies Act, the Company's Constitution, the SEM Listing Rules and the JSE Listings Requirements from time to time. The JSE Listings Requirements currently impose, *inter alia*, the following limitations:

- the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
- any such issue may only be made to public shareholders as defined by the JSE Listings Requirements and not to related parties;
- the number of shares issued for cash hereunder shall not, in aggregate, exceed 10% of the number of the Company's issued shares of that class. The number of shares which may be issued shall be based on the number of shares in issue as at the date of this Notice. As at the date of this Notice, 10% of the number of issued shares amounts to 10 070 657 ordinary shares;
- this general authority will be valid until the earlier of the Company's next Annual General Meeting or the expiry of a period of 15 months from the date that this authority is given;
- after the Company has issued shares under this general authority representing, on a cumulative basis within the period of this approval, 5% or more of the number of shares in issue prior to the issue, the Company shall publish an announcement containing full details of the issue, including:
  - the number of shares issued;
  - the average discount to the weighted average traded price of the shares over the 30 business days prior to the date that the issue is agreed in writing between the Company and the party/ies subscribing for the shares; and
  - in respect of the issue of options and convertible securities pursuant to paragraph 5.53 of the JSE Listings Requirements, the effects of the issue on the statement of financial position, net asset value per share, net tangible asset value per share, the statement of comprehensive income, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share; or
  - in respect of an issue of shares pursuant to paragraph 5.52 of the JSE Listings Requirements, an explanation, including supporting information (if any), of the intended use of the funds;
- in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 5% of the weighted average traded price on the JSE of the shares over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the shares; and
- this authority includes the authority to issue any options/convertible securities that are convertible into an existing class of equity securities, where applicable.

The reason for Ordinary Resolution Number 6 is that, for the Company to issue shares for cash, it must obtain the prior authority of shareholders to the extent required under the JSE Listings Requirements and the SEM Listing Rules. The effect of Ordinary Resolution Number 6, if passed, is to obtain such general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the SEM Listing Rules.

For this resolution to be adopted, at least 75% of the shareholders present in person or by proxy and entitled to vote on this resolution at the AGM must cast their vote in favour of this resolution.

NOTICE OF THE ANNUAL GENERAL MEETING continued

7. Ordinary Resolution Number 7 – Authority of Directors

IT IS RESOLVED THAT any director of the Company be and is hereby authorised to do all such things and sign all such documentation as are necessary to give effect to the resolutions set out in this notice, hereby ratifying and confirming all such things already done and documentation already signed.

8. Special Resolution Number 1 – Waiver by Shareholders

IT IS RESOLVED THAT the waiver of the first offer to shareholders, whether in proportion to their shareholdings in the Company or otherwise, of the shares to be issued by the Company pursuant to the authority granted under Ordinary Resolutions Number 5 and 6, be and is hereby approved.

The reason for Special Resolution Number 1 is that clause 4.9 of the Company's Constitution requires that, after the first allotment of shares by the directors of the Company, any further shares proposed to be issued wholly for a cash consideration, shall first be offered to shareholders in proportion as nearly as may be to the number of existing shares held by them respectively, unless shareholders by special resolution and the board by resolution otherwise direct. The effect of Special Resolution Number 1, if passed, will be to grant the requisite waiver of such a proportionate offer to shareholders in respect of any shares to be issued by the Company pursuant to the authority granted under Ordinary Resolutions Number 5 and 6.

9. Special Resolution Number 2 – Antecedent Distribution (Reduction in Stated Capital)

IT IS RESOLVED THAT the Company be authorised, in accordance with the provisions of section 62 of the Mauritian Companies Act and subject to satisfying the solvency test in terms of section 6 of the Mauritian Companies Act, to reduce the Company's stated capital by an amount not exceeding US$8.5 million or 3.34% of the capital raised for the purpose of making a distribution to Shareholders as antecedent distributions.

Antecedent distributions are the amount of distribution attributable to newly issued shares from the last distribution date to the issue date and are included in the issue price of new shares if issued during a distribution period. Accordingly, if the Company issues new Shares at a point in time, other than at the beginning of a distribution period, the next distribution will include an element of antecedent distributions. This is due to the distribution being paid on the total number of Shares in issue, including the recent new issue, for the full period.

The antecedent distributions form part of the cash inflow on the issue of new equity and will be recognised as such, (i.e. as a credit to stated capital). Not distributing the antecedent portion will result in existing Shareholders distribution being diluted, due to the payment of a distribution based on a greater number of Shares in issue, without existing Shareholders having had the benefit of the cash flow from the new issues of Shares (or the risks and rewards of ownership of any investment property purchased with the issue of new Shares) in the financial period to which the distribution relates.

To counter this effect, the Company wishes to add the antecedent distribution when determining its distributable earnings, thereby including the antecedent distribution in distributable earnings. The distribution of the antecedent distribution is a reduction in stated capital and requires Shareholder approval by way of a special resolution.

This resolution is a requirement purely in terms of the Mauritian Companies Act and is not required under the JSE Listings Requirements.

10. Special Resolution Number 3 – Change in Constitution

IT IS RESOLVED THAT, subject to approval of such changes by the SEM, the Constitution of the Company be and is hereby amended by replacing the current wording of those clauses of the Constitution that are listed in the table below (such current wording appearing in the column headed "Current wording") with the proposed new wording appearing in the column headed "Proposed wording" in the table below:

Clause	Current wording	Proposed wording
Front cover	CONSTITUTION OF DELTA AFRICA PROPERTY HOLDINGS LIMITED	CONSTITUTION OF MARA DELTA PROPERTY HOLDINGS LIMITED
1.	The name of the company is "Delta Africa Property Holdings Limited".	The name of the company is "Mara Delta Property Holdings Limited".
8.	The registered office of the company will be at c/o Apex Fund Services (Mauritius) Ltd of 4th Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius, or in such other place as the board of directors may from time to time determine.	The registered office of the company will be at c/o Intercontinental Fund Services Limited of Level 5, Alexander House, 35 Cybercity, Ebene 72201, Mauritius, or in such other place as the board of directors may from time to time determine.
12.1.1	Subject to any subsequent amendment to change the number of directors the number of the directors shall not be less than four (4) and shall include at least two (2) directors who are ordinarily resident in Mauritius. If the number falls below four the remaining directors shall as soon as possible, and in any event not later than three months from the date the number of directors falls below the minimum, fill the vacancy or call a general meeting to fill the vacancy. After the expiry of the three-month period the remaining directors shall only be permitted to act for the purpose of filling vacancies or calling general meetings of members.	Subject to any subsequent amendment to change the number of directors the number of the directors shall not be less than four (4) and shall include at least two (2) directors who are ordinarily resident in Mauritius. The board should comprise a majority of non-executive directors. If the number falls below four the remaining directors shall as soon as possible, and in any event not later than three months from the date the number of directors falls below the minimum, fill the vacancy or call a general meeting to fill the vacancy. After the expiry of the three-month period the remaining directors shall only be permitted to act for the purpose of filling vacancies or calling general meetings of members.
12.1.3	The quorum for all board meetings shall be three directors.	The quorum for all board meetings shall be a simple majority of directors.
12.4.6	Notwithstanding anything to the contrary contained herein and subject to as may otherwise be provided by law, any director, managing director or other executive director may, by ordinary resolution passed at a meeting of members called for purposes that include their removal or ceasing to hold office pursuant to section 139 of the Companies Act 2001, be removed from office before the expiry of their period of office subject, however, to the right of any such director to claim damages under any contract.	Notwithstanding anything to the contrary contained herein and subject to as may otherwise be provided by law, any director, managing director, chief executive officer or other executive director may, by ordinary resolution passed at a meeting of members called for purposes that include their removal or ceasing to hold office pursuant to section 139 of the Companies Act 2001, be removed from office before the expiry of their period of office subject, however, to the right of any such director to claim damages under any contract.
12.5.2	The board may determine the terms of any service contract with a managing director or other executive director.	The board may determine the terms of any service contract with a chief executive director, managing director or other executive director.
12.6.7.1	A resolution in writing, signed or assented to by all directors, is as valid and effective as if it had been passed at a meeting of the board duly convened and held, provided that each director has received notice of the resolution.	A resolution in writing, signed or assented to by a majority of directors, is as valid and effective as if it had been passed at a meeting of the board duly convened and held, provided that each director has received notice of the resolution.

NOTICE OF THE ANNUAL GENERAL MEETING continued

Clause	Current wording	Proposed wording
14.7	Payments to members must be provided for in accordance with the JSE Listings Requirements and the SEM Rules and must not provide that capital shall be repaid upon the basis that it may be called up again.	Payments to members must be provided for in accordance with the SEM Rules and the JSE Listings Requirements and must not provide that capital shall be repaid upon the basis that it may be called up again.
14.9	The record date for all transactions shall be as set out in the JSE Listings Requirements and the SEM Rules.	The record date for all transactions shall be as set out in the SEM Rules and the JSE Listings Requirements.

Voting and proxies

The date on which shareholders must have been recorded as such in the Company's share register for purposes of being entitled to receive this Notice is Friday, 21 October 2016.

The record date for shareholders to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the Annual General Meeting is Friday, 18 November 2016. Accordingly, the last day to trade in order to be entitled to attend and vote at the Annual General Meeting, is Tuesday, 15 November 2016.

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to attend, speak, and vote in his/her stead. A proxy need not be a shareholder of the Company.

DEMATERIALISED SHAREHOLDERS ON THE MAURITIAN REGISTER

In accordance with the mandate between you and your broker you must advise your broker timeously if you wish to attend, or be represented at, the Annual General Meeting. If your broker has not contacted you, you are advised to contact your broker and provide it with your voting instructions. If your broker does not obtain instructions from you, it will be obliged to act in terms of your mandate furnished to it.

You are entitled to attend in person, or be represented by proxy, at the Annual General Meeting.

If you are unable to attend the Annual General Meeting but wish to be represented thereat, you must complete and return the attached form of proxy *(blue)*, in accordance with the instructions contained therein, to be received by the Company Secretary by no later than 10:30 am (Mauritian time) (08:30 South African time) on Monday, 28 November 2016:

Hand deliveries and postal deliveries to:

Intercontinental Fund Services Limited
Level 5, Alexander House
35, Cybercity,
Ebène 72201
Mauritius

DEMATERIALISED SHAREHOLDERS ON THE SOUTH AFRICAN REGISTER

Dematerialised shareholders with own-name registration

You are entitled to attend in person, or be represented by proxy, at the Annual General Meeting. If you are unable to attend the Annual General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy *(grey)*, in accordance with the instructions contained therein, to be received by the South African Transfer Secretaries by no later than 10:30 am Mauritian time (08:30 South African time) on Monday, 28 November 2016:

Hand deliveries to:

Computershare Investor Services Proprietary Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
South Africa

Postal deliveries to:

Computershare Investor Services Proprietary Limited
PO Box 61051
Marshalltown, 2107
South Africa

Dematerialised shareholders other than with "own-name" registration

If you are unable to attend the Annual General Meeting, but wish to be represented thereat, you must not complete the attached form of proxy, but must instead contact your broker or central securities depository participant ("CSDP") in the manner and time stipulated in the agreement between you and the CSDP or broker in order to furnish the CSDP or broker with your voting instructions and, in the event that you wish to attend the Annual General Meeting, to obtain the necessary letter of representation.

CERTIFICATED SHAREHOLDERS

There are currently no certificated Mara Delta shareholders. If you materialise your Mara Delta Shares prior to the date of the Annual General Meeting, please contact the Transfer Secretaries in South Africa or the Company Secretary in Mauritius, as the case may be, for further instructions.

By order of the Board

Intercontinental Fund Services Limited

Company Secretary

Mauritius

31 October 2016

MARA DELTA PROPERTY HOLDINGS LIMITED
(previously Delta Africa Property Holdings Limited)
(Registered by continuation in the Republic of Mauritius)
(Registration number C128881 C1/GBL)
JSE share code: MDP
SEM share code: DEL.N0000
ISIN: MU0473N00028
(“**Mara Delta**” or “**the Company**”)

FORM OF PROXY

(FOR USE BY DEMATERIALISED SHAREHOLDERS ON THE MAURITIAN REGISTER ONLY)

I/We

of

being a Member of the above named Company hereby appoint

1. of or failing him/her,

2. of or failing him/her,

3. the chairman of the Annual General Meeting,

as my/our proxy to vote for me/us at the meeting of the Company to be held at 10:30 am Mauritian time (08:30 South African time) on 29 November 2016 and at any adjournment of the meeting.

	Number of ordinary Shares*		
	For	**Against**	**Abstain**
Ordinary Resolution Number 1 – Receiving and adopting the audited Company and group financial statements for the year ended 30 June 2016			
Ordinary Resolution Number 2.1.1 – re-election of Sandile Hopeson Nomvete as director			
Ordinary Resolution Number 2.1.2 – re-election of Bronwyn Anne Corbett as director			
Ordinary Resolution Number 2.1.3 – re-election of Leon Paul van de Moortele as director			
Ordinary Resolution Number 2.1.4 – re-election of Jacqueline Rouxanne van Niekerk as director			
Ordinary Resolution Number 2.1.5 – re-election of Peter McAllister Todd as director			
Ordinary Resolution Number 2.1.6 – re-election of Chandra Kumar Gujadhur as director			
Ordinary Resolution Number 2.1.7 – re-election of Ian Macleod as director			
Ordinary Resolution Number 2.1.8 – re-election of Ashish Thakkar as director			
Ordinary Resolution Number 2.2.1 – appointment of Maheshwar Doorgakant as alternate director to Chandra Kumar Gujadhur			
Ordinary Resolution Number 2.2.2 – appointment of Aditya Mittal as alternate director to Ashish Thakkar			
Ordinary Resolution Number 3 – reappointing BDO & Co as the auditors of the Company			
Ordinary Resolution Number 4 – Authorising the Board to determine the remuneration of the non-executive directors			
Ordinary Resolution Number 5 – Directors’ authority to Issue a Maximum of 95 041 317 Additional Ordinary Shares			
Ordinary Resolution Number 6 – General authority to issue shares for cash			
Ordinary Resolution Number 7 – Authority of Directors			
Special Resolution Number 1 – Waiver by Shareholders			
Special Resolution Number 2 – Antecedent Distribution (Reduction in Stated Capital)			
Special Resolution Number 3 – Change in Constitution			

* *Please indicate with an “X” in the appropriate space above how you wish your vote to be cast. Unless otherwise instructed, my/our proxy may vote as she/he thinks fit. If the form of proxy is returned without an indication as to how the proxy should vote on any particular matter, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.*

Signed this day of 2016

Signature

To be valid, this form of proxy (blue) duly filled in and signed shall be deposited at the above mentioned Office NOT LESS THAN 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in proxy proposes to vote.

MARA DELTA PROPERTY HOLDINGS LIMITED
(previously Delta Africa Property Holdings Limited)
(Registered by continuation in the Republic of Mauritius)
(Registration number C128881 C1/GBL)
JSE share code: MDP
SEM share code: DEL.N0000
ISIN: MU0473N00028
("**Mara Delta**" or "**the Company**")

FORM OF PROXY

(FOR USE BY DEMATERIALISED SHAREHOLDERS ON THE SOUTH AFRICAN REGISTER WITH "OWN- NAME" REGISTRATION ONLY)

For use by Mara Delta dematerialised Shareholders with "own-name" registration only at the Annual General Meeting of the Company to be held at the offices of Intercontinental Fund Services Limited, Level 5, Alexander House, 35 Cybercity, Ebène 72201, Mauritius at 10:30 am Mauritian time (08:30 South African time) on 29 November 2016 and at any adjournment of the meeting.

Dematerialised Shareholders other than those with "own-name" registration, must inform their CSDP or broker to issue them with the necessary letter of representation to attend the Annual General Meeting in person and to vote or provide their CSDP or broker with their voting instructions should they not wish to attend the Annual General Meeting in person, but who wish to be represented thereat. These shareholders must not use this form of proxy *(grey)*.

I/We

of (address)

Telephone number: (   )   Mobile number:

being a Shareholder/Shareholders of the Company and holding ☐ ordinary Shares in the Company hereby appoint

1.   of   or failing him/her,

2.   of   or failing him/her,

3. the chairman of the Annual General Meeting,

as my/our proxy to vote for me/us at the Annual General Meeting which will be held for the purpose of considering and/if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the Mara Delta Shares registered in my/our name(s), in accordance with the following instructions:

	Number of ordinary Shares*		
	For	**Against**	**Abstain**
Ordinary Resolution Number 1 – Receiving and adopting the audited Company and group financial statements for the year ended 30 June 2016			
Ordinary Resolution Number 2.1.1 – re-election of Sandile Hopeson Nomvete as director			
Ordinary Resolution Number 2.1.2 – re-election of Bronwyn Anne Corbett as director			
Ordinary Resolution Number 2.1.3 – re-election of Leon Paul van de Moortele as director			
Ordinary Resolution Number 2.1.4 – re-election of Jacqueline Rouxanne van Niekerk as director			
Ordinary Resolution Number 2.1.5 – re-election of Peter McAllister Todd as director			
Ordinary Resolution Number 2.1.6 – re-election of Chandra Kumar Gujadhur as director			
Ordinary Resolution Number 2.1.7 – re-election of Ian Macleod as director			
Ordinary Resolution Number 2.1.8 – re-election of Ashish Jagdish Thakkar as director			
Ordinary Resolution Number 2.2.1 – appointment of Maheshwar Doorgakant as alternate director to Chandra Kumar Gujadhur			
Ordinary Resolution Number 2.2.2 – appointment of Aditya Mittal as alternate director to Ashish Thakkar			
Ordinary Resolution Number 3 – reappointing BDO & Co as the auditors of the Company			
Ordinary Resolution Number 4 – Authorising the Board to determine the remuneration of the non-executive directors			
Ordinary Resolution Number 5 – Directors' authority to Issue a Maximum of 95 041 317 Additional Ordinary Shares			
Ordinary Resolution Number 6 – General authority to issue shares for cash			
Ordinary Resolution Number 7 – Authority of Directors			
Special Resolution Number 1 – Waiver by Shareholders			
Special Resolution Number 2 – Antecedent Distribution (Reduction in Stated Capital)			
Special Resolution Number 3 – Change in Constitution			

* *One vote per Share held by Shareholders. Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided or "X" should they wish to vote all Shares held by them. If the form of proxy is returned without an indication as to how the proxy should vote on any particular matter, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.*

Signed this   day of   2016

Signature

NOTES

Important notes about the Annual General Meeting

1. The Annual General Meeting will start promptly at 10:30 am Mauritian time (08:30 South African time).
2. This form of proxy *(grey)* must only be used by dematerialised Shareholders who hold dematerialised Shares with "own-name" registration.
3. Dematerialised Shareholders are reminded that the onus is on them to communicate with their CSDP or broker.
4. Each Shareholder is entitled to appoint one or more proxies (who need not be a Shareholder(s) of the Company) to attend, speak and on poll, vote in place of that Shareholder at the Annual General Meeting.
5. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the spaces provided, with or without deleting "the chairman of the Annual General Meeting". The person whose name stands first on the proxy form and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those names that follow.
6. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that Shareholder in the appropriate box(es) provided. Failure to comply with the above will be deemed to authorise the chairman of the Annual General Meeting, or any other proxy to vote or to abstain from voting at the Annual General Meeting as she/he deems fit, in respect of all the Shareholder's votes exercisable thereat.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy *(grey)*, unless previously recorded by the Company's transfer office or waived by the chairman of the Annual General Meeting.
8. The chairman of the Annual General Meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a shareholder wishes to vote.
9. Any alterations or corrections to this form of proxy *(grey)* must be initialled by the signatory(ies).
10. The completion and lodging of this form of proxy *(grey)* will not preclude the relevant Shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
11. A minor must be assisted by her/his parent or guardian unless relevant documents establishing her/his legal capacity are produced or have been registered by the Company.
12. Where there are joint holders of any Share:
    - any one holder may sign this form of proxy *(grey)*;
    - the vote(s) of the senior Shareholders (for that purpose of seniority will be determined by the order in which the names of Shareholders appear in the Company's register of Shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the joint Shareholder(s).
13. A person wishing to participate in the Annual General Meeting (including any representative or proxy) must provide a reasonably satisfactory identification before they may attend or participate at such Annual General Meeting.
14. Any alteration or correction made to this form of proxy *(grey)*, other than the deletion of alternatives, must be initialled by the signatory/ies.
15. Forms of proxy *(grey)* should be lodged with or mailed to Computershare Investor Services Proprietary Limited:

Hand deliveries to:
Computershare Investor Services Proprietary Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
South Africa

Postal deliveries to:
Computershare Investor Services Proprietary Limited
PO Box 61051
Marshalltown, 2107
South Africa

to be received by no later than 10:30 am Mauritian time (08:30 South African time) on 28 November 2016 (or 24 hours before any adjourned Annual General Meeting which date, if necessary, will be notified on SEM and SENS).

DEFINITIONS

AGM	Annual General Meeting
Board	Board of Directors
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Investment Officer
COO	Chief Operations Officer
CPI	Consumer Price Index
Mara Delta or the Company	Mara Delta Property Holdings Limited (previously known as Delta International Property Holdings), a company with registration number 46566 incorporated in Mauritius
Mara Delta Group or Group	Mara Delta and its subsidiaries
Executive	CEO, CFO, COO and CIO
Freedom Asset Management or FAM or the asset manager	Freedom Asset Management Limited
GDP	Gross domestic product
GLA	Gross lettable area
IFRS	International Financial Reporting Standards
IT	Information Technology
JSE	JSE Limited (Registration number 2005/022939/06), a public company registered and incorporated in South Africa, licensed as an exchange under the Securities Services Act
King III	King Report on Governance for South Africa 2009 and the King Code of Governance Principles
m2 or sqm	Square metres
SEM	Stock Exchange of Mauritius Limited
SENS	the JSE's real-time Stock Exchange News Service
US$ or $ or USD	United States Dollar

Corporate information and advisors

Company secretary and registered office
Intercontinental Fund Services Limited
Level 5, Alexander House
35 Cybercity
Ebene, 72201
Mauritius

Sponsor in Mauritius
Capital Markets Brokers Limited
Suite 1004, Ground Floor
Alexander House
35 Cybercity
Ebene, 72201
Mauritius

Registrar and transfer agent in Mauritius
Intercontinental Secretarial Services Limited
Level 3, Alexander House
35 Cybercity
Ebene, 72201
Mauritius

Legal advisor in Mauritius
C & A Law
Suite 1005, Level 1
Alexander House
35 Cybercity
Ebene, 72201
Mauritius

Transfer secretaries in South Africa
Computershare Investor Services Proprietary Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
South Africa

Sponsor in South Africa
PSG Capital Proprietary Limited
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
South Africa

Legal advisor in South Africa
Bowman Gilfillan Inc.
165 West Street
Sandton, 2146
South Africa

Date and place of incorporation
Incorporated on 16 May 2012 in Bermuda and registered by Continuation as a Public Company in Mauritius on 11 March 2015

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