

NEW FRONTIER

PROPERTIES

INTEGRATED ANNUAL REPORT 2016





CONTENTS



	About this report	1
01	BUSINESS OVERVIEW	3
	Key features of the year	4
	Company structure and shareholding	5
	Our portfolio	6
	How we operate	8
	How we are governed	9
	Our Board of Directors	10
02	STRATEGIC REVIEW	12
	Chairman's report	13
	How we create value	14
	Our operating context	18
	Refining our asset strategy	20
	Stakeholder engagement	21
03	PERFORMANCE REVIEW	22
	Chief Executive Officer's report and portfolio review	23
04	CORPORATE GOVERNANCE	27
	Statement of compliance	27
	Corporate Governance report	27
05	ANNUAL FINANCIAL STATEMENTS	43
	DEFINITIONS	80
	SHAREHOLDER INFORMATION	82
	CORPORATE INFORMATION	83
	NOTICE OF ANNUAL GENERAL MEETING	84
	FORM OF PROXY	Attached

ABOUT THIS REPORT

This Integrated Annual Report covers the activities of New Frontier Properties Limited ("New Frontier") for the financial year ended 31 August 2016, and follows a similar report for the eight-month period ended 31 August 2015. The report is primarily aimed at New Frontier's shareholders and providers of its capital. It aims to present a balanced, understandable review of the business and to provide an integrated assessment of the Company's ability to create value over time.

New Frontier is a property investment company registered in Mauritius. It is registered as a public company limited by shares and holds a Category 1 Global Business Licence. New Frontier's management is based in London. The Company transferred its tax domicile to the United Kingdom ("UK") on 20 October 2015 and joined the UK Real Estate Investment Trust ("REIT") regime with effect from 21 October 2015. The results are therefore reported in Pounds Sterling.

The Company has a dual primary listing on the Stock Exchange of Mauritius ("SEM") and the Johannesburg Stock Exchange's ("JSE") Alternative Exchange ("AltX"). During the year under review, New Frontier's listing status on the JSE was converted from a secondary listing to a primary listing with effect from 13 June 2016.

New Frontier's major shareholder is the South African REIT, Rebois Property Fund Limited ("Rebois"), a REIT established by New Frontier's Non-executive Chairman, Sisa Ngebulana.

New Frontier has appointed Waypoint New Frontier Limited ("Waypoint") as its asset manager and Eddisons (Commercial) and Savills are appointed as manager of its properties. The Company's independent property valuer is Colliers International Valuation UK LLP. All of these entities are based in the UK.

The financial reporting contained in this Integrated Report complies with International Financial Reporting Standards ("IFRS"), as applied to the annual financial statements. The report has been prepared in terms of the Mauritian Companies Act 2001, SEM Listing Rules, Code of Corporate Governance for Mauritius, Companies Act, No 71 of 2008, of South Africa, JSE Listings Requirements, King Code of and Report on Governance Principles for South Africa (King III), and with consideration of certain principles contained in the International Integrated Reporting Council's ("IIRC") Integrated Reporting <IR> Framework.

MATERIALITY

Materiality has been applied in determining the content and disclosure in the report, ensuring the report is both concise and relevant to New Frontier's shareholders. Material issues are considered to be those that could affect the Company's ability to create value over time and are likely to have a significant impact on the current and projected revenue and profitability of the business. The content of this report is aligned with the requirements of the IIRC's Integrated Reporting <IR> Framework. New Frontier's approach to integrated reporting will continue to evolve over time, in line with the <IR> Framework. This report includes a review of New Frontier's performance in terms of the six capitals of value creation, being financial, intellectual, human,

manufactured, social and relationship, and natural capital. As both asset and property management are outsourced, New Frontier has no direct employees. Reporting on human capital in this Integrated Annual Report is therefore limited. Given that New Frontier's property acquisitions are relatively recent, disclosure on social and relationship and natural capital are minimal, as the Company has not yet had the opportunity to assess its impact on the environment and local communities.

ASSURANCE

The Company's external auditor, BDO, has provided assurance on the annual financial statements and expressed an unqualified audit opinion. The financial statements have been prepared under the supervision of Nigel Gurkin, the Financial Director of New Frontier. The content of this Integrated Report has been reviewed by the Board, but has not been externally assured.

FORWARD-LOOKING STATEMENTS

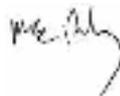
This report includes forward-looking statements that involve inherent risks and uncertainties and, if one or more of these risks materialise, or should the underlying assumptions prove incorrect, actual results may be different from those anticipated. Words such as believe, anticipate, intend, seek, will, plan, could, may, endeavour, project and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. Forward-looking statements apply only as of the date on which they are made, and New Frontier does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

STATEMENT OF RESPONSIBILITY

The Audit and Risk Committee and the Board acknowledge their responsibility to ensure the integrity of this Integrated Annual Report. The annual financial statements included in this integrated report have been audited by the external auditors.



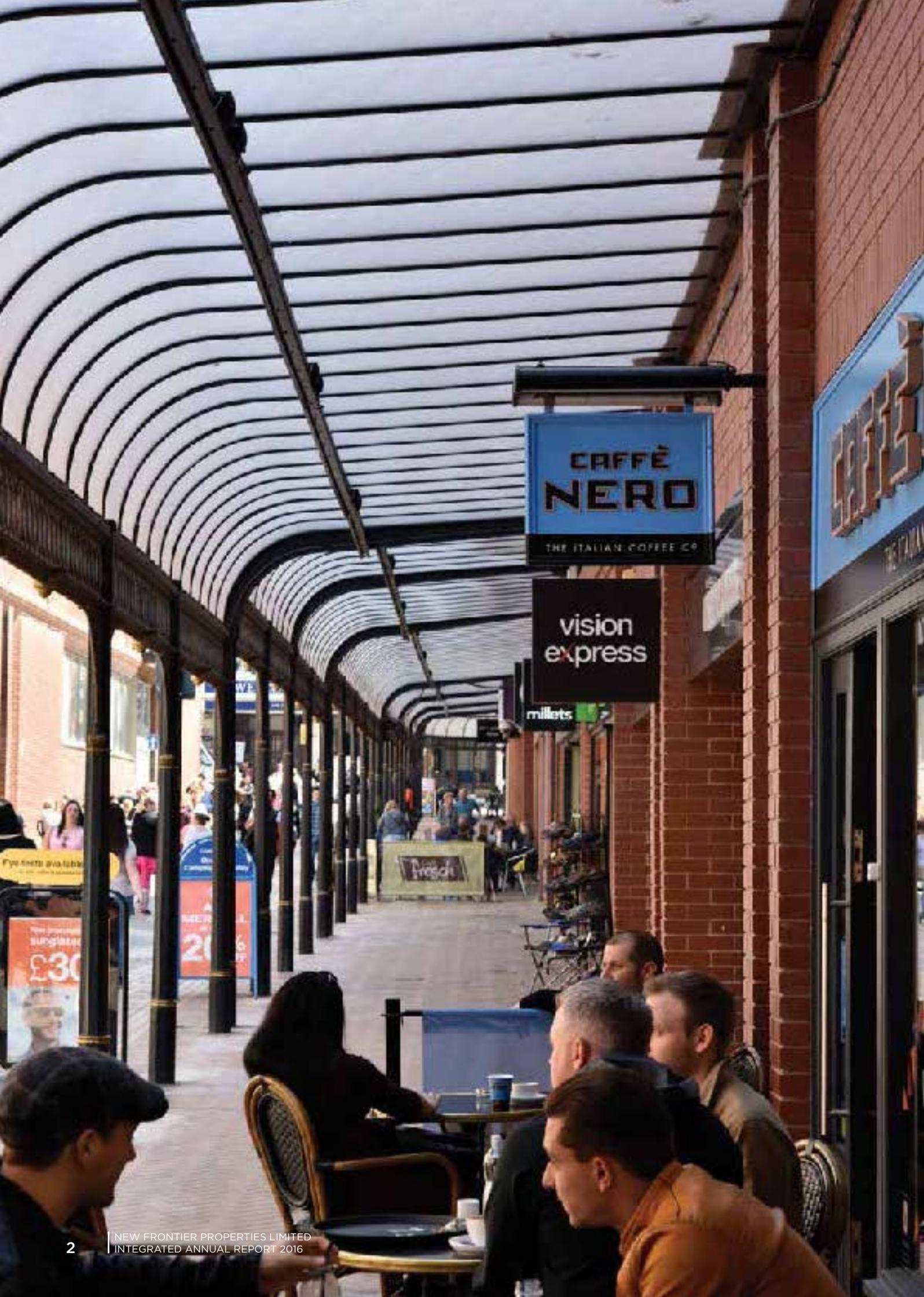
Sisa Ngebulana
Chairman



Mike Riley
Chief Executive Officer



John Needham
Chairman Audit and Risk Committee



CAFFÈ
NERO
THE ITALIAN COFFEE CO.

vision
express

millets

Fresh

Free items available

New sunglasses
£30

MEET
20

SECTION

01

Business overview

New Frontier is a UK REIT dual listed on the SEM in Mauritius and JSE AltX in South Africa.

Our purpose is to offer South African and Mauritian investors exposure to offshore real estate that offers sustainable returns, denominated in hard currency, through the local stock exchange.

Our strategic intent is to build a primarily retail-focused investment property portfolio that delivers capital and income growth, taking advantage of favourable market conditions in the UK and mainland Europe.

Until recently our investment activity has been focussed on establishing a portfolio of high quality retail assets within the UK. Our GBP273 million portfolio of UK shopping centres comprises:

- Cleveland Centre in Middlesbrough,
- Coopers Square in Burton upon Trent
- Houndhill Shopping Centre in Blackpool

Key milestones

2014	June	Incorporated as private company
	November	Listed on SEM
2015	January	Listed on JSE's AltX exchange
	March	Appointed Waypoint to execute UK investment strategy
	April	Acquired Burton and Middlesbrough shopping centres
	September	Acquired Blackpool shopping centre Raised GBP43.90 million in a private placement Secured GBP59.70 million five-year loan
	October	Domiciled for tax purposes in the United Kingdom Joined the UK REIT regime
2016	June	UK electorate votes, by a small majority, to leave the EU in a referendum
	November	Refined asset strategy announced

Each of these is a regionally dominant, quality shopping centre with long-term leases, low vacancies and strong anchor tenants.

In order to rebalance our investment profile, the focus of our acquisition activity for the immediate future will be on properties in mainland Europe. In executing this refinement to our strategy, we will continue to target dominant retail assets. This will include smaller centres which serve the local community offering non-discretionary mid to value goods. We will also acquire non-retail assets, up to a maximum of 20% of aggregate portfolio value, with a bias towards logistic units, which we believe will benefit from the increasing use of the internet in mainland Europe.

Our investment strategy will enable us to exploit a much wider range of opportunities, reducing our overall risk profile whilst continuing to benefit from the profits contributed by our existing centres and broadening our existing centres and broadening our hard currency options.

To assist us in adding value to our existing properties and growing our property portfolio we have appointed Waypoint New Frontier a subsidiary of Waypoint Asset Management Limited. The Waypoint Group are experienced property managers with proven investment and asset management success across multiple property sectors.

INVESTMENT PROPOSITION

- Attractive initial GBP forward yield
- Significant opportunities for value enhancement in the portfolio
- Offshore property exposure with robust and secure offshore structure
- Geared property investments in low interest rate environment
- Quick and flexible capital raising ability
- UK REIT, distributing at least 90% of property rental profits
- Quality retail property portfolio underpinned by long-term leases, low vacancies, strong anchor tenants and situated in dominant locations
- Strong value enhancing acquisition pipeline
- Agility to adapt to changes in the macroeconomic environment

KEY FEATURES OF THE YEAR

2016 PERFORMANCE HIGHLIGHTS

- Dividend **GBP7.6p** per share
- Recurring profit **GBP11.68 million**
- **10** new leases currently under offer
- **46** leasing events
- **6.59%** above valuation ERV on core letting
- **Strategic** achievements
- **GBP100.75 million** acquisition of Houndshill Shopping Centre in Blackpool
- Raised **GBP43.90 million** in a private placement
- Secured **GBP59.70 million** five-year loan
- **Strategy refined** in response to the UK voting to leave the EU

FINANCIAL HIGHLIGHTS

	For year ended 31 Aug 2016	For year ended 31 Aug 2015
Distribution	7.6p	3.05p
Assets under management (GBP m)	272.85	180.23
Net property income (GBP m)	20.66	5.33
Occupancy	93.5%	94.9%
Cost to income ratio	13.7%	15.2%
Gearing/LTV	60.3%	57.8%
Cost of debt	3.28%*	3.38%*

* 87% fixed for 3.7 years.

PROPERTY HIGHLIGHTS

Houndshill, Blackpool, UK

- Over **1 million** visitors to Houndshill in August 2016 up 4% YOY
- **Lettings** including: Virgin Media, Prezzo, Jack & Jones, Cardzone
- **Lease** renewals including: Starbucks, Timpsons, Amparo Men

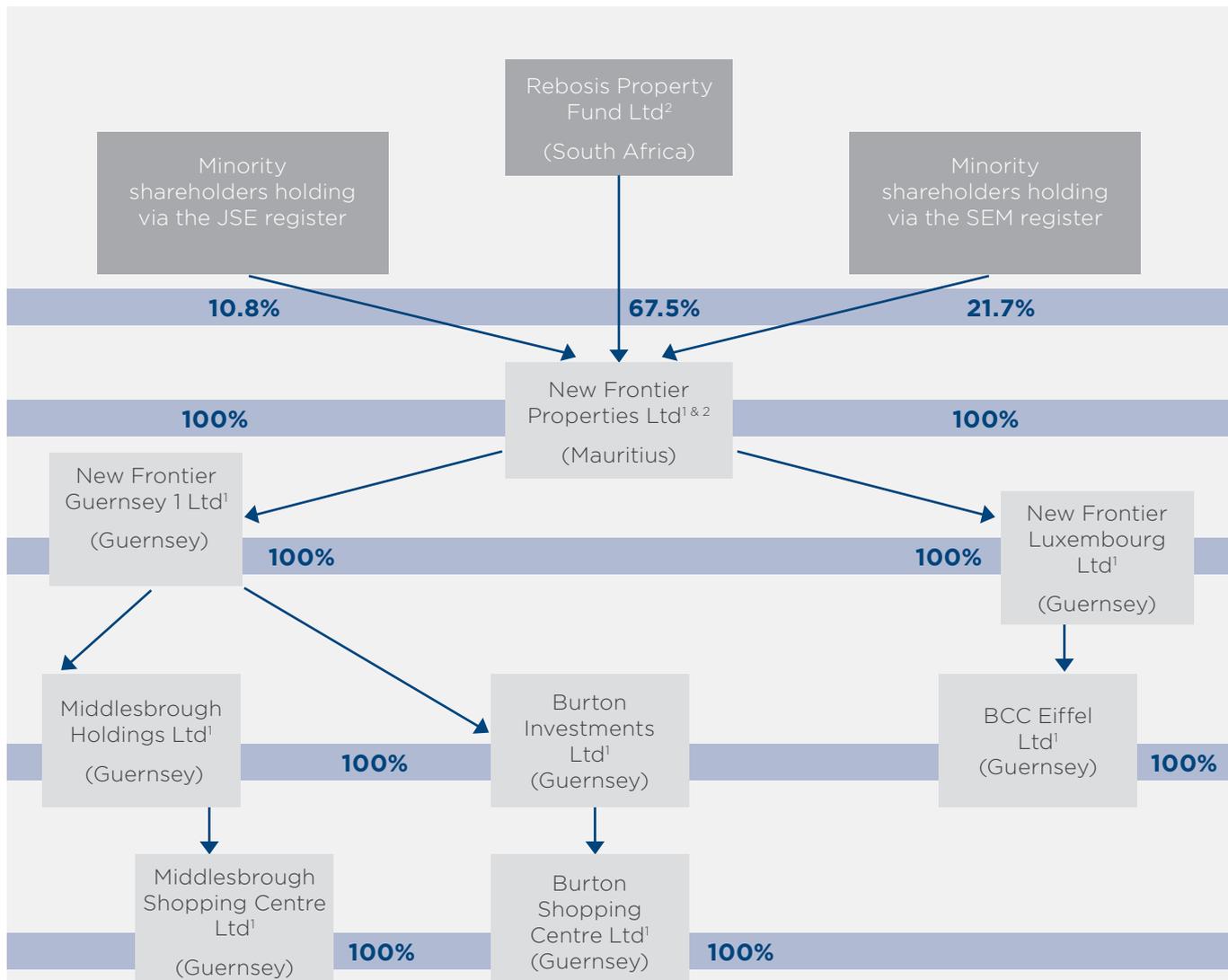
Coopers Square, Burton upon Trent, UK

- Temporary lettings converted to permanent lettings due to good tenant performance
- Methodist Chapel acquired for **GBP360,000** and successfully let to Costa Coffee
- Next to upsize to **25,000 ft²** from **9,000 ft²** and relocate into the former BHS unit
- **Lettings** and **lease** renewals including: New Look Menswear, Select, Boots Optician, Eurochange, Cosmetic Expert

Cleveland Centre, Middlesbrough, UK

- **8** new lettings including: Holland & Barrett, Shoe Zone, Cupeno Coffee
- New **lettings** to Poundworld completed
- H&M **lease** to be renewed on a 15-year term
- Core **lease** renewals including: Top Shop, Lush, Timpsons
- Healthy pipeline of **units** under offer that allows scope to increase income and reduce void costs

COMPANY STRUCTURE AND SHAREHOLDING



¹ Mike Riley is the director of these entities.

² Sisa Ngebulana, Kameel Keshav and Andile Mazwai are the directors of these entities.

OUR PORTFOLIO

UNITED KINGDOM

Geographic spread



CLEVELAND CENTRE



The Houndhill Shopping Centre in Blackpool is a modern, fully covered, shopping centre of over 300,000 sq ft. It includes 65 retail units and a 750 space car park. The centre is anchored by Debenhams, with other major retailers including New Look, River Island, Next and H&M. Houndhill is the only fully covered shopping centre in Blackpool, a popular seaside town that attracts some 13 million visitors every year. Located in the shadow of the iconic Blackpool Tower, the centre underwent a GBP40 million extension and refurbishment in 2008.



Coopers Square is a modern, fully covered shopping centre in the highly desirable Staffordshire town of Burton upon Trent, close to the Peak District National Park. First opened in 1970, the centre has more than 70 shops, cafés and restaurants and is anchored by Marks & Spencer, Primark, Next and New Look. Burton's shopping population is forecast to grow by 7.5% over the period 2013–2023.

Size (GLA):**396,504** sq ft**Value:****GBP80 million****Offer:****70+** shops, cafés and restaurants**Anchors:**

Marks & Spencer, Primark, Next and New Look

Primary catchment population:**243,000****COOPERS SQUARE**

Cleveland Centre is located in Middlesbrough, the largest centre and most dominant retail location in Teesside. It has four anchor units, occupied by Boots, Top Shop, New Look and H&M and has an additional 55 units on the ground floor. The centre also has a 550-space roof-top car park, and a 140-bed Holiday Inn Express is adjacent to the property.

Size (GLA):**392,993** sq ft**Value:****GBP94.35 million****Offer:****60+** shops, cafés and restaurants; 550-space car park; new hotel**Anchors:**

Boots, Top Shop, New Look and H&M

Primary catchment population:**550,000****Size (GLA):****302,339** sq ft**Value:****GBP98.5 million****Offer:****65** shops, 70 car parking spaces**Anchors:**

Debenhams, New Look, River Island, Next and H&M

Primary catchment population:**290,000****HOUNDSHILL SHOPPING CENTRE**

HOW WE OPERATE

01

INVESTMENT POLICY AND OVERSIGHT

Led by Board of Directors

Responsibilities:

- Set the investment policy
- Review and approve each sale or acquisition
- Monitor investment performance and progress with asset management programme

02

ASSET MANAGEMENT RESPONSIBILITIES

Responsibilities in terms of the Asset Management Agreement:

- Sourcing and evaluating suitable property
- Conducting due diligence on properties
- Negotiating disposals of property or acquisition
- Sourcing and raising equity funding
- Negotiating debt funding and re-financings
- Devising strategies with respect to the Company's fixed property
- Managing the property portfolio in keeping with the operating standard as directed by the Company
- Preparation of annual budgets, financial reporting, letting policies, and valuations
- Conducting or procurement of strategic and operational research
- Identifying property managers and other service providers
- Ensuring that all administration and regulatory requirements of the Company's property are met
- Providing non-binding recommendations and other advisory services to the Company with regards to its property investments

All property advisers, managers and agents operate under the direction of Waypoint, which is directly accountable to the Board of Directors.

Reflecting the Company's refined investment strategy, Waypoint has acquired a German asset/property manager called Omni Property Solutions GmbH.

03

PROPERTY MANAGEMENT

Day-to-day management of the Company's property assets: Eddisons (Commercial) and Savills

Independent property valuers: Colliers International Valuation UK LLP

UK Property acquisition agents: Coady Supple and Lunson Mitchenall

Property acquisitions in mainland Europe: CBRE: Commercial Real Estate Services, Worldwide, Omni Property Solutions GmbH

HOW WE ARE GOVERNED

New Frontier's governance structure at 31 August 2016



Directors' biographies can be found on pages 10 and 11.



OUR BOARD OF DIRECTORS



01



03



05



02



04



06

01 Sisa Ngebulana (50)

Non-executive Chairman

Sisa founded Billion Group, a major South African property development and investment company, in 1998, and the Rebois Property Fund, as a South African REIT, in 2010. He was responsible for the development of a number of regional shopping malls in South Africa, including Hemingways Mall, Forest Hill City, Mdantsane City and BT Ngebs City. Sisa is an attorney of the High Court of South Africa. He has won Entrepreneur of the Year, Pioneer and African Business Excellence awards, and is a past president of the South African Council of Shopping Centres. He is a Director of Rebois Property Fund Limited and Ascension Properties Limited. Sisa chairs the Nominations Committee.

Executive Directors

02 Michael Riley (56)

Chief Executive Officer

Mike Riley has over 30 years' experience in commercial real estate. He became joint Managing Director of HBV Real Estate Capital in 1999, with responsibility for a loan book of over GBP8 billion, before assuming roles at Quintain Estates, latterly as Chief Executive, and Castlemore Securities. In January 2005, he became joint CEO of The Local Shopping REIT, which subsequently listed on the London Stock Exchange. He set up Waypoint Asset Management in 2013.

03 Nigel Gurkin (53)

Finance Director Appointed 4 April 2016

Nigel is a chartered accountant, having trained with Deloitte Haskins & Sells in the UK. In 1992, he joined Speciality Shops and then became Finance Director of the property arm of the Milner Group, managing 12 shopping centres. He joined Shops Etc as Finance Director before taking part in a management buyout in 2011 to form Plus Shops Retail, which managed shopping centres on behalf of the Moorfield Group.

Non-executive Directors

04 Kameel Keshav (36)

Kameel is Chief Financial Officer of Rebois Property Fund Limited. A qualified chartered accountant, his experience extends across the financial services, consulting, FMCG and mining industries. He brings a strong focus on institutional controls, financial and risk management, reporting and corporate governance, as well as extensive strategic and business development experience.

05 Daniel Romburgh (34)

Mr. Romburgh attained an Honours Degree in Finance and Portfolio Theory from the University of Cape Town and is a member of the Mauritius Institute of Directors. He has over 10 years' experience in the offshore fund services arena. His responsibilities included internal and outward management of an international fund administration and accounting service provider. He was previously a director of Caledonian Fund Services, a global custodian and corporate finance service provider. He was then appointed as Managing Director of Southern View Finance Mauritius Ltd, a JSE-listed Company, to manage its Mauritian operations. He is currently Director at Osiris Corporate Solutions (Mauritius) Limited and serves on the board of three listed entities and various domestic and global businesses.

06 Tinesh Ramprasad (32)

Mr. Ramprasad is a Fellow member of the Association of Chartered Certified Accountants, UK, and a member of the Mauritius Institute of Directors. He is also a licensed practitioner by the Mauritius Institute of Professional Accountants in Mauritius. Mr. Ramprasad has over 13 years' experience in various business sectors including the financial services and global business, while working for companies including KPMG, Deutsche Bank and Baker Tilly in Mauritius. He has acquired significant expertise in areas of finance, taxation, risk management and controls and he serves on the board of various domestic and global business entities. Mr Ramprasad is also a Director of Osiris Corporate Solutions (Mauritius) Limited.



Independent Non-executive Directors

07 Andile Mazwai (45)

Andile is CEO of the National Stokvel Association of South Africa and Non-executive Director of JSE Limited and Rebois Property Fund Limited. He was formerly CEO of Barnard Jacobs Mellet Holdings, before it was acquired by First National Bank in 2011.

08 Richard Thomas (55)

Appointed 21 October 2015

Richard is Chairman of UK investor adviser Oak Room Capital Partners. A law graduate of Cambridge University, he has 25 years' experience of executing transactions across real estate and infrastructure with Land Securities, CB Hillier Parker, Rotch Property Group and UK Government. Previously, he was an international banker with NationsBank/Bank of America in the US and UK, executing cross border corporate finance transactions. Richard was appointed Lead Independent Non-executive director on 11 January 2017.

09 William Heaney (60)

Appointed 21 October 2015

Bill Heaney is a Director of Square Root Consulting, specialising in corporate strategy and business administration. He was Company Secretary and Group Services Director at Chesterton International for 16 years and a Director of Exchequer Partnership. He has been Company Secretary of The Local Shopping REIT since its stock exchange listing in 2007.

10 John Needham (55)

Appointed 4 April 2016

John is a chartered accountant, having trained with PwC in the UK, where he later became a Tax Director. He worked for nine years at Telereal Trillium, a major division of Land Securities, as Tax Director and is currently acting as in-house tax adviser at Derwent London, with a focus on UK REIT legislation.

- Executive Directors
- Non-executive Directors
- Independent Non-executive Directors



SECTION

02

Strategic review

CHAIRMAN'S REPORT



The low interest rate environment, in both the UK and the EU generally, continues to make the region an attractive place to invest.

Welcome to New Frontier's Integrated Annual Report covering a full year.

It is very pleasing to confirm that the Company has made considerable progress in executing its strategy of investing in and developing good quality property assets in the UK. This has been achieved against a background of uncertainty in global markets, particularly in Europe and the UK. Arising principally from the run-up to the UK's "Brexit" referendum, this situation culminated in a period of market turmoil following the unexpected result of the vote. However, in the period since the vote, the main indicators for the UK economy have returned to near normality, with some factors now ahead of their pre-vote levels. Particularly welcome for New Frontier are the recent reports showing continuing robust levels of retail spending and employment levels within the UK. (Further detail of operating environment on page 18.)

The low interest rate environment, in both the UK and the EU generally, continues to make the region an attractive place to invest.

However, it was inescapable that the Brexit vote would impact our growth aspirations in the short-term. In common with other investors, during the run-up to the referendum your Board considered it appropriate to defer further asset purchases until the outcome was clear. This led us to cease activity relating to the acquisition of two shopping centres, which we had under offer at that time. Whilst this gave rise to some unrecoverable costs in the short-term, we considered that this decision was in the best long-term interest of the Company.

Earlier in the financial year we acquired Houndshill Shopping Centre, Blackpool, which was funded through a combination of debt funding from Deutsche Pfandbriefbank, together with new shareholder funds. We also became a UK REIT, entering the UK REIT tax regime in October 2015, providing certain tax advantages for many of our investors.

The acquisition of Houndshill Shopping Centre increased the value of our portfolio to GBP273 million from GBP180 million at the end of the previous year. In line with our stated investment strategy, all three of our properties are regionally dominant shopping centres that deliver strong sustainable income from high-quality tenants and offer significant potential for improvement.

The full-year distribution of GBP7.6 pence per share was more than double the 3.05 pence at the end of the last financial year. This was boosted by the addition of Houndshill Shopping Centre in the portfolio for most of the year but also reflects successful initiatives by our asset managers, aimed at unlocking returns from all our properties.

The outcome of the UK's "Brexit" vote in June 2016 gave rise to a degree of uncertainty regarding investment conditions in the UK. It appears likely that the UK's trading relationships and economic prospects will not be wholly clear for some time. In these circumstances it was appropriate for the Board to review the Company's investment policy. As a result of this, it was decided that, whilst we continue to have confidence in UK retail property in the longer term, the Company should rebalance its investment profile by focussing its acquisition activity in the immediate future on mainland Europe. Our refined investment policy is set out on page 20.

I am pleased to note the professional and progressive manner in which the Company's Board, which includes a number of new members appointed during the year, has operated. In particular, I would like to record my appreciation of the contributions of the Chairs of the Board's sub-committees, who have organised the business of their committees to great effect in accordance with our corporate governance principles.

On behalf of the Board I thank the Executive Directors and our colleagues at Waypoint for their efforts during the year.

I would also like to thank our shareholders for their continued support.

Sisa Ngebulana
Chairman

HOW WE CREATE VALUE

01 VISION, MISSION, STRATEGY AND VALUES

Our vision is to build a reputable retail-focussed fund that capitalises on the economic growth currently underpinning the property markets in the UK and mainland Europe, with the aim of providing solid returns to our shareholders.

New Frontier's mission is to seek, acquire and develop assets that provide value, income generation and yield enhancement.

As a relatively young business, New Frontier aims to build a reputation for honesty and integrity, recognising that our future success will be highly dependent on adopting a straightforward and consistent approach in our business dealings.

Our strategic intent is to build a primarily retail-focussed investment property portfolio that delivers capital and income growth, taking advantage of favourable market conditions in the UK and mainland Europe. We will pursue retail assets that are dominant in their target market. This may include, where appropriate, smaller centres serving local communities. We will also acquire non-retail assets, up to a maximum of 20% of aggregate portfolio value, with a bias towards logistic units, which appear likely to benefit from increasing use of on-line shopping in mainland Europe.

Our values:

- Integrity in business dealings
- Excellence in professional standards
- Commitment and drive in achieving shareholder value
- Compassion for fellow professionals and the wider community
- Teamwork



02 OUR BUSINESS MODEL

Our business model is designed to achieve our vision and mission and drive New Frontier's creation of sustainable value and returns for our stakeholders in the short-, medium- and long-term.

We aim to acquire and invest in retail centres that meet the parameters of the investment strategy.

Investment process

- Investment policy, parameters and objectives are set by New Frontier's directors
- New Frontier's directors review and approve each purchase or sale of investment assets
- Waypoint is responsible for identifying and reporting to New Frontier the availability of new investment opportunities that fall within the investment policy and objectives
- Waypoint is responsible for negotiating the detailed terms of the acquisition and ongoing management of investment assets following approval by the Board

The Company looks to add further value to its properties through efficient management, providing an environment that customers enjoy and within which retailers can trade profitably.

New Frontier takes a proactive approach to retailers' requirements, through internal remodelling, extending stores where possible and acquiring additional adjacent land where this will enhance the centre.

This approach will enable the Company to grow its rental income, generating a strong profit stream, and enhancing capital value, for the benefit of its shareholders.



03 OPPORTUNITIES

- UK market remains buoyant
 - UK consumer confidence holding up since the referendum vote
 - GDP forecast to grow to **2.5%** by end 2018
 - CPI Inflation is forecast to rise to **3%** by end 2018
 - Unemployment at **5.1%** forecast to rise to 6% by 2019
 - Average earnings to rise from 2.3% to **3%** in 2018
 - Outlook for non-discretionary spend in the mid/value retail sector stronger than other sub-sectors of retail
- Increasing use of regionally dominant shopping centres in mainland Europe
- Growing demand for properties that service the logistic needs of internet-based retail

04 RISKS

- The impact of "Brexit"
- Concentration in one market
- Impact of the economic environment
- Erosion of shopping centre retail markets as a result of increasing use of the internet and on-line shopping
- Volatile macroeconomic, environmental impacts, investment opportunities and consumer spending environment
- Increase in interest rates

(A detailed review of the risks facing the Company can be found on page 34.)

HOW WE CREATE VALUE continued

2016 capital review

The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. Together, this coalition shares the view that communication about value creation should be the next step in the evolution of corporate reporting. The International Framework (The <IR> Framework) has been developed to meet this need and provide a foundation for the future.

The <IR> Framework recommends reporting to shareholders on the capital resources that impact the creation of value. These capital resources ("capitals") are either increased, decreased or transformed through the activities of the business, and should ultimately result in value creation. A brief snapshot of New Frontier's performance and activities relative to these capitals is detailed below:

Capital	Inputs	Business Activities	Outputs	Outcomes
<p>Financial capital is the foundation of the Company's equity and debt funding that underpins the creation and optimisation of a portfolio of retail-focussed properties</p>	<ul style="list-style-type: none"> Share capital Long- and short-term borrowings Cash generated from operations 	<p>Investing in properties that will deliver income and capital growth</p> <p>Enhance the value of, and returns from, the properties in the portfolio</p>	<ul style="list-style-type: none"> Delivered distributions of 7.6 pence per share, amounting to GBP11.6 million Recurring profit of GBP11.68 million Raised £44 693 792 via a private placement Secured a five-year term loan for GBP59.70 million from Deutsche Pfandbriefbank AG Average annual "all in" cost of debt, including the effect of fixed rate financial swap derivatives – 3.28% per annum Over 87% of debt fixed by use of financial swap derivatives Comprehensive loss of GBP6.37 million GBP£2.56 million write off of the acquisition fees associated with the acquisition of Houndshill 2.90% fall in valuation of the three retail investment properties, increase in stamp duty and the slightly more cautious approach to valuations post result of the EU referendum in the UK 	<ul style="list-style-type: none"> Shareholders value creation
<p>Intellectual capital is the organisational knowledge and property expertise held by the Board and the appointed asset managers</p>	<ul style="list-style-type: none"> Board of Directors with wide experience in property and global business Appointment of Waypoint to New Frontier Properties, an asset manager with extensive UK retail experience that has acquired a German asset manager to further the Company's strategy Sound understanding of the dynamics of the UK and EU economy Research commissioned to review the EU operating environment in EU target countries Strengthened foundation of risk management and governance 		<ul style="list-style-type: none"> Strategic risk management and investment strategy to protect and grow the business Strong compliance with regulatory requirements 	<ul style="list-style-type: none"> New Frontier better positioned for long-term sustainability

Capital	Inputs	Business Activities	Outputs	Outcomes
<p>Manufactured capital is our portfolio of assets that is created and maintained through an astute investment strategy and skilled asset management</p> <ul style="list-style-type: none"> • Cleveland Centre in Middlesbrough, • Coopers Square in Burton upon Trent • Houndshell Shopping Centre in Blackpool 	<ul style="list-style-type: none"> • GBP273 million portfolio of shopping centres • Pursuit of appropriate yield-enhancing acquisitions • Asset management that maximises efficiencies • Unlocking the returns of the properties under management through a process of careful analysis, planning and efficient management • Effective capital and debt management 		<ul style="list-style-type: none"> • GBP100.75 million acquisition of Houndshell • Rental income of GBP20.66 million • 46 leasing events • 10 new leases currently under offer • 6.59% above valuation ERV on core lettings 	<ul style="list-style-type: none"> • Reduced financial capital due to capital investments • New Frontier better positioned for long-term sustainability • 27.0 million shoppers visited • Cleveland Centre, Coopers Square and Houndshell Shopping Centre in Blackpool • 238 tenants operated out of the shopping centres
<p>Human capital are the people who work for and direct a business, for New Frontier this is the Board of Directors</p>	<ul style="list-style-type: none"> • Effective decisive leadership • Management expertise 		<ul style="list-style-type: none"> • Ability to attract investors and optimise returns 	<ul style="list-style-type: none"> • Long-term sustainability of the Company
<p>Social and relationship capital is the ethical foundation of the business and relationships with stakeholders</p>	<ul style="list-style-type: none"> • Effective stakeholder engagement 		<ul style="list-style-type: none"> • Regular stakeholder communication 	<ul style="list-style-type: none"> • Optimal relationships with stakeholders
<p>Natural capital is the natural resources used in delivering such as water, electricity, fuel and paper</p>	<ul style="list-style-type: none"> • Energy • Water • Waste • Green building principles • Resource management 		<ul style="list-style-type: none"> • Energy-efficient solutions in shopping centres • Waste reduction 	<ul style="list-style-type: none"> • Responsible management of raw materials

OUR OPERATING CONTEXT

UK ECONOMY

The most significant factor affecting the people, government and economy of the UK during the past 12 months was the referendum in June 2016, when the electorate voted, by a small majority, for the UK to leave the European Union. The fact that the vote was taking place impacted some sectors during the run-up to the vote, with many commentators noting that activity in the investment sector (particularly property) began to turn down early in the new year of 2016. The retail sector appeared to have been relatively unaffected in the run-up to the vote and many UK shops experienced a surprise spike in sales immediately afterwards.

Overall, the UK economy has continued its trend of modest but steady growth that it has experienced since emerging from recession towards the end of 2009. The Office for National Statistics ("ONS") quarterly figures for 30 September 2016 shows that gross domestic product ("GDP") grew throughout 2016 and by 0.5% in Quarter 3. This rate slowed slightly from the 0.7% recorded in Quarter 2, but not significantly so. GDP at the end of Quarter 3 was 2.3% higher than at Quarter 3 2015. UK GDP has grown in every quarter since the beginning of 2013 and is now 8.2% above the peak recorded prior to the 2008 recession.

The Brexit effect has yet to impact on jobs and the UK unemployment rate continued to fall. In Quarter 3 the unemployment rate was down 4.8% as the number of people unemployed dropped by 37,000 to 1.6 million, reaching the lowest level since September 2005. The total number of people in work rose by 49,000 in the quarter to a record high of 31.8 million, although the rate of growth in jobs appears to be reducing.

Average weekly earnings continued their modest upward trend, growing by 2.3% (including bonuses) in the 12 months to October.

Perhaps the most significant visible effect of the Brexit vote has been the drop in the value of sterling since June, falling around 16% against the dollar and 11% against the Euro since the vote. This has had mixed results for the economy. The increased cost of importing raw materials has impacted manufacturing and, to some extent, construction. Whilst this has taken longer than anticipated to feed through, the impact is now clearer. ONS figures indicate that costs for raw materials and oil showed a record monthly increase of 4.6% in October, with factory gate prices increasing by 2.1%, faster than previous projections.

However, apart from the price of fuel, the increased prices of raw materials and imported finished goods has taken longer than anticipated to impact prices for the consumer. The Retail Prices Index showed an annualised increase of 2% in October, which was unchanged from the September figure. However, this figure includes housing costs and the ONS figures indicate that some prices, including games and hotel accommodation, have been falling. Overall, average store prices have fallen by 0.7% since October 2015, with falls across all store types other than fuel.

Growth in the key services sector followed this trend, with little evidence, as yet, of the anticipated post-Brexit vote

slowdown. Output in domestic accommodation and the restaurant and leisure sector continued to grow, including a remarkable (albeit small) increase of 16.4% in TV and cinema production during the quarter.

With factory gate price increases feeding into the supply chain, the Bank of England expects inflationary pressures to increase, with inflation exceeding its targets in 2017-18 before tailing off the following year, raising the prospect of increased interest rates. This combination of factors may result in a decrease in consumer spending power during the coming year and, given that inflation has been near zero in recent times, pressure for wage increases.

Emphasising that inflationary factors have yet to impact consumer spending, UK retail sales rose in October at their fastest rate for 14 years, being 1.9% ahead of the September figure and 7.4% ahead of October 2015. This appeared to have resulted from a combination of clothing sales, with winter weather beginning to impact, and Halloween sales. Non-store sales (mail order and internet) continued their growth trend, rising by 4.1% in September.

UK PROPERTY INVESTMENT MARKET

The near-term outlook in the UK investment property market deteriorated considerably in the last quarter of New Frontier's financial year. The pre-referendum upheaval in the UK financial markets took its toll, with the Investment Property Forum consensus forecast in May indicating total returns from UK property of 7.1% for 2016. This fell substantially with the latest forecast in August indicating total returns of -0.4% for 2016. The UK investment property market was hard hit, following an over-reaction to the referendum result, which caused a panicked withdrawal of capital from real estate funds that led to the temporary suspension of trading in a number of funds. The All Property average capital growth forecast for 2016 has fallen below zero to an average of -5.3%, down from 2.2% forecast in May.

The market is expected to continue to weaken in 2017 with an All Property average capital growth rate of -4.4% and total returns averaging 0.6% forecast for the year. However, recovery is on the horizon from 2018 onwards with the Investment Property Forum forecasting a rise in capital growth value to 1.6% in 2019 and 7.1% in 2020. All Property total returns of 5.7% are expected in 2018, rising to 6.8% and 7.1% in 2019 and 2020 respectively.

UK SHOPPING CENTRES

UK politicians, the financial community and investors continue to debate the likely effects on the UK economy of exiting the European Union, with concerns being voiced over the uncertainty of timing and the detail of the UK's post-Brexit relationships with both the European Union and other trading partners.

However, this debate appears to have had little impact on consumer confidence. Noting the continued level of sales volumes and consumer confidence referred to above, market commentators continue to hold their generally positive sentiment for the UK retail property market - whilst recording a note of caution regarding the potential effects of supply chain inflation and higher interest rates in the coming 12-18 months.

Market researchers continued to record declining vacancy rates across all segments of the retail sector. For example, in Cushman & Wakefield's quarterly survey, shopping centres

reported a 1.2% annualised fall in Quarter 3, although footfall figures were 0.4% down on an annualised basis. This survey also noted that occupier demand continued to be strongest in dominant retail centres, with a number of beauty and sports brands progressing their expansion plans, although some brands have announced store closures, particularly in areas of duplication. Rents for prime retail locations continue to hold firm, with some potential for further growth, and prime centre and high street yields remained stable.

Whilst retail investment volumes overall were buoyant in Quarter 3, this was boosted by two major sales. Cushman & Wakefield's report notes that shopping centre investment sales were 90% down on Quarter 3 2015. The reduction in the value of sterling against other currencies appears to have increased overseas investment interest, with advisors indicating that a number of deals are in hand.

The October 2016 property market survey from Colliers International notes that rental growth in the retail sector remains positive and the heavy price discounting by many UK retailers that prevailed over the previous two years appears to be petering out. The report indicates that a downward effect on consumer spending of forthcoming inflationary pressures may be counterbalanced to an extent by looser monetary policy, better labour market conditions, wage growth and improving consumer sentiment.

OUTLOOK FOR MAINLAND EUROPE

The Eurozone economy is gradually recovering but is still impacted by legacies of the global economic crisis such as high unemployment in many countries, a subdued investment climate and sluggish credit growth, which are weighing on economic growth. The latest OECD Economic Surveys of the European Union and of the Euro Area project that GDP in the euro area will grow by 1.6% in 2016 and 1.7% in 2017.

The Eurozone has benefited from monetary policy stimuli and stronger consumer spending driven by lower oil prices and low inflation. Unemployment dropped to the lowest level in more than seven years in October 2016, reflecting confidence in the region's slow but steady recovery.

There are diverging trends within the bloc so in refining New Frontier's strategy we commissioned Colliers International's research team to review the operating environment across most European countries and extending to Russia and Turkey. The research focussed on retail markets specifically. Factors such as country risk, suitability for investment in terms of transparency, investment volume and returns, urban demographics, retail spend and internet saturation were considered. Overall, the majority of European nations lack real estate investment intensity, suggesting that there is room for investment turnover growth across the board. Colliers International groups the countries in three tiers, according to risk vs reward presented primarily at a country level, but driven by specific city-level bottom-up analysis. Low-risk countries offer reasonable retail return prospects and solid liquidity. Mid-risk countries offer solid retail return prospects and reasonable liquidity. High-risk countries are characterised by high return prospects and low liquidity.

REFINING OUR ASSET STRATEGY



WHERE WE HAVE COME FROM

New Frontier was established with the objective of acquiring and developing good-quality, income-generating property assets primarily in markets outside South Africa. On listing, the Company outlined a growth strategy that offered investors exposure to the UK's large liquid property market, anchored in an economy with strong fundamentals for external investors.

WHERE WE ARE GOING: A REFINED GROWTH STRATEGY

During this period the Company's business strategy has evolved to take into account changes in the prevailing political and economic climate, especially in relation to the European Union ("EU") Referendum result.

The Company's strategy continues to retain its retail focus but it will also acquire property within mainland Europe to include non-retail assets to a maximum of 20% of the aggregate portfolio. Preference will be given to retail assets with a high level of non-discretionary spend and logistics properties let to e-commerce and retailer tenants.

The Company has since been working to execute the refined strategy and have identified a shortlist of properties that meet its investment criteria.

This approach will enable the Company to exploit a much wider range of opportunities, reducing its overall risk profile whilst continuing to benefit from the profits contributed by our existing centres and broadening our hard currency exposure.

EXECUTING THE REFINED STRATEGY

In the execution of our refined asset strategy, New Frontier's appointed asset manager Waypoint will use additional resources from within the Waypoint Group to assist with acquisitions in mainland Europe. Waypoint has acquired a German property and asset manager located on the German/Dutch border that has considerable European property experience in all sectors across mainland Europe.

New Frontier has appointed CBRE as our retained agent to advise on acquisitions. They have an extensive network across Europe and global contacts. The CBRE debt advisory team has also been appointed to advise on structuring the required debt.

STAKEHOLDER ENGAGEMENT

We define our stakeholders as people or entities who are affected by our operations or who can affect the production or delivery of our products. We seek to engage all our stakeholders productively and proactively and deliver on all our commitments.

Key stakeholders in our Group are shown below with the main issues that concern them:

Investors

- Distribution consistency
- Stable investment performance
- Accessibility of executives
- Timeous information
- Risk management
- Ability to execute on strategy
- Value extraction

The Non-executive Chairman and CEO communicate regularly with our investors and potential shareholders through investor presentations, 1:1 meetings, the Company AGM and through the media.

Lenders/providers of capital

- Capital management
- Sustainability
- Investment performance
- Cash generation
- Corporate governance and compliance
- Risk management

The CEO and FD regularly meet with our bankers and providers of capital and ensure that all contractually required reporting is delivered timeously.

Asset manager

- Consistent performance
- Fair mandate conditions

The Non-executive Chairman engages with the asset manager which employs the CEO and FD, and the asset manager is represented on the Company's Board. There is an asset management agreement in place.

Property managers

- Good working environment
- Support from asset manager

The CEO and FD engage with property managers in their asset management roles.

Auditors

- Corporate governance and compliance
- Risk management
- Accessibility of executives

The Chairman, CEO and FD, Audit Committee, as well as the Board Committee Chairmen, meet with the auditors regularly.

Independent valuers

- Reliable and timeous information

The Investment Committee Chairman, CEO and FD communicate with the independent valuers regularly.



SECTION

03

Performance review

CHIEF EXECUTIVE OFFICER'S REPORT AND PORTFOLIO REVIEW



Rental income over the period increased from GBP5.33 million to GBP20.66 million

I am pleased to report that New Frontier continued to make progress in developing our real estate portfolio and successfully enhancing each of our assets with the implementation of well-researched asset management plans.

For the year ended 31 August 2016, New Frontier delivered a recurring profit of GBP11.68 million compared to GBP2.75 million in August 2015 with a rental income of GBP20.66 million compared to GBP5.33 million in the previous year. The total comprehensive income for the period was a loss of GBP6.37 million, which can be attributed to costs associated with the acquisition of the Houndshill Shopping Centre and the Mark-to-Market value of the financial derivatives taken out to fix our interest cost. In addition there was a 2.90% decline in the value of the properties resulting from an increase in stamp duty and the slightly more cautious approach to valuations post-result of the EU referendum in the UK.

Our asset management team actively manages our assets to enhance value. This has resulted in increased letting activity and a reduction in our void rate. During the year, all three properties have benefited from asset management initiatives that have improved the quality of space offered to tenants, providing our tenants with the opportunity to increase the size of their space and improve their profit.

KEY PERFORMANCE INDICATORS

Portfolio key features

Current value of NFP Portfolio	GBP272.85 million
Number of assets	3
Number of letting units	Over 238
Total retail sales area	1,116,766 ft ²
WAULT certain	8.74 years
WAULT to expiry	9.25 years
Vacancy (GLA)	7.80%
Vacancy (rental value)	6.48%

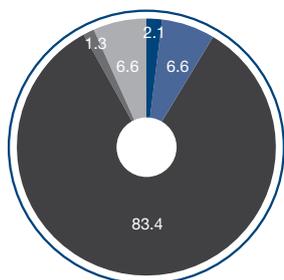
Our shopping centres were valued on 31 August 2016 by an independent valuer, Colliers International Valuation UK LLP, at GBP272.85 million.

Property	Location	GLA sq ft	Acquisition date	Valuation 2016 (GBP)	Valuation 2015 (GBP)
Coopers Square	Burton upon Trent	396,504	14 April 2015	94 350 000	95 000 000
The Cleveland Centre	Middlesbrough	392,993	14 April 2015	80 000 000	85 250 000
Houndshill Shopping Centre	Blackpool	301,959	23 September 2015	98 500 000	100 750 000*
Total		1,091,456		272 850 000	281 000 000

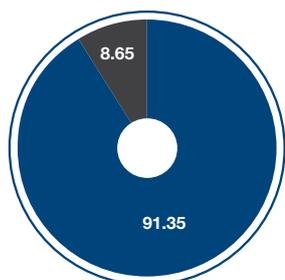
*Based on purchase price.

CHIEF EXECUTIVE OFFICER'S REPORT AND PORTFOLIO REVIEW

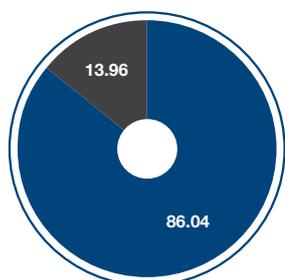
continued



Income by covenant type



Tenant profile by gross rent



Tenant profile by area

Rental income

The combined annualised net operational income for the year was GBP11.68 million, 83% of which came from national retail operators.

Rental value per square foot

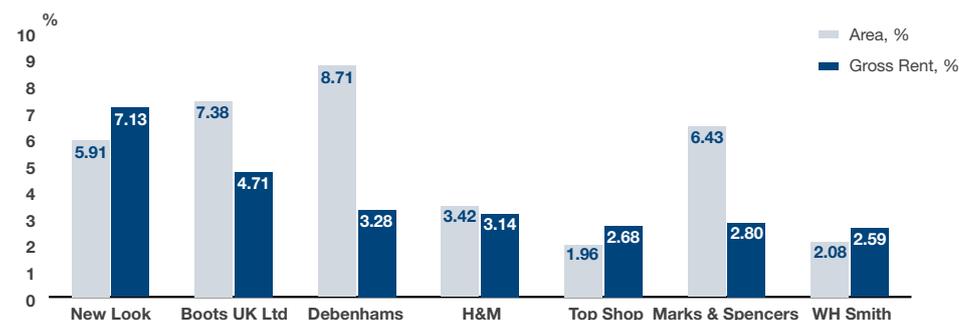
Centre	Rental value per square foot
Coopers Square, Burton upon Trent	GBP15.65
The Cleveland Centre, Middlesbrough	GBP13.66
The Houndshill Shopping Centre, Blackpool	GBP20.88
Average Market Rate Overall	GBP16.34

Letting activity and lease renewals

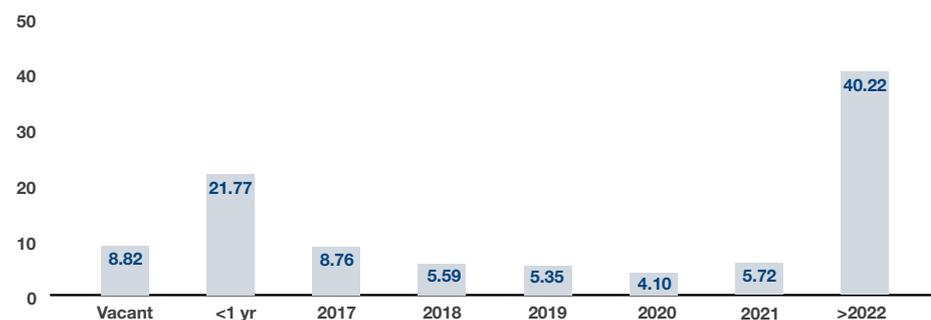
At 31 August 2016 the centres had a combined occupancy of 93.52% by ERV and 92.2% by GLA. This rise of the void rate is mainly due to the receivership of BHS during the year. In the past 12 months, New Frontier has concluded 46 leasing events, 13 of which are core long-term leases at an average rent increase of 6.59% above ERV. UK leases do not have lease escalations. The average annualised property yield of the portfolio is 6.46%. Since the EU referendum we have completed seven lettings and have 10 units under offer on either short- or long-term lettings, equivalent to GBP416 500 per annum in rent.

Major tenants by income

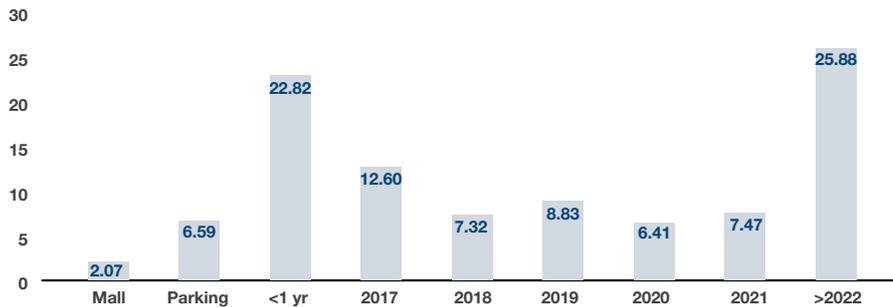
Occupier	Percentage of income (%)	Total income GBP	Number of units
New Look	7.13	1 396 000	4
Car Park income	6.59	1 290 000	3
Boots UK Limited	4.71	922 220	4
Debenhams	3.28	641 392	1
H & M	3.14	615 000	2
Marks & Spencer	2.80	549 000	1
Topshop	2.68	525 000	2
WH Smith	2.59	506 150	2



Major national tenants as a percentage of rentable area and market rent



Lease expiry by GLA



Lease expiry by gross rental

Weighted average unexpired lease terms (“WAULT”)

	WAULT certain years	WAULT to expiry years
Coopers Square, Burton upon Trent	14.98	15.67
The Cleveland Centre, Middlesbrough	5.75	5.76
The Houndshell Shopping Centre, Blackpool	5.84	6.75

NET ASSET VALUE (“NAV”)

The European Public Real Estate Association (‘EPRA’) NAV is a proportionally consolidated measure representing the IFRS net assets excluding the Mark-to-Market on effective cash flow hedges and related debt adjustments, the Mark-to-Market on convertible bonds as well as deferred taxation on property and derivative valuations. EPRA NAV is GBP75 pence per share down from GBP78 pence per share at 31 August 2015.

ACQUISITIONS

At the beginning of the year we acquired the Houndshell Shopping Centre in Blackpool, a popular seaside resort, with approximately 13 million visitors a year. The centre comprises 302,339 sq ft, with 65 retail units and 750 car parking spaces and is anchored by major retailers. The acquisition was funded through a combination of GBP59.7 million debt funding secured from Deutsche Pfandbriefbank AG in the UK, and GBP43.90 million equity funding raised through a private placement of New Frontier shares.

EXECUTING THE REFINED STRATEGY

In the execution of our refined asset strategy, New Frontier’s appointed asset manager Waypoint will use additional resources from within the Waypoint Group to assist with acquisitions in mainland Europe. Waypoint has acquired a German property and asset manager located on the German/Dutch border that has considerable European property experience in all sectors across mainland Europe.

New Frontier has appointed CBRE as our retained agent to advise on acquisitions. They have an extensive network across Europe and global contacts. The CBRE debt advisory team has also been appointed to advise on structuring the required debt.

FUNDING

The average annual “all in” cost of debt of the Company, including the effect of fixed rate financial swap derivatives, currently stands at 3.28% per annum. Over 87% of the Company’s debt is fixed by use of financial swap derivatives.

LOOKING AHEAD

At Houndshell Shopping Centre we are in discussions with the council to acquire a car park adjacent to the centre for retail and cinema development.

The UK economy and consumer confidence are holding up since the referendum vote, with the economy growing by 0.5% in the three months after the referendum. GDP growth is forecast to rise to 2.5% by the end of 2018, with CPI inflation expected to increase to 3% (2.2%) and average earnings to rise from 2.3% to 3% (4%) in 2018. Unemployment remains at 5.1%. This environment is likely to be more favourable to non-discretionary spend in the mid-value retail sector compared to other subsectors of retail.

APPRECIATION

I would like to thank the Board for their astute guidance and support. I thank our executive team and all our asset managers for their commitment and hard work, as well as our loyal service providers and tenants for their continued support.

Mike Riley
Chief Executive Officer



The Centre at West

Coopers Sq

NEEDS

PANDORA

PANDORA

PANDORA

PANDORA

PANDORA

CORPORATE GOVERNANCE REPORT

SECTION

04

Corporate Governance Report

STATEMENT OF COMPLIANCE

(Section 75(3) of the Financial Reporting Act 2004 of Mauritius)

Name of Public Interest Entity: New Frontier Properties Limited

Reporting period: 1 September 2015 to 31 August 2016

We, the Directors of New Frontier Properties Limited confirm that, to the best of our knowledge, the public interest entity has complied with the Code of Corporate Governance other than as set out below:

Section 2 – Board and Directors

The Company is pleased to report that its corporate governance structures improved from the prior reporting period, and that they, in material form, met with international best practice. The following derogations from the Code are noted*, together with the actions taken to address them:

- 3.9.1 The previous Chairman of the Company's Audit and Risk Committee, Daniel Romburgh, was not considered independent for the purposes of the Code at all times during the period.
- 3.9.2 The Corporate Governance Committee did not have a majority of Independent Non-executive Directors during the period.
- 3.9.5 The Nominations Committee did not have a majority of Non-executive Directors during the period.

The above derogations from the Code arose because the Company did not have sufficient Independent Non-executive directors at all times during the period. However, three Independent Non-executive Directors were appointed during the period, including an Independent Non-executive Chairman of the Audit and Risk Committee. Whilst the Board's policy is that a majority of Directors should be Independent and Non-executive, the Board considers that whilst the Company remains in its infancy, the expense of appointing additional Independent Non-executive Directors is not justified.

- 3.9.3 The Company has not established a separate Board Risk Committee, the Board having decided that due to the Company's size and the relative simplicity of its business model, the risk management process can

be adequately managed by the Company's Audit and Risk Committee.

- 5.3 The Company has not established an internal audit function, the Board having decided that the cost of this is not justified bearing in mind the Company's size and the relative simplicity of its business model. The Board will consider the need for an internal audit function on an annual basis, taking account of advice from the Audit and Risk Committee and the Company's auditors. The last such consideration was on 5 April 2016.

Signed by:



Mr Tinesh Sharma Ramprasad
Director
17 October 2016



Mr Daniel William Desmond Romburgh
Director
17 October 2016

CORPORATE GOVERNANCE REPORT

New Frontier Properties Limited operates under corporate governance policies that embrace the principles and recommendations set out in the Report on Corporate Governance for Mauritius dated October 2003. The Company is also committed to fulfilling the recommendations of King III applying to companies whose shares are traded in South Africa. The Board of New Frontier is responsible for the application of the principles contained in King III code and the Mauritian Code of Corporate Governance and operates in accordance with terms of reference that comply with King III and the Mauritian Code of Corporate Governance.

COMPANY STRUCTURE AND SHAREHOLDING

The holding structure of the Company as at the date of this report is set out on page 5.

Shareholding

At 31 August 2016, the issued and fully paid-up share capital of New Frontier was 152 774 750 shares, each of no par value.

As at 31 August 2016, the following shareholders had holdings exceeding 5% of the Company's total shares in issue:

Delfisat Proprietary Limited	9.724%
Delfiflo Proprietary Limited	9.724%
Delfiwiz Proprietary Limited	9.724%
Lesassign Proprietary Limited	9.724%
Delficraft Proprietary Limited	9.724%
Delfitime Proprietary Limited	9.656%
Clyroplex Proprietary Limited	9.220%
Prescient Global Qualified Investor Type Fund PLC	7.540%

PUBLIC/NON-PUBLIC SHAREHOLDERS	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	%
Non-public shareholders			
Director and associates	1	89 954	0.06
Rebosis Property Fund Limited	1	103 116 591	67.50
Public shareholders	70	49 568 205	32.44
Total		72 152 774 750	100

* Clauses from the code to which New Frontier Properties is required to respond have been addressed in this report. Accordingly, clause numbers in this section are not sequential.

CONTRACTS OF SIGNIFICANCE

There was no contract of significance subsisting during the period to which the Company is a party and in which a Director was materially interested, either directly or indirectly, other than the asset management agreement.

DIVIDEND POLICY

New Frontier aims to supply its shareholders with ongoing returns in the form of stable dividends. The dividend policy during the period was as follows:

The Company in general meeting may declare dividends but may not declare a larger dividend than that declared by the Directors and no dividend may be declared and paid except out of profits and unless the Directors determine that immediately after the payment of the dividend:

1. the Company shall be able to satisfy the solvency test in accordance with Section 6 of the Companies Act 2001; and
2. the realisable value of the assets of the Company will not be less than the sum of its total liabilities, other than deferred taxes, as shown in the books of account, and its capital.

Interim dividends - The Directors may from time to time pay to the shareholders such interim dividends as appear to the Directors to be justified by the surplus of the Company.

Subject to the rights of holders of shares entitled to special rights as to dividends, all dividends shall be declared and paid equally on all shares in issue at the date of declaration of the dividend.

New Frontier transferred its tax domicile to the United Kingdom on 20 October 2015 and elected to join the UK Real Estate Investment Trust ("REIT") regime with effect from 21 October 2015. The UK REIT regime offers certain tax advantages to the Company and guarantees a 90% distribution of the aggregate net property rental income, calculated on a UK Corporation tax basis, to shareholders.

In anticipation of entering the REIT regime, New Frontier in a general meeting resolved to make certain amendments to the Company's Constitution, which include new provisions relating to dividend distributions in order to fulfil the requirements of the REIT regime.

BOARD OF DIRECTORS

The Board of Directors is responsible to shareholders for setting the direction of the Company through the establishment of strategic objectives and key policies. The Board holds ultimate responsibility for and control over the Company's affairs and monitors the operational activities and decisions of the asset manager. The Board is responsible for the Company's corporate governance system, and is ultimately accountable for its activities. In particular, the Board:

- assesses and approves strategic plans;
- approves financial plans and budgets;
- monitors operational performance; and
- determines processes for risk management and internal controls.

The Board's policy is that the majority of Directors shall be Independent and Non-executive.

The following Directors held office during the period:

Sisa Ngebulana (Chairman)*	- appointed 25 March 2015
Kameel Keshav*	- appointed 25 March 2015
Daniel Romburgh*	- appointed 20 June 2014
Tinesh Ramprasad*	- appointed 22 June 2015
Andile Mazwai**	- appointed 25 March 2015
Catherine McLraith**	- appointed 22 June 2015, resigned 20 October 2015
Michael Riley	- appointed 7 April 2015
Victoria Whitehouse	- appointed 7 April 2015, resigned 4 April 2016
Nigel Gurkin	- appointed 4 April 2016
Richard Thomas**	- appointed 20 October 2015
William Heaney**	- appointed 20 October 2015
John Needham**	- appointed 4 April 2016

**Non-executive.*

***Independent Non-executive.*

Sisa Ngebulana, Kameel Keshav, Daniel Romburgh, Tinesh Ramprasad, Andile Mazwai, Michael Riley, Victoria Whitehouse, William Heaney and Richard Thomas were re-elected to the Board at the Annual General Meeting of the Company held on 29 February 2016.

Biographies of the Company's Directors are on pages 10 and 11.

The Board as a whole takes all major strategic decisions and there is a formal schedule of items reserved for consideration by the Board. The Board constitutes the senior management of the Company. The Board meets regularly to review the Company's operations and progress with the Company's investment strategy. Each Board meeting has a formal agenda and key items, such as portfolio performance and progress with acquisitions, are reviewed on a regular basis. The Board also monitors finance, risk, corporate responsibility and environmental matters. All Directors receive relevant reports and papers prior to each meeting. Additional meetings and discussions take place outside the Board's regular meeting schedule as the need arises. The Executive Directors consult the Non-executive Directors on a regular basis. The Non-executive Directors also hold discussions in the absence of the Executive Directors.

The responsibilities of each Director have been made clear to them and they are provided with written material on the Company's corporate governance arrangements, including the Board Charter and the terms of reference of the Board's Committees. All Directors have access to the advice and services of the Company Secretary and also have access to independent professional advice at the Company's expense.

The following Directors are also Directors of other companies listed on public stock exchanges:

Daniel Romburgh: Trevo Capital Limited, VestIN Holdings Limited
Sisa Ngebulana: Rebois Property Fund Limited; Ascension Properties Limited
Kameel Keshav: Rebois Property Fund Limited; Ascension Properties Limited
Andile Mazwai: Rebois Property Fund Limited, JSE Limited

BOARD CHARTER

The Board has adopted a charter in the terms set out below.

Board members are the link between the shareholders and New Frontier Properties Limited (“The Company”) and are collectively responsible to lead and control the Company to enable it to attain its strategic objectives. In discharging its duties, the Board should be guided by the interests of the Company and its business and shall take into account the interest of the stakeholders.

The broad responsibilities of the Board are to:

- Set the Company’s vision, mission and values
- Determine the strategy and policy of the Company and its subsidiaries to achieve those objectives
- Monitor and evaluate the implementation of strategies, policies and performance measurements
- Exercise leadership, enterprise, integrity and judgement in directing the Company
- Identify and assess key risk areas of the business and ensure measures are taken to mitigate those risks
- Ensure that effective internal controls systems are in place to safeguard the Company’s assets
- Ensure compliance with laws and regulations, including risk management and corporate governance practices and disclosure requirements
- Assess auditors’ external work
- Approve the Annual Report
- Evaluate performance and review compensation of senior management and Directors
- Ensure adequate succession planning
- Ensure adoption of good corporate governance practices
- Ensure effective communication with shareholders.

In order to meet all the legal and regulatory requirements and effectively discharge its duties, including the exercise of adequate oversight over the activities of the subsidiaries and other entities of the Group, the Board may delegate some of its functions to specialised Board Committees. From time to time, the Board may delegate specific assignments to Directors or other parties to better guide the Board in important matters requiring significant expertise. Delegation however does not discharge the Board from its duties and responsibilities and while delegating authorities, the Board should bear in mind its fiduciary duties and responsibilities under the Companies Act.

Board Composition

The Board should be composed of at least four members and should not exceed 12 members, as determined in consultation with the Corporate Governance Committee, provided that:

- the Board shall include two Mauritian resident Directors while the Company is required to meet the GBC1 licencing requirements; and
- the number of Directors resident for tax purposes in a jurisdiction other than the United Kingdom (“UK”) shall be less than the number of Directors solely resident in the UK for tax purposes.

The Board should include non-executive members who are independent, as defined in the Mauritius Code of Corporate Governance and in terms of King III.

All members of the Board should be individuals of integrity and, collectively, should bring a blend of knowledge, skills,

objectivity and experience to the Board to enable it to carry out its functions effectively.

Directors will be recommended to the Board by the Nominations Committee and may be appointed by the Board or by the Company in general meeting.

Directors’ retirement should be planned to ensure some continuity i.e. there should be staggered retirement of Directors.

Chairperson

The members of the Board shall elect a Non-executive Chairperson, who must possess demonstrated expertise and experience to provide firm and objective leadership. The Chairperson should not be involved in the day-to-day running of the business and should not be a full-time employee of the Company.

The main roles of a Chairperson shall be to:

- preside over meetings, encourage participation of Directors in board matters and mediate differences of opinion, provided that the Chairperson shall attend all Board meetings in the United Kingdom and shall not have a casting vote;
- evaluate the performance of directors collectively and individually;
- guide the Board and Senior Management, ensuring time for consultation, preparation of agenda and minutes and supervision of implementation of resolutions;
- ensure adequate succession planning for the Directors and management;
- ensure that all relevant information on financial and operating matters are placed before the Board to enable Directors to reach informed decisions;
- ensure adoption of good corporate governance practices; and
- maintain relations with the shareholders of the Company and ensure that information is clearly communicated to them through appropriate disclosure.

The Chairperson shall be appointed for a pre-approved term, in accordance with the Company’s Constitution and the Code.

Executive Directors

The Board shall also appoint at least two Executive Directors to whom some functions will be delegated. The Executive Directors will have the responsibility for managing the day-to-day business and operations of the Company. The Board will have to appoint a Chief Executive whose responsibility amongst others will be to:

- develop and recommend to the Board a long-term strategy and vision for the Group that would generate adequate shareholder value;
- develop and recommend to the Board annual business plans and budgets that support the long-term strategy of the Group;
- provide to the Board all relevant financial and operating information to enable them to assess performance;
- strive to achieve the Group’s financial and operating goals;
- serve as the chief spokesman for the Company on all operational issues, further to discussion with the Board on the division of responsibilities for communication with shareholders and other stakeholders; and
- maintain a positive and ethical work climate that is conducive to attracting retaining and nominating a

CORPORATE GOVERNANCE REPORT continued

diverse Group of top-quality employees at all levels of the Company.

The Chief Executive Officer (“CEO”) shall be nominated by the Nominations Committee, with any additional Executive Directors nominated by the CEO. All Executive Directors shall thereafter be appointed in the manner as provided in the Company’s Constitution.

Company Secretary

To ensure the smooth functioning of Board and Board Committee meetings, the Board should appoint a Company Secretary to:

- assist the Chairperson of the Board with the agenda; information gathering and other logistics;
- devise induction and training programmes for the new Directors; and
- keep minutes and records of the Board/Board Committee meetings.

The Board has considered the competence, qualifications and experience of the company secretary and is satisfied with the competence, qualifications and experience of the company secretary. The company secretary is not a director of the Company and maintains an arm’s length relationship with the Board at all times.

Board Committees

The Board shall have the following committees to which it can delegate some of its duties:

- Audit and Risk Committee
- Corporate Governance Committee
- Investment Committee
- Nominations Committee

Each committee shall establish Terms of Reference, which shall indicate the role and responsibilities of the committee. The composition of the committees will be reviewed at least once a year by the Corporate Governance Committee to ensure the balance of specialist skills, independence and experience, in accordance with the Company’s guidelines.

The Corporate Governance Committee shall assess the collective effectiveness of the Committees and the Board. In addition, the Chairperson will individually appraise the Directors.

The Committees shall submit to the Board the minutes of proceedings of their meetings.

Board meetings

The Board shall meet at least four times annually in the UK only and meetings shall be convened by the Chairman, as scheduled or at the request of one or more Directors. Meetings may be held by telephone or videoconference, provided that participants can hear each other simultaneously and provided that Directors resident in South Africa for tax purposes shall not be entitled to attend the meeting by telephone or videoconference from South Africa. In the event that non-UK resident Directors are attending the meeting by telephone or videoconference, they will only be permitted to vote if there is a quorum of UK resident Directors physically present in the UK.

The meeting will be presided by the Chairperson or in his absence, by a Director designated by the Chairperson. The quorum shall be three Directors, of which at least one must be an Executive Director. No meeting of the Board shall be quorate unless a majority of Directors attending that meeting are physically present at the meeting in the UK. The Chairperson of the meeting shall consult with the absent members by telephone or other means whenever possible.

Resolutions should be preferably passed by unanimous vote. The minutes of proceedings of each meeting shall be approved at the following meeting as evidence that the resolutions have been adopted.

At least once a year, the Non-executive Directors shall meet separately to discuss the functioning of the Board and the Executive Directors, collectively as executive management and in their individual capacity, and address any issues that arise thereof, if any.

In addition to the quarterly Board meetings set out above, additional Board meetings should be held to consider issues such as:

- any issue of share capital or raising of new finance;
- the acquisition of/subsorption for shares;
- the decision to proceed with a particular project;
- the decision to acquire a particular asset;
- the decision to enter into any key agreements;
- approval of budgets;
- payment of dividends;
- approval of accounts;
- appointment of professional advisors (eg lawyers, bankers, accountants, etc);
- the disposal of investments;
- the appointment and resignation of Directors; and
- the appointment and dismissal of agents.

INTERNAL CONTROLS

Within the overall context of risk management, the Board pays special attention to the Company’s internal controls. In discharging its responsibility for the effectiveness of internal controls during the period, the Board approach was based on the internal control framework summarised below:

- clear statements of the powers and responsibility of the Board;
- the establishment of scrutinising Committees, reporting to the Board, covering key risk and operational exposures;
- prescribed limits on the authority of the asset manager;
- ability of Independent Directors to provide support to Executive Directors;
- effective systems for authorising investment and other capital expenditure;
- regular review meetings with asset manager, managing agents and other advisers, including adequacy of reporting arrangements;
- regular independent audits;
- monthly reporting to the Board of operational forecasts and results, with explanation of variances;
- regular review of the Company’s capital funding requirements and debt/interest exposure; and
- quarterly reporting to the Board of health, safety and environmental matters.

The Company has not established an internal audit function, the Board having decided that the cost of this is not justified bearing in mind the Company’s size and the relative simplicity of its business model. The Board considers that the monitoring work of the Audit and Risk Committee is key to the effectiveness of both the Company’s internal control framework and its overall approach to the management of risk. The Board is satisfied that the Committee discharged its responsibilities effectively during the period.

UK-REIT STATUS

In order to maintain the UK-REIT status of the Company, the Board shall ensure that all key management and

commercial decisions are taken in the UK and that the UK resident Directors carry out the day-to-day management of the Company.

Statement of remuneration philosophy

The Company's remuneration philosophy is to remunerate the Directors fairly and responsibly.

The following amounts are payable by the Company as Non-executive Directors' fees in respect of the period:

	For services as Non-executive Director for the period 1 September 2015 – 31 August 2016 (Paid by the Company) GBP
Sisa Ngebulana (Chairman of the Board and Nominations Committee)	24 000
Andile Mazwai (Chairman of the Corporate Governance Committee)	31 000
Daniel Romburgh*	20 000
John Needham (Chairman of the Audit and Risk Committee)	12 098
Kameel Keshav (Chairman of the Investment Committee)	29 000
Richard Thomas	17 661
Tinesh Ramprasad*	12 000
William Heaney	15 661
Total	161 421**

* The remuneration of Daniel Romburgh and Tinesh Ramprasad is paid by the Company to Osiris Corporate Solutions (Mauritius) Limited, the Company's Company Secretary.

** Please note that the amounts above differ from note 31.3 of the annual financial statements as the amounts in the note represent cash payments only and the sum of GBP11 226 has been paid after the end of the period.

The Group did not pay any fees or benefits to Directors other than the remuneration as disclosed in the table above. The

BOARD ATTENDANCES

The table below shows Directors' attendance at Board and Committee meetings during the reporting period:

Director	Board	Corporate Governance	Audit and Risk	Investment	Nominations
Sisa Ngebulana	4/4	n/a	n/a	n/a	1/1
Kameel Keshav	4/4	n/a	4/4	4/4	n/a
Daniel Romburgh	2/4	3/4	3/4	n/a	n/a
Tinesh Ramprasad	2/4	n/a	n/a	n/a	n/a
Andile Mazwai	4/4	4/4	4/4	4/4	n/a
Catherine McIlraith*	0/0	n/a	0/0	n/a	n/a
Michael Riley	4/4	4/4	n/a	4/4	1/1
Victoria Whitehouse	2/2	n/a	n/a	n/a	n/a
Nigel Gurkin	2/2	n/a	n/a	2/2	n/a
Richard Thomas	4/4	n/a	4/4	n/a	n/a
William Heaney	4/4	4/4	n/a	n/a	n/a
John Needham	2/2	n/a	2/2	n/a	n/a

* Resigned on 20 October 2015.

Executive Directors are remunerated through the Company's asset manager. There are no employees of the Company.

For service during 2015-16 the Non-executive Directors, other than the Board Chairman, each receive a basic fee of GBP10 000 per annum plus GBP1 000 for each meeting they attend. For the Chairperson of each Committee this attendance fee rises to GBP2 000 per meeting. For the Chairman of the Board the basic fee is GBP15 000 per annum. The Company does not offer any retirement benefits to the Directors.

In order to promote transparency, the compensation of the Directors will be disclosed in the Annual Report. The remuneration of Directors was debated and recommended by the Corporate Governance Committee to the Board and approved unanimously by the shareholders in Annual General Meeting on 29 February 2016.

DIRECTORS' SERVICE CONTRACTS

The Directors who served during the period were appointed to serve by resolutions of the Board. The Directors have entered into service contracts with the Company and accordingly the appointment of the Directors is indefinite, subject to the age policy and subject to notice of three months on either side, and remains subject to all applicable laws and the provisions of the Company's Constitution, including the provision that any Director shall hold office only until the next annual meeting and shall then retire, but shall be eligible for appointment at that meeting.

Conflict of Interest

A Director must identify potential, perceived or actual conflicts of interests between him or herself and the Company. In such instances, the Director must take such action, to the satisfaction of the Chairman, to avoid, manage and disclose the conflict which must include a restriction to inappropriate information and his or her recusal from making decisions on the matter.

Review

The Board's Charter may be reviewed at least once a year or as may be required, with the introduction of, or amendment to, laws, regulations and practices.

DIRECTORS AND BOARD ASSESSMENT

The Board and the continuing Directors have undergone an assessment, which did not give rise to any negative feedback and confirmed their competence and fitness to occupy their respective positions within the Company.

COMMITTEES OF THE BOARD

In order to effectively address the need of the Company and to further its commitment to best practice in corporate governance, the Board has established Corporate Governance, Nominations, Audit and Risk and Investment Committees during the reporting period. Each of the Committees has adopted its terms of reference as approved by the Board. The Company's corporate governance structure is set out on page 27.

The minutes of each Committee meeting are circulated to the Board as a whole. Each committee operates within terms of reference determined by the Board having regard to independent external guidance. The duties of each Committee are summarised below.

Governance Committee – duties

- formulate and recommend to the Board for approval a set of best practice corporate governance principles supporting the Company's strategic priorities, in accordance with the applicable Code of Corporate Governance;
- monitor the Company's compliance with its adopted corporate governance principles;
- review the Company's compliance with all relevant legal and regulatory requirements within the jurisdictions in which the Company operates;
- monitor potential changes in such legal and regulatory requirements to ensure that the Company is in a position to respond appropriately to their introduction;
- ensure the Company has in place adequate processes for reporting and responding to any material regulatory breaches and the findings of regulatory agencies;
- keep under review the Company's conduct and reputational risk profile, ensuring that the Company's Executives place appropriate emphasis on the Company's reputation as part of the key decision-making process;
- ensure that the Company has in place an adequate code of ethics and conduct regulating its dealings with investors, clients, advisers, employees and the public generally, monitoring the effectiveness of the code on an ongoing basis;
- report formally to the Board on its proceedings and make recommendations to the Board on any area within its remit;
- produce a statement on the Company's governance framework and its performance in relation to it for inclusion in the Company's Annual Report;
- at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- determine the level of Non-executive and Independent Non-executive fees and recommend same to the Board for approval; and
- liaise with the Board in relation to the preparation of the Committee's report to shareholders as required and to consider each year (and minute its conclusions) whether the circumstances are such that the Annual General Meeting of the Company should be invited to approve the remuneration policy set out in the Committee's report.

Audit and Risk Committee – duties

- monitor the integrity of the Company's financial statements, including reviewing the financial statements prior to approval, including The Annual Report and other periodic reports, results' announcements and statements relating to financial performance, focussing on significant financial reporting issues, major judgemental areas, significant audit adjustments, going concern and compliance with accounting standards and securities exchange and regulatory requirements;
- monitor, and challenge where necessary, the consistency of and any changes to accounting policies, the selection of accounting methodology for significant transactions, the application of appropriate accounting standards and the clarity of disclosure in the Group's financial reports including all material supporting information;
- monitor the independence and objectivity of the auditors and make recommendations to the Board, to be put to members for approval at the AGM, in relation to the appointment, re-appointment and removal of the auditors and their remuneration and overseeing the selection process for new auditors as necessary;
- consider any issues arising from the audit and any matters the auditors wish to raise;
- review the effectiveness of the audit, including the auditors' management letter and the response of management to its findings and recommendations;
- develop and implement policy on the engagement of the external auditor to supply non-audit services, and approve the terms on which the auditor may be engaged to supply such services;
- review the internal procedures by which employees, advisors and contractors may raise concerns about possible improprieties in matters of financial reporting and other matters ("whistleblowing"), to ensure that arrangements are in place for the investigation of such matters and appropriate follow-up action;
- advise the Board on the Company's overall risk profile, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment and drawing on financial stability assessments such as those published by relevant industry and regulatory authorities;
- oversee and advise the Board on the current risk exposures of the Company and future risk strategy and prepare a risk matrix for the Company;
- consider and approve the remit of the risk management function and ensuring that it has: (i) adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards; and (ii) adequate independence and is free from management and other restrictions;
- review promptly all risk management reports on the Company and review and monitor management's responsiveness to findings and recommendations contained in such reports (whether formal or informal);
- ensure the risk management function is provided with unfettered direct access to the Committee and the Chairman of the Board;
- report formally to the Board on its proceedings and make recommendations to the Board on any area within its remit;
- produce an annual formal report on the Company's risk management objectives, policy and management framework for inclusion in the Company's Annual Report, including in relation to financial instruments; and

- at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

The Audit and Risk Committee has considered and is satisfied with the overall appropriateness of the finance function's resources, experience and expertise as well as the experience and expertise of the finance director, who is responsible for the financial function.

The Audit and Risk Committee has considered the JSE's proactive monitoring process issued on 15 February 2016 during the review of the Group's annual financial statements.

The Board is of the view that the Audit and Risk Committee has satisfied its responsibilities for the period, in compliance with its terms of reference.

Investment Committee – duties

- review, at least annually, the Company's overall investment strategy and the appropriateness of the Company's current investment portfolio to the achievement of the Company's investment objectives and established risk profile;
- formulate, for approval by the Board and subsequent application by the Committee a framework and procedures for the consideration of individual investment proposals;
- review, challenge and approve (as appropriate) investment strategy proposals brought to its attention;
- review the operational efficiency of the Company's investment management arrangements, including both internal and external resources;
- review the performance of the Company's investment assets, in absolute terms and relative to relevant benchmarks;
- report formally to the Board on its proceedings and make recommendations to the Board on any area within its remit;
- produce a statement on the Company's investment objectives, policy and management framework for inclusion in the Company's Annual Report;
- oversee any investigation of activities which are within its terms of reference; and
- arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Nominations Committee – duties

- ensure the establishment of a formal process for the appointment of directors, having regard to relevant regulatory requirements and the Company's corporate governance principles, including:
 - identification of suitable members of the Board;
 - performance of reference and background checks of candidates prior to nomination;
 - finalising the appointment of directors through an agreement between the Company and the director;
 - make recommendations to the Board on the appointment of new executive and Non-executive Directors, including recommendations on the composition of the Board in general regarding the balance between executive and Non-executive Directors appointed to the Board;
 - review Board structure, size and composition and make recommendations to the Board where necessary with regard to any adjustments deemed necessary;
 - identify and nominate candidates for approval of the Board to fill Board vacancies as and when they arise, as

- well as put in place plans for succession;
- ensure that the CEO or his equivalent has put in place plans for succession;
- recommend to the Board for continuation (or not) in service of any director who has reached the age of 70;
- recommend directors who are retiring by rotation, for re-election;
- recommend directors to the committees and recommend their tenure;
- oversee the development of a formal induction programme for new directors; and
- consider the performance of directors and take steps to remove directors who do not make an appropriate contribution.

RISK MANAGEMENT

The Board retains overall responsibility for risk management and for the definition of New Frontier's overall risk strategy and tolerance, having considered the recommendation of the Audit and Risk Committee. The key financial risks are set out in the financial statements. The Company's policy on risk management encompasses all significant business risks as described below.

INVESTMENT RESTRICTIONS

New Frontier's investment policies do not prohibit certain investment techniques such as concentration of investments in a small number of properties or sectors that may entail significant risks.

POLITICAL AND/OR REGULATORY RISKS

The value of the Company's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

SPECIFIC COMMERCIAL PROPERTY RISKS

Although over the long-term property is often considered a low risk asset, investors must be aware that significant short- and medium-term risk factors are inherent in the asset class.

NUMBER OF ASSETS

New Frontier owns three property assets. The Company intends to mitigate any risks arising from this relatively small number through its programme of investment in further suitable properties.

The Board, with the advice of the Audit and Risk Committee, conducts an annual review of the effectiveness of its risk management regime. In doing so the Board considers the key findings of the Audit and Risk Committee and any recommendations of the Company's auditors arising from the ongoing monitoring and reporting processes and management reports. The review also takes account of material changes and trends in New Frontier's risk profile and

CORPORATE GOVERNANCE REPORT continued

considers whether the control regime, including reporting, adequately supports the Board in achieving its risk management objectives. The Board is satisfied that the risk management process is ongoing and has been operational during the reporting period.

The Board's approach to risk management is encompassed in the framework set out below:

RISK	IMPACT	MITIGATION STRATEGIES
Property risks		
Property investment market risks Weakening economic conditions and poor sentiment in commercial real estate markets could lead to low investor demand and an adverse movement in valuation	Small changes in property market yields can have a significant effect on valuation Impact of leverage could magnify the effect on the Company's net assets	Monitoring of indicators of market direction and forward planning of investment decisions Review of debt levels and consideration of strategies to reduce if relevant
Impact of the economic environment		
Tenant insolvency or distress Prolonged downturn in tenant demand and pressure on rent levels	Tenant failures and reduced tenant demand could adversely affect rental income, lease incentive, void costs, cash and ultimately property valuation	Diversified tenant base Review of tenant covenants before new leases signed Long-term leases and active credit control process Good relationships with, and active management of, tenants Void management through temporary lettings and other mitigation strategies
Threat from the internet		
The trend towards online shopping may adversely impact consumer footfall in shopping centres	A change in consumer shopping habits towards online purchasing and delivery may reduce footfall and therefore potentially reduce tenant demand and the levels of rents which can be achieved	Strong location and dominance of shopping centres Provision of "Click and Collect" within our centres Monitoring of footfall for evidence of negative trends Monitoring of retail trends and shopping behaviour
Concentration and scale risk		
By having a less diversified portfolio, the business is more exposed to specific tenants or types of tenant Smaller size of the business may reduce purchasing power	Tenant failures could have a greater impact on rental income Reduced purchasing power could impact the ability to drive economies of scale and the feasibility of certain investment decisions regarding the operating platform	Regular monitoring of retail environment and performance of key tenants Maintaining flexibility in operating platform Further diversification considered through acquisitions or joint ventures
Competition risk		
The threat to the Company's property assets of competing in town and out of town retail and leisure schemes	Competing schemes may reduce footfall and reduce tenant demand for space and the levels of rents which can be achieved	Monitoring of new planning proposals Close relationships with local councils and willingness to support town centres Ensure the Company's schemes are high quality Investment in traditional and digital marketing
Funding and treasury risks		
Liquidity and funding		
Inability to fund the business or to refinance existing debt on economic terms when needed	Inability to meet financial obligations when due Limitation on financial and operational flexibility Cost of financing could be prohibitive	Ensuring that there are significant undrawn facilities Efficient treasury management and forecasting with regular reporting to the Board Option of asset sales if necessary

RISK	IMPACT	MITIGATION STRATEGIES
Covenant compliance risks		
Breach of any loan covenants causing default on debt and possible accelerated maturity	Unremedied breaches can trigger demand for immediate repayment of loan	Regular monitoring and projections of liquidity, gearing and covenant compliance Review of future cash flows and predicted valuations to ensure sufficient headroom
Interest rate exposure risks		
Exposure to rising or falling interest rates	If interest rates rise and are unhedged, the cost of debt facilities can rise and interest cover ratios covenants could be broken Hedging transactions used by the Company to minimise interest rate risk may limit gains, result in losses or have other adverse consequences	Regular monitoring of the performance of derivative contracts and corrective action taken where necessary Use of alternative hedges such as caps
Other risks		
Execution of business plan Failure to execute business plan in line with internal and external expectations	Potential loss of income or value resulting in lower cash flow and property valuation Reputational damage negatively impacting investor market perception	Management of projects and the individual shopping centres by experienced and skilled professionals Strong relationships with retailers and relevant contractors/suppliers Ongoing monitoring of performance against plan and key milestones by directors and senior management
Property acquisition/disposal strategy		
Exposure to risks around overpayment for acquisitions Portfolio not effectively managed through the investment cycle, with sales and deleveraging at the appropriate time	Overpayment may result in acquisitions delivering sub-optimal returns The Company may not be able to take advantage of other investment opportunities as they arise Covenants may move adversely when the cycle changes	Regular monitoring of the property market and the use of professional advisers Bank finance scrutiny Impact of cycle reflected in business planning
Tax risks		
Exposure to non-compliance with the REIT regime and changes in tax legislation or the interpretation of tax legislation Potential exposure to tax liabilities in respect of transactions undertaken where the tax authorities disagree with the tax treatment adopted Cross border tax risks between the countries in which we own companies	Tax related liabilities and other losses could arise	Monitoring of REIT compliance Expert advice taken on tax positions and other regulations Maintenance of a regular dialogue with the tax authorities Long-standing double taxation treaties in place between countries
Regulation risks		
Exposure to changes in existing or forthcoming property related or corporate regulation with the different countries in which we hold assets	Failure to comply could result in financial penalties, loss of business or credibility	Management undertakes training to keep aware of regulatory changes Expert advice taken on complex regulatory matters
Loss of key management		
Dependence of the Company's business on the skills of a small number of key individuals	Loss of key individuals or an inability to attract new employees with the appropriate expertise could reduce the effectiveness with which the Company conducts its business	Key management is paid market salaries and offered competitive incentive packages to ensure their retention within the asset manager Succession planning for key positions is undertaken

CORPORATE GOVERNANCE REPORT continued

RISK	IMPACT	MITIGATION STRATEGIES
Currency fluctuations		
The assets of the Company may be invested substantially in securities whereby the income and proceeds of which will be received in currencies other than GBP	The value of the shares and distributions in GBP terms will be adversely affected by any reductions in value of the relevant currency relative to GBP. In addition, the Company will incur transaction costs in connection with the conversions between other currencies and GBP	The Company could enter into currency hedging arrangements
Political and/or regulatory risks		
The value of the Company's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.	Dividends or capital could become trapped in the country through which it is passing	We only use well-regulated stock exchanges and countries with established legal systems
Governance		
Non-compliance with legislation eg JSE and SEM requirements	Suspension or termination of the Company's listing	Active monitoring by corporate sponsors and Company Secretary
Reputational risk	Loss of investor confidence and unit price volatility	
Skills and systems		
Loss or operational inadequacy of key staff and advisers	Reduced operational capability and consequential impact on shareholder value	Relationships with key advisers governed by appropriately termed contracts Ability to replace advisers in the event of failure
Information technology ("IT") failure	Loss of revenue as a result of loss of data; Reputational or financial liability if data is not properly secured	Off-site storage of daily data back ups Support of appropriately skilled IT resources
Failure of the IT system to adequately address the business framework and processes	Inability to customise the software to meet all the needs of the Company	Regularly assess the appropriateness and sustainability of the systems suppliers Periodic review of alternative systems

The Board reviews the effectiveness of the Company's risk management framework against the principal risks facing the business on an annual basis, with the assistance of the Audit and Risk Committee.

CONSTITUTION

The Company was incorporated in Mauritius on 5 June 2014 under the Mauritian Companies Act, 2001 and is domiciled in Mauritius. The Company holds a Category I Global Business Licence and is regulated by the Financial Services Commission of Mauritius.

The address of the Company's registered office is: B45 Twenty-Foot Road, 3rd Floor, La Croisette, Grand Baie, Mauritius.

The Company's operational and executive management office is located at: 2nd Floor, 86 Brook Street, London W1K 5AY, United Kingdom.

The Company's objectives are to carry out business activities relating to real estate.

KEY DATES

The current financial year ends on 31 August 2017.

RELATED PARTY TRANSACTIONS

Any related party transactions are carried out on an arm's length basis and are disclosed in the financial statements. Please refer to note 31.

SHAREHOLDERS' AGREEMENT AFFECTING THE GOVERNANCE OF THE COMPANY

There was no such agreement during the reporting period.

THIRD PARTY MANAGEMENT AGREEMENT

In April 2015, the Company entered into an asset management agreement with Waypoint New Frontier Limited ("Waypoint"), a wholly-owned subsidiary of Waypoint Asset Management Limited, a property investment advisor and property asset manager based in the United Kingdom. Under the terms of the agreement Waypoint provides property transaction and asset management services in relation to the Company's property investments in return for fees payable by the Company.

DONATIONS

The Company did not make any donations during the reporting period.

STAKEHOLDER RELATIONS AND COMMUNICATION

Subject always to regulatory restrictions, the Board aims to comprehensively understand and meet the information needs of all shareholders and places great importance on open and meaningful dialogue with all investors. The Board ensures that shareholders are kept informed on matters affecting the Company and open lines of communication are maintained as appropriate to ensure transparency and optimal disclosure. Board members are invited to attend the Company's Annual General Meetings.

CODE OF ETHICS

The Company is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. The Company's code of ethical conduct has been adopted to give effect to the Company's core values and to guide the Company's relationships with all its stakeholders to outline the Company's commitments to them.

The code of ethical conduct will also be applied to establish the suitability of all prospective directors, managers, employees, independent contractors, agents, service providers and business partners irrespective of their status as natural person, legal person or other entity, prior to their appointment by the Company.

All persons who act on behalf of the Company are therefore required to behave and transact business in accordance with the highest professional standards. Besides adhering to the Company's code of ethical conduct, they will be expected to comply at all times with the regulations of any professional bodies to which they are affiliated.

The Company's core values include:

- Integrity in business dealings;
- excellence in professional standards;
- commitment and drive in delivering enterprise value;
- compassion for people and the environment; and
- teamwork

The Company strives to observe strictly national and international legislation and to ensure that all agreements, conduct and procedure comply with all applicable laws, codes of best practice as well as the Company's own policies and procedures.

Any payment or granting of valuable advantages to persons employed by customers of payments to any other persons not employed including public officers paid with the intention to obtain an advantage will be considered a violation of Company policy, irrespective of applicable local law.

The code of ethical conduct is reviewed by the Corporate Governance Committee on an annual basis. The Board is not aware of any transgressions of the code during the period.

EMPLOYEE SHARE SCHEMES

The Company has no employees and accordingly there are no employee share plans.

INTEGRATED SUSTAINABILITY REPORT

The Company recognises that its operations and property assets are key elements of the communities in which they are located, in which economic, social and environmental issues are inter-related. The Company recognises the non-financial imperatives that this gives rise to, as set out below.

CORPORATE GOVERNANCE REPORT continued

Similarly, no director, manager or employee of the Company may at any time receive or give any entertainment or gifts to and from current or potential customers, suppliers or other parties of any material amount such that it could influence the ability to make an independent decision in the sole interest of the Company.

The Company is committed to the maintenance of a healthy and productive work environment, complies with all applicable health and safety regulations and expects its advisers and contractors to do likewise. During the year, the Company arranged for independent experts to carry out separate fire safety and general health and safety inspections at each of its properties. The reports produced were made available to the Board and action taken to comply with the recommendations they contained.

The Company endeavours to promote a culture of openness and transparency throughout the Company and stakeholders are encouraged to report unethical conduct and other transgressions of which they become aware.

Environment

It is the intention of the Company to support a precautionary approach to environmental challenges, to undertake initiatives to promote greater environmental responsibility and to encourage the development and diffusion of environmentally friendly technologies. The Company will comply with all environment protection legislation, as well as all relevant statutory and local government legislation and any licences, permissions and consents required under any legislation in all the jurisdictions in which it operates, including the Environment Protection Act, 2002 (as amended) of Mauritius.

As part of the Company's Environmental Mission Statement, it recognises its obligations as a property owner to operate its business in an environmentally responsible way and aims to ensure that, not only does the Company comply with all

applicable legal, regulatory and corporate requirements, but that its advisers, managing agents and contractors adopt stringent standard for the protection of the environment and the communities with whom the Company cooperates.

CORPORATE SOCIAL RESPONSIBILITY

New Frontier is committed to the highest standards of integrity and ethical conduct in dealing with its stakeholders, and requires the same approach from all who act on its behalf.

Underpinning all aspects of New Frontier's business dealings are its core values:

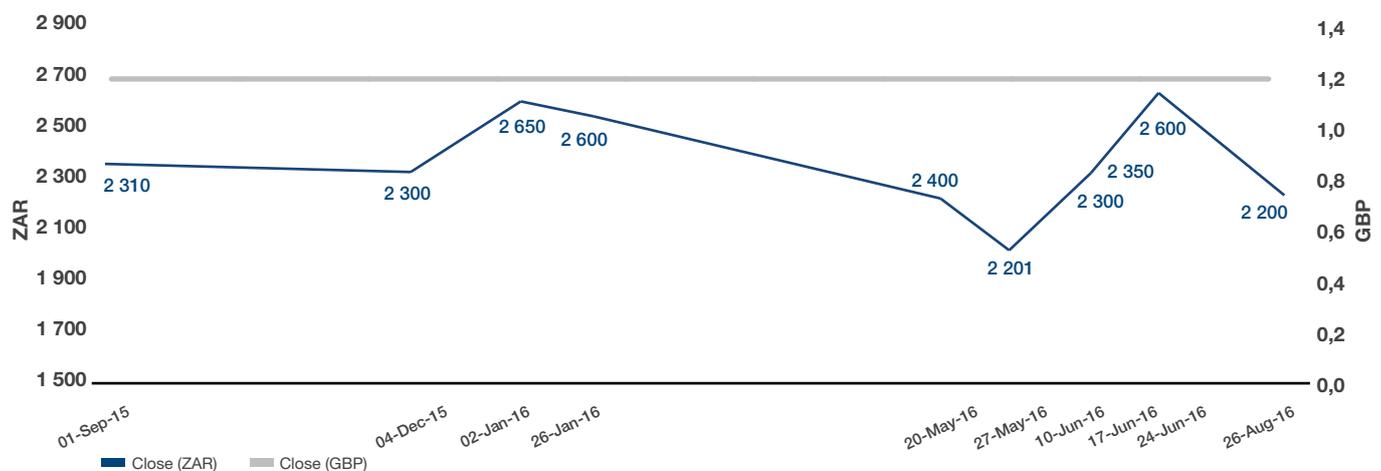
- Integrity in business dealings
- Excellence in professional standards
- Commitment and drive in achieving shareholder value
- Compassion for fellow professionals and the wider community
- Teamwork

We recognise that we have obligations towards our shareholders, the advisers and contractors who are essential to our business, and not least the local communities in which we operate. The well-being of our property assets is wholly reliant on their reputation within the communities they serve. We will therefore be responsive to community needs and address any issues that arise through early and positive dialogue with local representatives.

All our property development activities will aim to minimise the impact on the community and the environment generally, and we will seek to apply all relevant energy saving and noise reduction standards. We expect our advisers and contractors to prioritise the health and safety of their workers and the public over all other considerations, as well as carry out all appropriate safety and environmental monitoring.

SHARE PRICE INFORMATION

The price of the Company's shares during the reporting period is set out below (in GBP and ZAR).



New Frontier Properties Share Price

GROUP DIRECTORSHIPS AND INTERESTS

Directors of the Company also hold directorships of other companies in the Group, as follows:

Sisa Ngebulana: Rebohis Property Fund Limited; Ascension Properties Limited

Kameel Keshav: Rebohis Property Fund Limited; Ascension Properties Limited

Andile Mazwai: Rebohis Property Fund Limited

As at 31 August 2016, Sisa Ngebulana held 22 529 268 shares, representing 4.26%, in Rebohis Property Fund Limited.

As at 31 August 2016, Andile Mazwai was beneficially interested in 428 115 shares, representing 0.08%, in Rebohis Property Fund Limited.

DIRECTORS' INDEMNITY AND INSURANCE

The Company indemnifies its Directors in respect of their activities on behalf of the Company and procures appropriate Directors' and officers' insurance cover.

DIRECTORS' INTERESTS IN THE COMPANY'S SHARES

The interests of the directors in the shares of the company at 31 August 2016 were as follows:

Directors and their associates:

	Indirect	Total
Sisa Ngebulana	89 954 ¹	89 954

¹ 43 043 acquired in the financial year ended 31 August 2016 and the balance in the financial year ended 31 August 2015.

As at the date of this report, Sisa Ngebulana held indirectly 89 954 shares in the capital of the Company, representing 0.06% of the Company's stated capital. He indirectly acquired 43 043 shares in the capital of the Company during the reporting period. No other Director had an interest in the Company's shares. The Directors will follow the principles on the model code on securities transactions as set out in Appendix 6 of the SEM Listing Rules.

There have been no other changes in director shareholdings between 31 August 2016 and approval of the annual financial statements.

AUDITORS' FEES

The fees paid to the auditors for audit and other services were:

	GROUP		COMPANY	
	Period from 1 September 2015 to 31 August 2016 GBP	Period from 1 January 2015 to 31 August 2015 GBP	Period from 1 September 2015 to 31 August 2016 GBP	Period from 1 January 2015 to 31 August 2015 GBP
Audit fees to:				
- BDO & Co	83 564	85 904	13 177	13 904
Fees for other services provided by:				
- BDO & Co	175 245	236 275	169 607	52 275

Other services relate to advisory services in relation to corporate acquisitions, the REIT conversion and transfer pricing and review of quarterly abridged financial statements.

KING III CHECKLIST CHAPTER 2

KING III APPLICATION

Below is the King III Chapter 2 Summary as required by the JSE Listings Requirements.

KING III PRINCIPLE – Chapter 2: Board of Directors		COMMENT
2.1	The Board should act as the focal point for and custodian of corporate governance	The Board is the focal point and custodian of corporate governance at New Frontier. In accordance with the Board Charter, the Board may delegate some of its functions to specialised board committees. The Board has established a Corporate Governance Committee to ensure adequate oversight and monitor compliance to the various legal and regulatory requirements.
2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable	The Board is responsible for aligning the strategic objectives, vision and mission with performance and sustainability considerations. The Board is guided by the interests of the Company and takes into account the interest of the stakeholders.
2.3	The Board should provide effective leadership based on an ethical foundation	The Board provides effective leadership and is committed to the highest levels of corporate governance. Directors are required to adhere to the code of ethical conduct adopted by the Board.
2.4	The Board should ensure that the Company is and is seen to be a responsible corporate citizen	New Frontier's Corporate Governance Committee effects the Company's commitment to responsible corporate citizenship. The committee monitors compliance with adopted corporate governance principles and the effectiveness of the Company's code of ethical conduct, which regulates its dealings with investors, clients, advisers, employees, contractors and the public generally.
2.5	The Board should ensure that the Company's ethics are managed effectively	The Board has delegated the responsibility of implementing and monitoring the Company's code of ethics and conduct to the Corporate Governance Committee.
2.6	The Board should ensure that the Company has an effective and independent audit committee	The Board is of the view that the Audit and Risk Committee has satisfied its responsibilities for the period, in compliance with its terms of reference. The Chairman of the Company's Audit and Risk Committee was not considered independent for the entire period under review, however, an independent non-executive Chairman was appointed to the Audit and Risk Committee during the period. The Board considers the Chairman to have the requisite skills and experience to chair the committee effectively.
2.7	The Board should be responsible for the governance of risk	The Board delegates the risk management process to the Audit and Risk Committee. The Company has not established a separate Board Risk Committee. Due to the Company's size and the relative simplicity of its business model, the Board has decided the Company's Audit and Risk Committee can adequately manage the risk management process.
2.8	The Board should be responsible for information technology (IT) governance	The Board has oversight of IT. The daily administration of the Company is through the Company Secretary in Mauritius or the Asset Manager.
2.9	The Board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards	The Board's Corporate Governance Committee is responsible for monitoring the Company's compliance with all relevant legal and regulatory requirement within the jurisdictions in which the Company operates. The Board is satisfied that this objective was achieved.
2.10	The Board should ensure that there is an effective risk-based internal audit	New Frontier has not established an internal audit function, as the Board does not consider the cost justified given the Company's size and the relative simplicity of its business model. The Board will consider the need for an internal audit function on an annual basis, taking account of advice from the Audit and Risk Committee and the Company's auditors.
2.11	The Board should appreciate that stakeholders' perceptions affect the Company's reputation	The Board's Corporate Governance Committee is responsible for monitoring the Company's conduct and reputational risk profile, ensuring that the Company's executives place appropriate emphasis on the Company's reputation as part of the key decision-making process.
2.12	The Board should ensure the integrity of the Company's integrated report	The Board is responsible for the integrity of the integrated report and approves the report prior to publication.
2.13	The Board should report on the effectiveness of the Company's system of internal controls	The Board is responsible for the effectiveness of internal controls. The annual audit includes a review of the Company's control environment and they did not come across any material deficiencies in the system and controls.
2.14	The Board and its directors should act in the best interests of the Company	The Board and its directors always act in the best interests of the Company. The Board has unrestricted access to all Company information, records, documents and property. Directors are required to declare conflicts of interests.

KING III PRINCIPLE – Chapter 2: Board of Directors	COMMENT
2.15 The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed as defined in the Act	No business rescue proceedings were required and the Board will monitor the Company's financial position on a regular basis to determine whether any such business rescue proceedings or other turnaround mechanisms are required.
2.16 The Board should elect a chairman of the Board who is an independent non-executive director. The CEO of the Company should not also fulfil the role of chairman of the Board	New Frontier has a primary listing on both the SEM and the AltX of the JSE. The Mauritian Code of Governance allows for either a non-executive or independent non-executive chairperson. Non-executive director Sisa Ngebulana is the Chairman of the Board. The role of the chairperson is clearly defined in the Board Charter. Furthermore, a clear division of responsibilities between the roles of the chairperson and that of the CEO exists. This ensures a balance of power within the Company and ensures that no individual has unrestricted decision-making powers or authority. Furthermore, the Company will be appointing a lead independent non-executive director in due course.
2.17 The Board should appoint the CEO and establish a framework for the delegation of authority	The Board appointed the CEO in terms of the Asset Management Agreement. The role and function of the CEO are clearly formulated in the Board Charter.
2.18 The Board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	The Board's policy is that a majority of directors shall be independent and non-executive, as set out in the Board Charter. During the period under review the Company did not have sufficient independent non-executive directors. However, the Board appointed three independent non-executive directors effective 20 October 2015 and 4 April 2016, thus achieving this objective.
2.19 Directors should be appointed through a formal process	The Nominations Committee has established a formal process for appointing directors. This process was followed in the appointment of the new directors to the Board.
2.20 The induction of and ongoing training and development of directors should be conducted through formal processes	The Nominations Committee is responsible for overseeing the development of a formal induction programme for new directors.
2.21 The Board should be assisted by a competent, suitably qualified and experienced Company Secretary	The Company has appointed Osiris Corporate Solutions (Mauritius) Ltd as Company Secretary, which is suitably qualified and experienced.
2.22 The evaluation of the Board, its committees and the individual directors should be performed every year	In accordance to the Board Charter, such evaluation was conducted.
2.23 The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	The Board established the Corporate Governance Committee, Audit and Risk Committee, Investment Committee and Nominations Committee to assist it in fulfilling its obligations. Each of these committees operates under formal terms of references. The composition of the committees will be reviewed at least once a year by the Corporate Governance Committee to ensure a balance of specialist skills, independence and experience, in accordance with the Company's guidelines.
2.24 A governance framework should be agreed between the Group and its subsidiary boards	A governance structure and framework for the delegation of authority is in place for the Group.
2.25 Companies should remunerate directors and executives fairly and responsibly	The Board considers the remuneration of its directors as fair and reasonable. The remuneration of the non-executive directors was approved unanimously by the shareholders at the annual general meeting.
2.26 Companies should disclose the remuneration of each individual director and certain senior executives	The remuneration of directors is disclosed in the Corporate Governance Report.
2.27 Shareholders should approve the Company's remuneration policy	The Company's remuneration philosophy is to remunerate the Directors fairly and responsibly. Shareholders approve the remuneration paid to non-executive directors at the annual general meeting. The Group does not pay any fees or benefits to Directors other than the remuneration as disclosed in the annual report. As the Executive Directors are remunerated through the Company's asset manager and there are no employees of the Company, the remuneration philosophy is not put to shareholders for approval at the Company's annual general meeting.



SECTION

05

Annual financial statements

DEAR SHAREHOLDER,

The Board of Directors of New Frontier Properties Limited is pleased to present the Annual Report of the Company and of the Group for the year ended 31 August 2016, contents of which are listed below.

This report was approved by the Board of Directors on 17 October 2016.



**Mr Tinesh Sharma
Ramprasad**

Director

17 October 2016



**Mr Daniel William Desmond
Romburgh**

Director

17 October 2016

CONTENTS

	PAGES
STATEMENT OF DIRECTORS' RESPONSIBILITIES	44
SECRETARY'S CERTIFICATE	44
INDEPENDENT AUDITOR'S REPORT	45
STATEMENTS OF FINANCIAL POSITION	46
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	47
STATEMENTS OF CHANGES IN EQUITY	48
STATEMENTS OF CASH FLOWS	49
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	50

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors acknowledge their responsibilities for:

1. adequate reporting records and maintenance of effective internal control systems;
2. the preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial period and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards ("IFRS"); and
3. the selection of appropriate accounting policies supported by reasonable and prudent judgements.

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

The Directors report that:

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

Signed on behalf of the Board of Directors



Mr Tinesh Sharma Ramprasad

Director

17 October 2016



Mr Daniel William Desmond Romburgh

Director

17 October 2016

SECRETARY'S CERTIFICATE

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



Osiris Corporate Solutions (Mauritius) Limited

Company Secretary

17 October 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS

This report is made solely to the members of New Frontier Properties 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 Group financial statements of New Frontier Properties Limited (the "Group") and the Company's separate financial statements on pages 46 to 79 which comprise the statements of financial position at 31 August 2016, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year 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 46 to 79 give a true and fair view of the financial position of the Group and of the Company at 31 August 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 Mauritian Companies Act 2001.

Report on other legal and regulatory requirements

Companies Act 2001

We have no relationship with, or interests in, the Company, 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 the Code of Corporate Governance as disclosed in the Annual Report and on whether the disclosure is consistent with the requirements of the Code.

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



BDO & Co

Chartered Accountants

Port Louis
Mauritius

17 October 2016



Rookaya Ghanty, FCCA

Licensed by FRC

STATEMENTS OF FINANCIAL POSITION

AT 31 AUGUST 2016

	Notes	THE GROUP		THE COMPANY	
		31 August 2016 £000	31 August 2015 £000	31 August 2016 £000	31 August 2015 £000
ASSETS					
Non-current assets					
Property, plant and equipment	5	19	-	19	-
Investments in subsidiary companies	6	-	-	61 639	9
Investment property	7	272 588	180 225	-	-
Derivative financial instrument	8	-	175	-	-
		272 607	180 400	61 658	9
Current assets					
Trade and other receivables	9	5 846	2 655	3 417	1 179
Loan to related parties	10	-	-	59 239	79 474
Cash and cash equivalents	11	3 639	4 985	581	419
		9 485	7 640	63 237	81 072
Total assets		282 092	188 040	124 895	81 081
EQUITY					
Capital and reserves (attributable to owners of the parent)					
Share capital	12	124 412	80 511	124 412	80 511
Hedging reserve		(5 614)	-	-	-
(Accumulated losses)/retained earnings		(10 051)	834	(274)	(639)
Owner's interest		108 747	81 345	124 138	79 872
LIABILITIES					
Non-current liabilities					
Borrowings	13	162 935	102 974	-	-
Deferred tax	14	-	26	-	-
Derivative financial instrument	8	5 614	-	-	-
		168 549	103 000	-	-
Current liabilities					
Trade and other payables	15	4 719	3 310	757	1 209
Income tax payable		77	385	-	-
		4 796	3 695	757	1 209
Total liabilities		173 345	106 695	757	1 209
Total equity and liabilities		282 092	188 040	124 895	81 081

These financial statements have been approved for issue by the Board of Directors on 17 October 2016.



Mr Tinesh Sharma Ramprasad

Director



Mr Daniel William Desmond Romburgh

Director

The notes on pages 50 to 79 form an integral part of these financial statements.

Auditors' report on page 45.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	THE GROUP		THE COMPANY	
		31 August 2016 £000	Period from 1 January 2015 to 31 August 2015 £000	31 August 2016 £000	Period from 1 January 2015 to 31 August 2015 £000
Revenue					
Rental income	2.8	20 663	5 333	-	-
Expenses					
Property operating expenses		(2 822)	(811)	-	-
Administrative expenses		(1 678)	(1 088)	(885)	(516)
Acquisition-related costs		(2 563)	(1 719)	-	-
Dividend income		-	-	11 300	-
Other income		43	41	-	-
Fair value (loss)/gain on investment property	7	(8 745)	1 225	-	-
Loss on disposal of subsidiary company	20(c)	-	(67)	-	(102)
		4 898	2 914	10 415	(618)
Finance (costs)/income	16	(5 707)	(1 306)	88	(5)
(Loss)/profit before tax		(809)	1 608	10 503	(623)
Taxation	17	52	(723)	(10)	-
(Loss)/profit from continuing operations		(757)	885	10 493	(623)
Profit from discontinued operations	19(a)	-	54	-	-
(Loss)/profit for the year/period		(757)	939	10 493	(623)
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange loss arising on retranslation of subsidiary company		-	(11)	-	-
Fair value loss on derivative financial instruments		(5 614)	-	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Release of exchange difference on disposal of subsidiary company		-	11	-	-
Other comprehensive income for the year/period		(5 614)	-	-	-
Total comprehensive income for the year/period		(6 371)	939	10 493	(623)
(Loss)/earnings per share from continuing operations					
Basic (loss)/earnings per share (GBP)	18	(0.005)	0.013	0.070	0.009
Headline earnings/(loss) per share (GBP)	18	0.053	(0.004)	0.070	0.011
Earnings per share from discontinued operations					
Basic earnings per share (GBP)	19(c)	-	0.001	-	-
Headline earnings per share (GBP)	19(c)	-	0.001	-	-

The notes on pages 50 to 79 form an integral part of these financial statements.

Auditors' report on page 45.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2016

	Share capital £000	Hedging reserve £000	Retained earnings/ (Accumulated losses) £000	Total £000	Non- controlling interests £000	Total £000
THE GROUP						
Balance at 1 September 2015	80 511	-	834	81 345	-	81 345
Issue of shares	44 693	-	-	44 693	-	44 693
Issue costs	(792)	-	-	(792)	-	(792)
Loss for the year	-	-	(757)	(757)	-	(757)
Other comprehensive income for the year	-	(5 614)	-	(5 614)	-	(5 614)
Dividends	-	-	(10 128)	(10 128)	-	(10 128)
Balance at 31 August 2016	124 412	(5 614)	(10 051)	108 747	-	108 747
Balance at 1 January 2015	616	-	(105)	511	31	542
Issue of shares	84 163	-	-	84 163	-	84 163
Issue costs	(4 268)	-	-	(4 268)	-	(4 268)
Profit for the period	-	-	939	939	-	939
Other comprehensive income for the period	-	-	-	-	-	-
Disposal of subsidiary company	-	-	-	-	(31)	(31)
Balance at 31 August 2015	80 511	-	834	81 345	-	81 345
THE COMPANY						
Balance at 1 September 2015	80 511	-	(639)	79 872	-	79 872
Issue of shares	44 693	-	-	44 693	-	44 693
Issue costs	(792)	-	-	(792)	-	(792)
Profit for the year	-	-	10 493	10 493	-	10 493
Other comprehensive income for the year	-	-	-	-	-	-
Dividends	-	-	(10 128)	(10 128)	-	(10 128)
Balance at 31 August 2016	124 412	-	(274)	124 138	-	124 138
Balance at 1 January 2015	616	-	(16)	600	-	600
Issue of shares	84 163	-	-	84 163	-	84 163
Issue costs	(4 268)	-	-	(4 268)	-	(4 268)
Loss for the period	-	-	(623)	(623)	-	(623)
Other comprehensive income for the period	-	-	-	-	-	-
Balance at 31 August 2015	80 511	-	(639)	79 872	-	79 872

The notes on pages 50 to 79 form an integral part of these financial statements.

Auditors' report on page 45.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	THE GROUP		THE COMPANY	
		31 August 2016 £000	Period from 1 January 2015 to 31 August 2015 £000	31 August 2016 £000	Period from 1 January 2015 to 31 August 2015 £000
Cash flows from operating activities					
Cash generated from operations	21(a)	11 617	1 984	7 814	101
Tax paid		(1 119)	-	(10)	-
Interest paid		(5 723)	(1 394)	-	-
Net cash generated from operating activities		4 775	590	7 804	101
Cash flows from investing activities					
Investments in subsidiary companies	6	-	-	-	(9)
Acquisitions of subsidiaries, net of cash and cash equivalents acquired	20(a)	(11 553)	(43 940)	-	-
Addition to investment property		(358)	-	-	-
Acquisition of office equipment		(20)	-	(20)	-
Disposal of subsidiary net of cash and cash equivalents disposed	20(c)	-	(7)	-	-
Interest received		1	6	-	-
Loan advanced to related parties		-	-	(41 395)	(79 474)
Expenses incurred in respect of disposal of subsidiary company		-	(89)	-	(89)
Net cash used in investing activities		(11 930)	(44 030)	(41 415)	(79 572)
Cash flows from financing activities					
Repayments of borrowings		(27 827)	(134 353)	-	-
Payments on borrowing costs		(637)	-	-	-
Proceeds from borrowings		-	102 886	-	-
Proceeds from loans		500	-	-	-
Proceeds from issue of share capital		44 693	84 163	44 693	84 163
Payments for share issuance costs		(792)	(4 268)	(792)	(4 268)
Dividend payment		(10 128)	-	(10 128)	-
Net cash generated from financing activities		5 809	48 428	33 773	79 895
Net (decrease)/increase in cash and cash equivalents for the year/period					
Exchange difference		-	(5)	-	(5)
Cash and cash equivalents at the beginning of the year/period		4 985	2	419	-
At 31 August	11	3 639	4 985	581	419

The notes on pages 50 to 79 form an integral part of these financial statements.

Auditors' report on page 45.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1. GENERAL INFORMATION

The Company was incorporated in Mauritius on 5 June 2014 under the Mauritian Companies Act 2001 as a private company limited by shares and is domiciled in Mauritius. On the same day, the Company has, by a Special Resolution, converted itself into a public company. It holds a Category 1 Global Business Licence and is regulated by the Financial Services Commission. The address of its registered office is C/o Osiris Corporate Solutions (Mauritius) Limited, 3rd Floor, La Croisette, Grand Baie, Mauritius.

New Frontier Properties Limited was set up to carry out any business activities relating to real estate including but without limitation, investment development, operation leasing and management of real estate assets. The Company listed on the Stock Exchange of Mauritius (SEM) on 28 November 2014 and on the Alternative exchange ("AltX") of the JSE on 21 January 2015. During the year, the Company converted its listing on the AltX from a secondary listing to a primary listing.

The Company has entered into the UK-Real Estate Investment Trust ("REIT") regime with effect from 21 October 2015. In this regard:

- the Company has transferred its management and control from Mauritius to the United Kingdom;
- the Company has made certain amendments to its Constitution; and
- certain changes have been made to the Board.

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

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied since last year unless otherwise stated.

2.1 Basis of preparation

The financial statements of New Frontier Properties Limited comply with the Mauritian Companies Act 2001 and have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Listings Requirements of the JSE Limited.

The financial statements are presented to the nearest thousand and all values are in £000, except where otherwise stated.

The financial statements are prepared under the historical cost convention, except that investment property is carried at fair value and relevant financial assets and financial liabilities are stated at fair value.

2.1.1 Income and statement of cash flow

The Group has elected to present a single statement of profit or loss and other comprehensive income and presents its expenses by nature. The Group reports cash flows from operating activities using the indirect method. Interest received is presented within investing cash flows; interest paid is presented within operating cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

2.1.2 Standards, amendments to published standards and interpretations effective in the reporting period

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

2.1.3 Standards, amendments to published standards and interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2016 or later periods, but which the Group has not early adopted.

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

- IFRS 9 Financial Instruments
- IFRS 14 Regulatory Deferral Accounts
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
- IFRS 15 Revenue from Contract with Customers
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- Equity Method in Separate Financial Statements (Amendments to IAS 27)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- Annual Improvements to IFRSs 2012-2014 Cycle
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
- Disclosure Initiative (Amendments to IAS 1)

- IFRS 16 Leases
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)
- Amendments to IAS 7 Statement of Cash Flows
- Clarifications to IFRS 15 Revenue from Contracts with Customers
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

Where relevant, the Group is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.2 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only 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.

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over the estimated useful lives, as follows :

Office equipment: 10 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, at the end of each reporting period.

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

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

2.3 Investments in subsidiaries

Separate financial statements of the investor

In the separate financial statements of the investor, investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any permanent impairment in the value of individual investments.

2.4 Consolidation

(a) **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 AUGUST 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

2.4 Consolidation continued

(a) **Subsidiaries** *continued*

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree, if any, over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

For acquisitions of subsidiaries not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

All the companies in the Group have 31 August as their year-end. Consolidated financial statements are prepared using uniform accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

(b) **Transactions with non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) **Disposal of subsidiaries**

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.5 Foreign currency

(a) **Functional and presentation currency**

Items included in the financial statements of 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 consolidated financial statements are presented in Great Britain Pound ("GBP"), which is the Group's functional and presentation currency.

(b) **Transaction and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within finance costs and finance income respectively.

(c) **Group companies**

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows;

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates; and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at closing rate.

2.6 Investment property

Property that is held for rental income or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes and professional fees to bring the property to the condition necessary for it to be capable of operating.

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value can be reliably determined. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier. Fair value is determined using an income capitalisation method.

Valuations are performed as of the financial position date by independent valuation specialists. These valuations form the basis for the carrying amounts in the consolidated financial statements.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised when they have been disposed of.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

2.7 Leases

(a) Accounting for leases – where the Group is the lessee

(i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease. Properties leased out under operating leases are included in investment properties. See note 2.6 for the accounting policy relating to land held on an operating lease and used as investment property.

(b) Accounting for leases – where the Group is the lessor

Properties leased out under operating leases are included in investment property in the consolidated statement of financial position (note 7). See note 2.8 for the recognition of rental income.

2.8 Revenue recognition

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease where, at the inception of the lease, the Directors are reasonably certain that the tenant will exercise that option.

When an incentive is given to a tenant, the carrying value of the investment property excludes any amount reported as a separate asset as a result of recognising rental income on this basis.

Service and management charges are recognised in the accounting period in which the services are rendered.

Other revenues earned by the Group are recognised on the following basis :

Interest income – on a time proportion basis using the effective interest method.

Dividend income – when the shareholder's right to receive payment is established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 AUGUST 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

2.9 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instruments.

(a) Financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Group transfers substantially all risks and rewards of ownership.

The Group's financial assets consist of derivative financial instruments and loans and receivables.

Financial assets recognised on the consolidated statement of financial position as trade and other receivables are classified as loans and receivables. They are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is made when there is objective evidence that the Group will not be able to collect all of the amounts due under the original terms of the invoice. Impaired debts are derecognised when they are assessed as uncollectible.

The Group uses interest rate swaps to hedge its risks associated with interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value at each reporting date. The movement in fair value between reporting periods is included in other comprehensive income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Cash and cash equivalents are also classified as loans and receivables. Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Loans to related parties are classified as loans and receivables and are recognised at fair value.

(b) Impairment of financial assets

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and, the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the receivable at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(c) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are classified as other liabilities. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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 date of the statement of financial position.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

2.10 Share capital

Shares are classified as equity.

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

2.11 Tenant deposits

The Company's subsidiaries obtain deposits from tenants as a guarantee for returning the property at the end of the lease term in a specified good condition. Such deposits are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.12 Taxation

The Company was subject to income tax in Mauritius at 15%. The Company was, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritius tax payable in respect of its foreign source income thus reducing its maximum effective tax rate to 3%. There is no capital gains tax in Mauritius.

Effective 21 October 2015, the Company has ceased to be tax resident in Mauritius. It has entered into the UK Real Estate Investment Trust (REIT) and transferred its tax residency to the UK. The Company benefits from exemption from corporation tax on qualifying rental income and on the gains on disposal of UK investment properties.

Dividend payments comprises of two components: a Property Income Distribution (PID) from the REIT qualifying activities and a dividend distribution from the non-qualifying activities (non-PID). The aggregate of these two components are referred to as our total dividend. For most shareholders, PIDs will be paid after deducting withholding tax at the current basic rate of 20%.

In respect of the Company's subsidiaries based in Guernsey, taxation is provided on taxable profits at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the reporting date.

2.13 Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill; and
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither the accounting or taxable profit.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of deferred tax asset or liability is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax arising as a consequence of investment property carried at fair value is calculated on the presumption that the property will be recovered through a sale of the property in line with the Group's business model. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embedded in the investment property over time rather than through sale.

2.14 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.15 Intangible assets

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Goodwill is tested annually for impairment. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gains and losses on disposal.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as 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 when a provision is measured using the cash flows estimated to settle the present obligation (where the effect of the time value of money is material).

2.17 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 AUGUST 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

2.18 Segment reporting

Segment information presented relate to operating segments that engage in business activities for which revenues are earned and expenses incurred. A segment is a distinguishable component of the Group that is engaged in providing services (business segment) or in providing services within a particular economic environment (geographic segment) which is subject to risks that are different from those of other segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-maker (Directors).

2.19 Earnings per share and headline earnings per share

Basic earnings or loss per share is calculated by dividing the profit or loss by the weighted average number of ordinary shares in issue during the year.

Headline earnings or loss per share is calculated by dividing headline profit or loss by the weighted average number of ordinary shares in issue during the year.

2.20 Hedge accounting

Hedge accounting is applied to financial assets and financial liabilities only where all of the following criteria are met:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge.
- For cash flow hedges, the hedged item in a forecast transaction is highly probable and presents an exposure to variation in cash flows that could ultimately affect profit or loss.
- The cumulative change in the fair value of the hedging instrument is expected to be between 80% - 125% of the cumulative change in the fair value or cash flows of the hedged item attributable to the risk hedged (i.e. it is expected to be highly effective).
- The effectiveness of the hedge can be reliably measured.
- The hedge remains highly effective on each date tested. Effectiveness is tested quarterly.

2.21 Cash flow hedges

The effective part of interest rate swaps designated as a hedge of the variability in cash flows of interest rate risk arising from bank loans, are measured at fair value with changes in fair value recognised in other comprehensive income and accumulated in the cash flow hedge reserve. The Group uses such derivatives to fix the interest rate on bank loans.

If a highly probable forecast transaction results in the recognition of a non-monetary asset, the cumulative loss/(gain) is added to/(subtracted from) the cost of the asset acquired (basis adjustment). Otherwise the cumulative gain or loss in the other comprehensive income is reclassified from the cash flow hedge reserve to profit or loss at the same time as the hedged transaction affects profit or loss. The two transactions are recognised in the same line item.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

The Board of Directors has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, they have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's management.

The Group's overall risk management programme seeks to maximise the returns derived from the level of risk to which the Group is exposed and seeks to minimise potential adverse effects on the Group's financial performance.

There have been no changes to the Group's approach to risk management during the year.

(a) **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in (a) foreign currencies and (b) interest-bearing assets and liabilities, to the extent that these are exposed to general and specific market movements.

(i) *Foreign currency risk*

The Group has minimal exposure to foreign currency risk as it has no significant financial assets and financial liabilities denominated in currencies other than GBP.

(ii) *Price risk*

The Group has no significant exposure to price risk as it does not hold any equity securities or commodities.

(iii) *Property rental risk*

Property rental risk relates to the ability of existing tenants to pay their rent and the ability to attract new quality tenants where required.

The Group has significant expertise in the real estate business and have appointed an asset manager to manage the business and mitigate any potential risk. Management believes that the property rental risk is considered to be a low risk for the Group.

(iv) *Cash flow and fair value interest rate risk*

As the Group's interest-bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect on the Group's income.

The Group is exposed to cash flow interest rate risk by virtue of borrowings from banks at variable rates of interest.

The Group's interest rate risk is monitored by the Group's management on a periodic basis. The Group borrows at fixed and floating rates of interest and uses financial instruments to fix the floating rates of interest in accordance with its hedging policy. Trade receivables and payables (other than tenant deposits) are interest-free and have settlement dates within one year.

The Group does not speculate in financial instruments, they are only used to limit the Group's exposure to interest rate fluctuations. The Group's policy is to hedge between 50% and 100% of its interest rate exposure. At 31 August 2016, 87.4% (2015: 80.6%) of the Group's debt was hedged using interest rate swaps for the term of the loan.

The variable rate loan is protected by an interest rate swap which is carried at fair value. It has been identified as level 2 in the fair value hierarchy. Level 2 is defined as inputs other than quoted prices included in level 1 that are observable for the liability either directly (i.e. as prices) or indirectly (as derived from prices).

The average effective interest rates of financial instruments at the date of the statement of financial position, based on reports reviewed by key management personnel, were as follows:

- Cash and cash equivalents – 0% (2015: 0%)
- Bank borrowings – 3.36%/3.44% (2015: 3.40%)

At 31 August 2016, if interest rates on GBP denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax loss for the period would have been £207 000 (2015: £434 000/£347 000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) **Credit risk**

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents held at banks and trade receivables which include rentals receivable from lessees. Credit risk is managed on a Group basis.

The Group has policies in place to ensure that rental contracts are entered into only with lessees with an appropriate credit history, but the Group does monitor the credit quality of receivables on an ongoing basis. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each tenant. The Group does not have any tenants which provide in excess of 10% of the Group's rental income.

The maximum exposure to credit risk is the carrying amount of the financial assets as set out below.

	THE GROUP		THE COMPANY	
	31 August 2016 £000	31 August 2015 £000	31 August 2016 £000	31 August 2015 £000
Trade receivables, net of provision for impairment (note 9):				
– Rent receivable from lessees	600	472	–	–
– Other receivables	5 136	2 163	3 409	1 179
	5 736	2 635	3 409	1 179
Financial assets exclude prepayments.				
Cash and cash equivalents (note 11)	3 639	4 985	581	419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 AUGUST 2016

3. FINANCIAL RISK MANAGEMENT continued

3.1 Financial risk factors continued

(b) **Credit risk** *continued*

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

The fair value of financial assets and financial liabilities at 31 August 2016 and 2015 approximates their carrying value.

The maximum exposure to credit risk before any credit enhancements at 31 August 2016 is the carrying amount of the financial assets as set out in the statement of financial position.

(c) **Liquidity risk**

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Board of Directors aims to maintain flexibility in funding by keeping committed credit lines available.

The Group had undrawn committed borrowing facilities available at 31 August 2016 of £1.5 million (2015: £2 million).

The Group's liquidity position is monitored by the Board of Directors. A summary table with maturity of financial assets and liabilities presented below is used by key management personnel to manage liquidity risks and is derived from managerial reports at Company level. The amounts disclosed in the tables below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the statement of financial position, as the impact of discounting is not significant.

	THE GROUP		THE COMPANY	
	31 August 2016 £000	31 August 2015 £000	31 August 2016 £000	31 August 2015 £000
The maturity analysis of financial instruments is as follows:				
Cash and cash equivalents				
- Demand and less than one month	3 639	4 985	581	419
Trade receivables				
- Demand and less than one month	600	472	-	-
Bank borrowings				
- Three to four years	162 935	-	-	-
- Four to five years	-	102 974	-	-
	162 935	102 974	-	-
Trade payables and accruals				
- Demand and less than one month	4 719	3 310	757	1 209
Derivative financial instruments				
- Demand and less than one month	5 614	(175)	-	-

The contractual undiscounted cash flows related to bank borrowings have an element of variable rates as well as fixed interest rates, the amount disclosed is determined by reference to the conditions existing at the last interest payment dates which were 20 July 2016 for the HSBC loan and 28 July 2016 for the PBB loan.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going-concern in order to provide returns for shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital. The Group uses long-term borrowings, cash and equity to achieve this.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Board reviews the Group's capital structure, cost of capital and gearing levels.

3.3 Operational risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company's subsidiaries cannot expect to eliminate all operational risks, but by initiating an effective control framework and by monitoring and responding to potential risks, the Company's subsidiaries are able to manage risks.

The Company's subsidiaries contract with various service providers and professional organisations. As a result, the Company's subsidiaries have no employees of their own. The financial statements reflect the costs of the various service providers.

3.4 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Investment property is carried at fair value which is categorised as level 3. Specific valuation techniques used to value the investment property have been disclosed in note 7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 AUGUST 2016

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Judgements

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) **Investment property**

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to determine fair value. The property was valued on the basis of market value in accordance with the internationally accepted Royal Institution of Chartered Surveyors ("RICS") Valuation – Professional Standards January 2014 (incorporating the International Valuation Standards).

The key assumptions used to determine the fair value of the investment properties, are further explained in note 7.

(b) **Acquisitions**

Properties can be acquired through the corporate acquisition of a subsidiary company. At the time of acquisition, the Group considers whether the acquisition represents the acquisition of a business or simply a group of assets and liabilities. The Group accounts for the acquisition as a business combination where an integrated set of activities acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and the extent of ancillary services provided by the subsidiary.

When the acquisition of a subsidiary does not represent a business, it accounts for it as an acquisition of a group of assets and liabilities. The costs of acquisition are allocated to the assets and liabilities acquired based on their relative fair value and no goodwill or deferred tax is recognised.

(c) **Operating lease commitments – Company as lessor**

The Group has entered into commercial property leases on its investment property. The Group has determined, based on evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all of the significant risks and rewards of ownership of the property and accounts for contracts as operating leases.

(d) **Impairment of investments in subsidiaries**

The Company follows the guidance of IAS 39 on determining when an investment is other than temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluates among other factors, the duration and extent to which the fair value of the investment is less than its cost and financial health of and near term business outlook for the investee including factors such as the value of the underlying investment properties, performance and operational and financing cash flows.

(e) **Deferred tax on investment properties**

For the purpose of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the Directors reviewed the Group's investment property portfolio and concluded the Group's investment properties will be recovered through sale rather than being held within a business model whose objective is to consume substantially all of the economic benefits embodied in the properties over time.

(f) **Limitation of sensitivity analysis**

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

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

5. PROPERTY, PLANT AND EQUIPMENT

	THE GROUP AND THE COMPANY
2016	£000
Cost	
At 1 September 2015	-
Additions	20
As at 31 August 2016	20
Accumulated depreciation	
At 1 September 2015	-
Charge for the year	1
As at 31 August 2016	1
Net book value	
As at 31 August 2016	19

Property, plant and equipment ("PPE") consists of office equipment which was initially recognised at the cost of GBP20 401. The Company has elected to use the cost model whereby the asset is carried at cost less accumulated depreciation and impairment.

The depreciable amount (cost less residual value) has been allocated on a systematic basis over the asset's useful life, which has been estimated at 10 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 AUGUST 2016

6. INVESTMENTS IN SUBSIDIARY COMPANIES

THE COMPANY

£000

At 1 January 2015	615
Additions	9
Disposal	(615)
At 31 August 2015	9
At 1 September 2015	9
Additions	61 630
At 31 August 2016	61 639

(a) The Company's subsidiaries are:

(i) At 31 August 2016	Year-end	Stated capital	Currency	Proportion of ownership interest		Place of business	Country of incorporation	Main business
				Direct	Indirect			
		GBP		%	%			
New Frontier Guernsey 1 Limited ¹	31/08/2016	39 736 100	GBP	100	-	Guernsey	Guernsey	Investment holding
New Frontier Luxembourg Limited ²	31/08/2016	21 902 789	GBP	100	-	Guernsey	Guernsey	Investment holding
BCC Eiffel Limited ⁴	31/08/2016	13 936 337	GBP	-	100	Guernsey	Guernsey	Property holding
Middlesbrough Holdings Limited ³	31/08/2016	7 961 000	GBP	-	100	Guernsey	Guernsey	Investment holding
Burton Investments Limited ³	31/08/2016	7 549 002	GBP	-	100	Guernsey	Guernsey	Investment holding
Middlesbrough Shopping Centre Limited ³	31/08/2016	8 210 000	GBP	-	100	United Kingdom	Guernsey	Property holding
Burton Shopping Centre Limited ³	31/08/2016	7 520 002	GBP	-	100	United Kingdom	Guernsey	Property holding
At 31 August 2015	Year-end	Stated capital	Currency	Direct	Indirect	Place of business	Country of incorporation	Main business
		GBP		%	%			
New Frontier Guernsey 1 Limited ¹	31/08/2015	100	GBP	100	-	Guernsey	Guernsey	Investment holding
New Frontier Luxembourg S.a.r.l. ²	31/08/2015	12 500	EURO	100	-	Luxembourg	Luxembourg	Investment holding
Middlesbrough Holdings Limited ³	31/08/2015	20 000	GBP	-	100	Guernsey	Guernsey	Investment holding
Burton Investments Limited ³	31/08/2015	10 002	GBP	-	100	Guernsey	Guernsey	Investment holding
Middlesbrough Shopping Centre Limited ³	31/08/2015	10 000	GBP	-	100	United Kingdom	Guernsey	Property holding
Burton Shopping Centre Limited ³	31/08/2015	2	GBP	-	100	United Kingdom	Guernsey	Property holding

All classes of shares held are Ordinary.

¹ On 4 February 2015, New Frontier Guernsey 1 Limited was incorporated in Guernsey and the Company subscribed for the entire share capital.

² On 11 August 2015, New Frontier Luxembourg SARL was incorporated in Luxembourg under R.C.S Luxembourg number 199.624. On 8 April 2016, it migrated to Guernsey and changed its name to New Frontier Luxembourg Limited and its registration number is 61887. The Company subscribed for the entire share capital. New Frontier Properties Limited changed its currency from Euro to GBP.

³ On 14 April 2015, New Frontier Guernsey 1 Limited acquired Middlesbrough Holdings Limited and Burton Investments Limited and their wholly owned subsidiaries, Middlesbrough Shopping Centre Limited and Burton Shopping Centre Limited.

⁴ On 23 September 2015, New Frontier Luxembourg SARL acquired BCC Eiffel Limited.

7. INVESTMENT PROPERTY

	THE GROUP
	£000
(a) Fair value model	
At 1 January 2015	1 116
Acquisitions through business combinations (note 20(b))	179 000
Exchange difference	(24)
Disposed of on disposal of subsidiary (note 20(c))	(1 092)
Fair value gain on revaluation of investment property	1 225
Carrying value at 31 August 2015	180 225
Tenant incentives within receivables	25
Fair value at 31 August 2015	180 250
At 1 September 2015	180 225
Acquisitions through business combinations (note 20(a))	100 750
Additions	358
Fair value loss on revaluation of investment property	(8 745)
Carrying value at 31 August 2016	272 588
Tenant incentives within receivables	262
Fair value at 31 August 2016	272 850

At the end of the period the fair value of Group's investment properties has been arrived at on the basis of market valuations carried out by Colliers International Valuation UK LLP, external valuers to the Group.

Last year the Group disposed of one of its investment property following the disposal of its subsidiary, Coastal Building Holdings Limited.

In accordance with the Group's accounting policies, incentives to enter into lease agreements are spread evenly over the term of the lease. The balance of these incentives at 31 August 2016 is included in trade receivables in the consolidated statement of financial position and an amount equivalent to this is set against the fair value of the Group's investment properties.

(b) Valuation process

Colliers International Valuation UK LLP undertook their valuations in accordance with the "RICS Valuation – Professional Standards, the 2014 Edition (the "Red Book"). This is an internationally accepted basis of valuation. The properties has been valued by Russell Francis BSc (Hons) MRICS.

A fair value hierarchy of 3 is attributed to the investment property as there are a significant number of unobservable inputs used to determine the fair value of the property. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. Changes in levels are analysed at each reporting date by the Board of Directors.

Whilst the outcome of the UK referendum vote on 23 June 2016 has created a period of uncertainty in relation to many factors that impact the property investment and letting markets, its timing was such that it has not been possible for the valuers to gauge its impact on values at 31 August 2016 by reference to transactions in the market. Consequently, Colliers International Valuation UK LLP has advised that the probability that the valuation would exactly coincide with the price achieved, were there to be a sale, has reduced. This situation is likely to remain until the number and consistency of comparable transactions in the market increases, particularly in the UK. Having consulted with Colliers International Valuation UK LLP subsequent to the period-end, the Directors believe it is appropriate to adopt the valuations when preparing these financial statements.

In accordance with the Group's accounting policies, incentives to enter into lease agreements are spread evenly over the term of the lease. The balance of these incentives at 31 August 2016 is included in trade receivables and an amount equivalent to this is set against the fair value of the investment properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 AUGUST 2016

7. INVESTMENT PROPERTY continued

(c) **Valuation technique**

The fair value of the completed investment property is determined using an income capitalisation method. Under this valuation method the property's fair value is estimated based on the normalised net operating income-generated by the property, which divided by the capitalisation rate. The difference between the gross and net rental income includes operating expenses and taking into account vacancy allowances and replacement reserve. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers knowledge of the factors specific to the respective properties.

The valuation has used a discounted cash flow technique using rents observed for nearby properties and those negotiated for the property. These gave:

	THE GROUP	
	31 August 2016 £	31 August 2015 £
Recorded input		
Rental value per square foot per year		
Burton Shopping Centre	15.65	15.76
Middlesbrough Shopping Centre	13.66	14.29
Blackpool Shopping Centre	20.88	-
Market valuation rate adopted	16.34	15.02
Purchaser's costs (%)	4.00	3.75

	THE GROUP	
	31 August 2016 %	31 August 2015 %
Equivalent yield		
Burton Shopping Centre	5.92	6.22
Middlesbrough Shopping Centre	6.77	6.55
Blackpool Shopping Centre	6.07	-
Market valuation rate adopted	6.22	6.38

(d) **The following amounts have been recognised in profit or loss:**

	THE GROUP	
	31 August 2016 £000	31 August 2015 £000
Rental income	20 663	5 333
Direct operating expenses arising from investment properties that generated rental income	1 588	571

(e) **Sensitivity to changes in significant unobservable inputs**

A significant change in the nominal yield in isolation would result in a significant change in valuation of the investment. A decrease in yield of 50 basis points would result in an increase in total market value to £297 505 000 (2015: £195 990 000) and a 50 basis point decrease would result in a total market value of £251 940 000 (2015: £166 790 000).

(f) Bank borrowings of £164.4 million (2015: £104.2 million) from HSBC Bank plc and Pfandbriefbank AG are secured on the investment property portfolio (note 13).

8. DERIVATIVE FINANCIAL INSTRUMENT

	THE GROUP	
	31 August 2016 £000	31 August 2015 £000
At 31 August 2016 - (liability)/asset	(5 614)	175

The derivative financial instruments held by the Group are two interest rate swaps entered at the level of the subsidiaries to manage the Group's interest rate and resulting cash flow exposure from the Group's bank loans. The swap for New Frontier Guernsey 1 Limited has a notional value of £84 million (2015: £84 million) and a weighted average fixed rate of 1.325% (2015: 1.325%). The swap for New Frontier Luxembourg Limited has a notional value of £59.7 million (2015: £nil) and a weighted average fixed rate of 1.431% (2015: nil).

9. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	31 August 2016 £000	31 August 2015 £000	31 August 2016 £000	31 August 2015 £000
Trade receivables	600	472	-	-
Receivables from related parties (note 31.1)	603	603	603	603
Other receivables	3 777	1 468	282	576
Accrued income	756	92	-	-
Prepayments	110	20	8	-
	5 846	2 655	3 417	1 179

None of the receivables are either past due or impaired.

The Group and the Company credit risk's concentration is spread over numerous tenants. Management ensures that the Company rents its units to tenants with appropriate credit worthiness. The level of receivables is monitored regularly on a tenant-by-tenant basis by the asset managers.

The Group does not hold any collateral as security.

10. LOAN TO RELATED PARTIES

	THE GROUP		THE COMPANY	
	31 August 2016 £000	31 August 2015 £000	31 August 2016 £000	31 August 2015 £000
Loan to related parties (see note 31.1)	-	-	59 239	79 474

The loan to related parties represents loans made to New Frontier Guernsey 1 Limited and New Frontier Luxembourg SARL, which are wholly-owned subsidiaries. These loans are interest-free, but up to 21 October 2015, the loan to New Frontier Luxembourg SARL bore interest at 10% and during that period, a total of £103 288 (2015: £nil) interest was charged. These loans are unsecured and denominated in GBP. They are repayable on demand, subject to the Group having sufficient cash resources available to make the repayment and that the repayment does not breach any of the terms of the loan facility provided by HSBC Bank plc and Pfandbriefbank AG, to which these loans have been subordinated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 AUGUST 2016

11. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	31 August 2016 £000	31 August 2015 £000	31 August 2016 £000	31 August 2015 £000
Cash at bank and in hand	3 639	4 985	581	419

12. SHARE CAPITAL

The Company's share capital consists of 152 774 750 (2015: 104 389 880) ordinary shares of no par value.

	Number of shares	Share capital £000
At 1 January 2015	938 736	616
Issue of shares	103 451 144	84 163
Issue costs	-	(4 268)
At 31 August 2015	104 389 880	80 511
At 1 September 2015	104 389 880	80 511
Issue of shares	48 384 870	44 693
Issue costs	-	(792)
At 31 August 2016	152 774 750	124 412

The authorised number of shares is 300 000 000 (2015: 300 000 000) at no par value. All issued shares are fully paid, except for 1 000 shares issued to a former director. Fully paid ordinary shares carry one vote per share and carry a right to dividends.

On 17 September 2015, the Company listed 7 151 538 shares at an issue price of GBPO.9113 per share, raising GBP6.5 million through the Company's Mauritian share register.

On the same date, the Company listed an additional 41 233 332 shares at an issue price of ZAR19.50 per share raising ZAR804 million through the Company's South African share register.

13. BORROWINGS

The Group's borrowings are at floating rates of interest. Interest costs may increase or decrease as a result of changes in the interest rates.

	THE GROUP		THE COMPANY	
	31 August 2016 £000	31 August 2015 £000	31 August 2016 £000	31 August 2015 £000
Non-current bank borrowings				
Bank loans	164 400	104 200	-	-
Unamortised loan origination costs	(1 465)	(1 226)	-	-
	162 935	102 974	-	-

The Group obtained a term loan facility from Deutsche Pfandbriefbank AG to finance the acquisition of the shopping centre in Blackpool. The facility is for £59.7 million (2015: nil) and was drawn in the period. The loan bears interest at 1.7% p.a. over three-month LIBOR and is repayable on 28 July 2020.

The Group obtained a term loan facility from HSBC Bank plc to finance the acquisition of shopping centres in Middlesbrough and Burton upon Trent (see note 20). The facility was for up to £106.2 million and £0.5 million (2015: £104.2 million) was drawn in the year. The loan bears interest at 2.2% p.a. over three month LIBOR and is repayable in instalments, subject to loan to value covenants, with a bullet repayment on 7 March 2020.

The loans are secured on the investment properties and other assets in each shopping centre and their respective holding company.

13. BORROWINGS continued

The Group's borrowings are denominated in GBP.

The fair value of borrowings approximated their carrying value at the date of the consolidated statement of financial position.

Interest paid on bank loans during the period amounted to £4 383 342 (2015: £1 183 404).

The table below shows the repayment schedule of the loans payable:

	THE GROUP	
	31 August 2016 £000	31 August 2015 £000
- Three to four years	162 935	-
- Four to five years	-	102 974
	162 935	102 974

14. DEFERRED TAXATION

	THE GROUP	
	31 August 2016 £000	31 August 2015 £000
At 1 September	26	-
Acquired through business combination (note 20(a))	-	(369)
Charge for the period	(26)	395
At 31 August	-	26

The closing deferred tax balance at 31 August 2015 related to accelerated capital allowances.

15. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	31 August 2016 £000	31 August 2015 £000	31 August 2016 £000	31 August 2015 £000
Trade and other payables	2 888	1 866	60	354
Accruals and deferred income	1 831	1 204	-	-
Payables to related parties (note 31.2)	-	240	697	855
	4 719	3 310	757	1 209

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 AUGUST 2016

16. FINANCE (COSTS)/INCOME

	THE GROUP		THE COMPANY	
	31 August 2016 £000	Period from 1 January 2015 to 31 August 2015 £000	31 August 2016 £000	Period from 1 January 2015 to 31 August 2015 £000
Interest payable:				
- on bank loans	(4 383)	(1 183)	-	-
- on interest rate swap contracts	(882)	(167)	-	-
Amortisation of loan origination costs	(399)	(88)	-	-
Loan non-utilisation fees	(29)	(44)	-	-
Unrealised exchange loss	(15)	(5)	(15)	(5)
Interest income	1	6	103	-
Fair value gain on derivative financial instrument	-	175	-	-
	(5 707)	(1 306)	88	(5)

17. TAXATION

Tax expense comprises of current and deferred tax.

Tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income.

	THE GROUP		THE COMPANY	
	31 August 2016 £000	Period from 1 January 2015 to 31 August 2015 £000	31 August 2016 £000	Period from 1 January 2015 to 31 August 2015 £000
Current tax on the adjusted results for the year at 20%/15%/0% (2015: 15%)	(36)	328	-	-
Under provision in prior year	10	-	10	-
Deferred tax (note 14)	(26)	395	-	-
Tax (credit)/charge	(52)	723	10	-

- (a) The tax on the Group's and the Company's (loss)/profit before taxation differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	THE GROUP		THE COMPANY	
	31 August 2016 £000	Period from 1 January 2015 to 31 August 2015 £000	31 August 2016 £000	Period from 1 January 2015 to 31 August 2015 £000
(Loss)/profit before taxation from continuing operations	(809)	1 608	10 503	(623)
Tax calculated at 20% (2015: 15%)	(162)	241	2 101	(93)
Non-deductible expenses	2 806	607	-	42
Foreign tax credit	-	41	-	41
UK REIT tax relief	(2 101)	-	(2 101)	-
Income and gains not subject to tax	(317)	(281)	-	-
Effect of consolidation adjustment	-	(5)	-	-
Effect of different tax rates	-	110	-	-
Over accrued in prior years	(288)	-	-	-
Under provision in prior year	10	-	10	-
Unrecognised tax losses	-	10	-	10
	(52)	723	10	-

At the end of the reporting period, the Company had unused tax losses of £nil (2015: £638 898) available for offset against future profits. The tax losses expire on a rolling basis over five years. The subsidiaries incorporated in Guernsey which own investment properties in the UK are subject to 20% income tax on profits in the UK.

On 21 October 2015 New Frontier Properties Limited, the Company, converted to a Real Estate Investment Trust ("REIT") for UK tax purposes and as such the Group is no longer required to pay UK Corporation tax provided the Group continues to fulfil the conditions of being a REIT.

18. BASIC AND HEADLINE EARNINGS

	THE GROUP		THE COMPANY	
	31 August 2016 £000	Period from 1 January 2015 to 31 August 2015 £000	31 August 2016 £000	Period from 1 January 2015 to 31 August 2015 £000
Basic (loss)/earnings from continuing operations attributable to equity holders of the Company	(757)	885	10 493	623
Fair value movement on investment property (note 7)	8 745	(1 225)	-	-
Loss on disposal of subsidiary	-	67	-	102
Headline earnings/(loss) from continuing operations attributable to equity holders of the Company	7 988	(273)	10 493	725
Weighted average number of shares	150 527 365	68 481 218	150 527 365	68 481 218
(Loss)/earnings per share from continuing operations				
Basic (loss)/earnings per share (GBP)	(0.005)	0.013	0.070	0.009
Headline earnings/(loss) per share (GBP)	0.053	(0.004)	0.070	0.011

The Company has no dilutionary instruments in issue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 AUGUST 2016

19. DISCONTINUED OPERATIONS

- (a) An analysis of the result of discontinued operation in respect of the subsidiary which was disposed of last year is given below:

	THE GROUP
	Period from 1 January 2015 to 31 August 2015 £000
Revenue	71
Expenses	(4)
Finance cost	(13)
Profit before tax of discontinued operations	54
Tax	-
Profit after tax of discontinued operations	54

	Period from 1 January 2015 to 31 August 2015 £000
(b) Operating cash flows	49
Financing cash flows	(43)
Total cash flows	6

	THE GROUP
	Period from 1 January 2015 to 31 August 2015 £000
(c) Basic and headline earnings per share	
Basic and headline earnings from discontinued operations	54
Headline earnings from discontinued operations	54
Weighted average number of shares	68 481 218
Basic earnings per share (GBP)	0.001
Headline earnings per share (GBP)	0.001

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

20. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

(a) Acquisitions in the current year

On 23 September 2016, the Group acquired a shopping centre in Blackpool by acquiring the whole of the issued share capital of BCC Eiffel S.à.r.l. In accordance with its accounting policy the Group has determined that this acquisition was a business combination. The costs of acquisition which have been recognised in the consolidated statement of profit or loss and other comprehensive income amount to £2 562 565.

The Group is continuing to pursue dominant retail assets in towns in the UK. However, following the decision of the UK to vote to leave the European Union (EU) new acquisitions have been delayed. The UK now faces a period of uncertainty before exit (if indeed it actually occurs) whilst negotiations between the UK and the other EU member countries begin. The Board has decided to proceed with caution until the uncertainty in the UK economy has reduced and there is more clarity on the state of the property investment market.

The following table summarises the consideration paid for BCC Eiffel S.a.r.l and the fair values of the assets acquired and liabilities assumed recognised at acquisition date.

	THE GROUP
	2016 £000
Investment property	100 750
Trade and other receivables	186
Cash and cash equivalents	1 833
Trade and other payables	(2 656)
Borrowings	(86 727)
Fair value of net assets	13 386
Cash consideration paid	(13 386)
Goodwill arising on acquisition	-
Amounts recognised in profit or loss since acquisition	
Revenue	7 260
Profit after tax	851
Had BCC Eiffel been consolidated from 1 September 2015, revenue for the year would have been higher by £464 298 and loss would have been lower by £341 969 respectively.	
Net cash outflow on acquisition of subsidiaries	
Consideration paid in cash	13 386
Less cash and cash equivalents balances acquired	(1 833)
	11 553

(b) Acquisitions in the previous period

On 14 April 2015, the Group made two acquisitions. It acquired shopping centres at Burton upon Trent and Middlesbrough by acquiring the whole of the issued share capital of Burton Investments Limited and Middlesbrough Holdings Limited. The transaction is accounted for as a single business combination as this was carried out simultaneously, from one ultimate vendor and completed on the same day. In accordance with its accounting policy the Group has determined that this acquisition was a business combination. The costs of acquisition which have been recognised in the consolidated statement of profit or loss and other comprehensive income amount to £1 719 040.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 AUGUST 2016

20. ACQUISITION AND DISPOSAL OF SUBSIDIARIES continued

(b) **Acquisitions in the previous period** *continued*

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration, goodwill arising and post-acquisition results are as follows:

	THE GROUP
	2015 £000
Investment property	179 000
Trade and other receivables	4 972
Deferred tax	369
Cash and cash equivalents	1 244
Trade and other payables	(6 094)
Borrowings	(134 307)
Fair value of net assets	45 184
Cash consideration paid	(45 184)
Goodwill arising on acquisition	-
	2015 £000
Amounts recognised in profit or loss since acquisition	£000
Revenue	5 333
Profit after tax	938
Net cash outflow on acquisition of subsidiaries	
Consideration paid in cash	45 184
Less cash and cash equivalents balances acquired	(1 244)
	43 940

Had the Burton Investments Limited and Middlesbrough Holdings Limited been consolidated from 1 January 2015 revenue would have been GBP1 512 203 and profit would have been GBP2 269 292.

(c) **Disposals in the previous period**

On 22 July 2015, the Company disposed of its investment in Coastal Building Holdings Limited.

Analysis of assets and liabilities over which control was lost is as follows:

	THE GROUP
	2015 £000
Investment property	1 092
Cash and cash equivalents	7
Trade and other receivables	69
Payables	(23)
Borrowings	(544)
Net assets disposed of	601
Loss on disposal of subsidiary	
Consideration receivable	603
Costs of disposal	(89)
Net consideration	514
Net assets disposed of	(601)
Non-controlling interests	31
Exchange difference in respect of net assets of subsidiary from equity to profit or loss	(11)
Loss on disposal of subsidiary	(67)
Net cash inflow on disposal of subsidiary	
Consideration received	-
Less cash and cash equivalent balances disposed of	7
	7

21. NOTES TO THE STATEMENT OF CASH FLOWS

	THE GROUP		THE COMPANY	
	2016 £000	2015 £000	2016 £000	2015 £000
(a) Cash generated from operations				
(Loss)/profit before taxation				
- From continuing operations	(809)	1 608	10 503	(623)
- From discontinued operations	-	54	-	-
Interest expense	5 387	1 394	-	-
Interest income	(1)	(6)	-	-
Depreciation	1	-	1	-
Amortisation of loan origination costs	399	88	-	-
Foreign exchange difference	-	5	-	5
Loss on disposal of subsidiary	-	67	-	102
Fair value (loss)/gain on derivative financial instruments	175	(175)	-	-
Fair value (gain)/loss on investment property	8 745	(1 225)	-	-
Changes in working capital:				
- Receivable/due from related companies	(240)	-	(2 682)	-
- Trade and other receivables	(2 417)	2 918	286	280
- Trade and other payables	377	(2 744)	(294)	337
Cash generated from operations	11 617	1 984	7 814	101

(b) Non-cash transactions

In the current year, the only non-cash transactions related to shares issued to New Frontier Properties Limited by New Frontier Luxembourg SARL and New Frontier Guernsey 1 Limited for no cash consideration. These issues of shares were compensated for by offsetting the amount of loan payable to New Frontier Properties Limited. The respective amounts for New Frontier Luxembourg SARL and New Frontier Guernsey 1 Limited are GBP21 890 414 and GBP39 736 000 respectively.

22. NON-ADJUSTING SUBSEQUENT EVENTS

There were no material events after date of the statement of financial position that have a bearing on the understanding of these consolidated financial statements.

23. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going-concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

24. FINANCIAL INSTRUMENTS

The classes of financial instruments and fair value are as follows:

	THE GROUP		THE COMPANY	
	Loans and receivables £000	Carrying value £000	Loans and receivables £000	Carrying value £000
Financial assets				
2016				
Trade and other receivables	5 736	5 736	3 409	3 409
Cash and cash equivalents	3 639	3 639	581	581
Loan from related parties	-	-	59 239	59 239
	9 375	9 375	63 229	63 229
2015				
Trade and other receivables	2 655	2 655	1 179	1 179
Derivative financial instrument	175	175	-	-
Cash and cash equivalents	4 985	4 985	419	419
Loan from related parties	-	-	79 474	79 474
	7 815	7 815	81 072	81 072

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 AUGUST 2016

24. FINANCIAL INSTRUMENTS continued

The classes of financial instruments and fair value are as follows:

	THE GROUP		THE COMPANY	
	Fair value £000	Carrying value £000	Fair value £000	Carrying value £000
Financial liabilities				
2016				
Interest-bearing borrowings	162 935	162 935	-	-
Derivative financial instrument	5 614	5 614	-	-
Trade and other payables	4 719	4 719	757	757
	173 268	173 268	757	757
2015				
Interest-bearing borrowings	102 974	102 974	-	-
Trade and other payables	3 310	3 310	1 209	1 209
	106 284	106 284	1 209	1 209

25. SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES

The Company was incorporated on 5 June 2014 and therefore has only three periods of published results to disclose as shown below.

(a) Statements of profit or loss and other comprehensive income	Year ended 31 August 2016 £000	Period from 1 January 2015 to 31 August 2015 £000	5 June 2014 (date of Incorporation) to 31 December 2014 £000
THE GROUP			
Revenue	20 663	5 333	75
(Loss)/profit before taxation from continuing operations	(809)	1 608	(81)
Taxation	52	(723)	-
(Loss)/profit for the year/period	(757)	885	(81)
Profit/(loss) from discontinued operations	-	54	(24)
Other comprehensive income	(5 614)	-	-
Total comprehensive income for the period	(6 371)	939	(105)
(Loss)/profit attributable to:			
- Owners of the parent	(757)	885	(81)
- Non-controlling interest	-	-	-
Total comprehensive income attributable to:			
- Owners of the parent	(6 371)	939	(105)
- Non-controlling interest	-	-	-
Basic (loss)/earnings per share			
- From continuing operations	(0.005)	0.013	(0.086)
- From discontinued operations	-	0.001	(0.026)
Headline earnings/(loss) per share			
- From continuing operations	0.053	(0.004)	(0.017)
- From discontinued operations	-	0.001	0.020
Rate of dividend (GBP)	0.08	-	-

25. SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES continued

(a) Statements of profit or loss and other comprehensive income
continued

	Year ended 31 August 2016 £000	Period from 1 January 2015 to 31 August 2015 £000	5 June 2014 (date of Incorporation) to 31 December 2014 £000
THE COMPANY			
Revenue	-	-	-
Profit/(loss) before taxation	10 503	(623)	(16)
Taxation	(10)	-	-
Profit/(loss) for the year/period	10 493	(623)	(16)
Other comprehensive income	-	-	-
Total comprehensive income for the year/period	10 493	(623)	(16)
Profit/(loss) attributable to:			
- Owners of the parent	10 493	(623)	(16)
- Non-controlling interest	-	-	-
Total comprehensive income attributable to:			
- Owners of the parent	10 493	(623)	(16)
- Non-controlling interest	-	-	-
Basic earnings/(loss) per share	0.070	0.009	(0.017)
Headline earnings/(loss) per share	0.070	0.011	(0.017)

(b) Statements of financial position

	31 August 2016 £000	31 August 2015 £000	31 December 2014 £000
THE GROUP			
ASSETS			
Non-current assets	272 607	180 400	1 116
Current assets	9 485	7 640	68
Total assets	282 092	188 040	1 184
EQUITY			
Share capital	124 412	80 511	616
Hedging reserve	(5 614)	-	-
(Accumulated losses)/retained earnings	(10 051)	834	(105)
Owner's interest	108 747	81 345	511
Non-controlling interests	-	-	31
	108 747	81 345	542
LIABILITIES			
Non-current liabilities	168 549	103 000	398
Current liabilities	4 796	3 695	244
Total liabilities	173 345	106 695	642
Total equity and liabilities	282 092	188 040	1 184

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 AUGUST 2016

25. SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES continued

(b) **Statements of financial position** *continued*

	31 August 2016 £000	31 August 2015 £000	31 December 2014 £000
THE COMPANY			
ASSETS			
Non-current assets	61 658	9	615
Current assets	63 237	81 072	1
Total assets	124 895	81 081	616
EQUITY			
Share capital	124 412	80 511	616
(Accumulated losses)/retained earnings	(274)	(639)	(16)
Owner's interest	124 138	79 872	600
LIABILITIES			
Non-current liabilities	-	-	-
Current liabilities	757	1 209	16
Total liabilities	757	1 209	16
Total equity and liabilities	124 895	81 081	616

26. CAPITAL COMMITMENTS

At 31 August 2016 the Group had no contracted capital expenditure for which provision has been made in these financial statements (2015: £nil).

27. SEGMENTAL INFORMATION

The Group derives its revenue from a single business activity, the property sector, which it considers as its only segment.

The accounting policies of the operating segment are the same as those described in the summary of significant accounting policies. New Frontier Properties Limited evaluates performance on the basis of profit or loss from the shopping centres located in the UK.

	Property 31 August 2016 £000	Total 31 August 2016 £000
Revenue from external customers	20 663	20 663
Segment result	16 206	16 206
Fair value loss on investment property	(8 745)	(8 745)
Acquisition costs		(2 563)
Finance costs		(5 707)
Loss before taxation		(809)
Taxation		52
Profit for the year from continuing operations		(757)

In the current year, no single tenant makes up more than 10% of the rental income recognised, all income has been generated from investment properties located in the UK and there are no non-current assets related to the geographical class.

27. **SEGMENTAL INFORMATION** continued

	Property 31 August 2015 £000	Total 31 August 2015 £000
Revenue from external customers	5 333	5 333
Segment result	3 475	3 475
Loss on disposal of subsidiary company	(67)	(67)
Fair value gain on investment property	1 225	1 225
Acquisition costs		(1 719)
Finance costs		(1 306)
Profit before taxation		1 608
Taxation		(723)
Profit for the year from continuing operations		885

28. **NON-CANCELLABLE OPERATING LEASES**

The Group earns rental income by leasing its investment properties to tenants under non-cancellable operating leases. At the period end the Group had contracts with tenants for the following future minimum lease payments:

	THE GROUP	
	2016 £000	2015 £000
Within one year	14 921	11 771
In the second to fifth year (inclusive)	38 457	25 686
After five years	101 179	89 224
	154 557	126 681

29. **ULTIMATE CONTROLLING PARTY**

The Company's ultimate parent company and controlling party is Rebosis Property Fund Limited, a Company incorporated in South Africa.

Copies of these financial statements are available from the Company Secretary, Osiris Corporate Solutions (Mauritius) Limited, 3rd Floor, La Croisette, Grand Baie, Mauritius.

30. **CONTINGENCIES**

The Group has no significant contingent liabilities (2015: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 31 AUGUST 2016

31. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related party transactions are made in the normal course of business.

In addition, Key Management Personnel are considered to be related parties and any transactions with them are disclosed below. The purposes of related party disclosures under IAS 24 key management personnel of the Group comprise all Executive and Non-executive Directors.

	THE GROUP		THE COMPANY	
	31 August 2016 £000	31 August 2015 £000	31 August 2016 £000	31 August 2015 £000
31.1 Balances arising from sales of services and assets				
Receivables from related parties				
Amount receivable from former shareholder	603	603	603	603
Loan to subsidiary undertaking	-	-	59 239	79 474
Amount receivable from subsidiary undertaking	-	-	2 524	-
	603	603	62 366	80 077

Last year one of the Company's subsidiaries, Coastal Building Holdings Limited was sold to Brendan Jones, a former director for its book value of £603 204 in exchange for the shares he held in the Company. These shares can only be realised in tranches, 25% by 1 December and the remainder, at the Company's discretion in full after 1 December 2015.

During the year, the Company advanced loans to New Frontier Guernsey 1 Limited and New Frontier Luxembourg SARL, wholly-owned subsidiaries. These loans are interest-free, but up to 21 October 2015, the loan to New Frontier Luxembourg SARL bore interest at 10% and during that period a total of £103 288 (2015: £nil) interest was charged. These loans are unsecured and denominated in GBP. It is repayable on demand, subject to the Group having sufficient cash resources available to make the repayment and that the repayment does not breach any of the terms of the loan facility provided by HSBC Bank plc and Pfandbriefbank AG, to which these loans have been subordinated.

During the year, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2015: nil). This assessment is carried out each financial year through examining the financial position of the related party and the market in which the related party operates.

	Relationship	THE GROUP		THE COMPANY	
		31 August 2016 £000	31 August 2015 £000	31 August 2016 £000	31 August 2015 £000
31.2 Balances arising from purchase of services					
Payables to related parties					
New Frontier Guernsey 1 Limited	Subsidiary	-	-	697	615
Waypoint New Frontier Limited	Key personnel	-	240	-	240
		-	240	697	855

Amounts due to related parties are unsecured, bears no interest and have no fixed repayment terms and payable on demand.

Waypoint New Frontier Limited is considered to be a related party by virtue of the asset management agreement in place between this company and New Frontier Properties Limited. Waypoint New Frontier Limited is a wholly-owned subsidiary of Waypoint Asset Management Limited which has entered into an asset management agreement with the Group to provide all services regarding the operations of assets purchased in the UK.

During the year a total of £136 842 (2015: £nil) for the Group and the Company was charged by Waypoint Asset Management Limited in respect of these services. There was no outstanding balance at year-end (2015: £nil) for both the Group and the Company.

During the year a total of £nil (2015: £935 537) for the Company and £1 410 766 (2015: £1 175 535) for the Group was charged by Waypoint New Frontier Limited in respect of these services. There was no outstanding balance at year-end (2015: £nil) for both the Group and the Company.

Rebosis Property Fund is considered to be a related party as it is the holding company.

During the year £nil (2015: £1 942 815) was paid to Rebosis Property Fund as an underwriting fee for its participation in the placing. This fee has been deducted from equity in accordance with IFRS.

Belasko Administration Limited, the administrator of the Group's subsidiaries is considered to be a related party due to two common Directors of the subsidiaries are employees of Belasko Administration Limited. Administration fees of £177 748 (2015: £14 932) were charged to the Group for the year ended 31 August 2016 of which £nil (2015: £nil) was outstanding at the year-end. There was no outstanding balance at year-end (2015: £nil) for both the Group and the Company.

31.3 Directors' fees

	THE GROUP AND THE COMPANY	
	31 August 2016 £000	31 August 2015 £000
Directors' fees	180	59

Directors' fees include an amount of £8 333 (2015: £20 000) paid to Osiris Corporate Solutions (Mauritius) Limited for directorship services rendered during the year. The amount of £179 718 as at 31 August 2016 also includes an amount of £29 523 relating to Directors' fees for the period ended 31 August 2015 and paid in the current year.

32. DIVIDENDS PER SHARE

	THE GROUP AND THE COMPANY	
	31 August 2016 £000	31 August 2015 £000
Amounts recognised as distributions to equity holders in the year:		
Final dividend declared on 23 October 2015 of 3.05 GBP pence per share	4 628	-
Interim dividend declared on 7 April 2016 of 3.60 GBP pence per share	5 500	-
	10 128	-

On 23 October 2015, the Directors declared a dividend of 3.05 pence per ordinary share amounting to a total dividend of GBP4 627 963.

On 7 April 2016, the Directors declared a dividend of 3.6 pence per ordinary share amounting to a total dividend of GBP5,499 891.

DEFINITIONS

“AltX”	the Alternative Exchange of the JSE
“Asset Management Agreement”	the agreement dated 7 April 2015 between the Company and the Asset Manager, in terms of which the Asset Manager will manage the assets of the Company
“Asset Manager” or “Waypoint”	Waypoint New Frontier Limited, a UK incorporated asset manager, which serves as New Frontier’s asset manager
“Billion Group”	Billion Group Proprietary Limited, property development and investment Group of companies including Billion Property Group and Billion Residential
“Brexit”	vote in June 2016, in which the electorate voted, by a small majority, to advise the government that the UK should leave the European Union
“CEO”	Chief Executive Officer
“Constitution”	Constitution of the Company dated 5 June 2014
“Directors” or “the Board” or “Board of Directors”	the Directors of the Company as set out on page 9
“ERV”	Estimated Rental Value
“EU”	European Union
“FD”	Financial Director
“FS”	the Financial Services Commission of Mauritius
“GBL1”	a category one Global Business License issued under the Financial Services Act 2007
“GBP” or “£”	Pounds Sterling
“GDP”	Gross Domestic Product
“GLA”	Gross lettable area, measured in square metres
“IBC”	Inside back cover
“IFRS”	International Financial Reporting Standards
“IIRC”	International Integrated Reporting Council, which have produced the Integrated Reporting <IR> Framework
“investment strategy”	the investment strategy of the Group as determined by the Board of Directors
“JSE”	JSE Limited (Registration number 2005/022939/06), a company duly registered and incorporated with limited liability under the company laws of South Africa, licensed as an exchange under South Africa’s Securities Services Act, 2004
“JSE Listings Requirements”	the Listings Requirements as published by the JSE, as amended from time to time
“King III Report”	King Report on Corporate Governance for South Africa 2009
“LTV”	Loan-to-Value Ratio
“Mauritius”	the Republic of Mauritius
“Mauritian Companies Act”	the Mauritian Companies Act 2001 (Act 15 of 2001) as amended
“MUR” or “Rs”	the Mauritian Rupee
“Property portfolio”	means the immovable properties owned or leased by the Company or its subsidiaries at the date of signature of the property services agreement, together with (1) any other immovable property which may be acquired, directly or indirectly, or leased, and (2) listed or unlisted shares, loans or other interests in companies and other persons or legal structures which own or lease immovable properties, whether owned by the Company or any of its subsidiaries from time to time

“Rebosis”	Rebosis Property Fund Limited, a REIT listed on the JSE
“REIT”	Real Estate Investment Trust
“SA Companies Act”	the South African Companies Act, 2008 (Act 71 of 2008) as amended
“SEM”	the Stock Exchange of Mauritius Limited established under the repealed Stock Exchange Act 1988 and now governed by the Securities Act 2005 of Mauritius
“sq ft”	Square foot
“the Board”	The Board of Directors of New Frontier Properties Limited
“the Company” or “New Frontier”	New Frontier Properties Limited, incorporated under the law of Mauritius and holding a category one Global Business License issued by the FSC
“the period” or “the period under review”	The period from 1 January to 31 August 2015
“UK”	United Kingdom
“US\$” or “USD”	United States Dollar
“WAUL”	Weighted Average Unexpired Lease

SHAREHOLDER INFORMATION

Registration number: C123368C1/GBL

Registered office

B45 Twenty Foot Road
3rd Floor, La Croisette
Grand Baie
Mauritius

UK office

New Frontier Properties Limited
2nd Floor, 86 Brook Street
London W1K 5AY

Company Secretary and Company administrator

Osiris Corporate Solutions (Mauritius) Limited
3rd Floor, La Croisette
Grand Baie
Mauritius

Mauritius bankers

Barclays Bank PLC
Sir William Newton Street
Port Louis
Mauritius

SEM authorised representative and listing sponsor

LCF Securities Limited
Suite 108, 1st Floor
Moka Business Centre
Mont Ory Road, Moka
Mauritius

Auditors

BDO & Co
10 Frère Felix De Valois St
Port Louis
Mauritius

Mauritius legal advisor

Mardemootoo Solicitors
3rd Floor, Jamaica Building
Port Louis
Mauritius

Registrar and transfer agent (Mauritius)

Mauritius Computing Services Limited
18 Edith Cavell Street
Port Louis
Mauritius

JSE sponsor

Java Capital Trustees and Sponsors Proprietary Limited
6A Sandown Valley Crescent
Sandown
Sandton
2196
South Africa

South African corporate advisor

Java Capital
6A Sandown Valley Crescent
Sandown
Sandton
2196
South Africa

South African transfer secretaries

Link Market Services South Africa Proprietary Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein
South Africa

Asset manager

Waypoint New Frontier Limited
2nd Floor, 86 Brook Street
London W1K 5AY
United Kingdom

Property managers

Eddisons Commercial (Property Management) Limited
Toronto Square
Toronto Street
Leeds LS1 2HJ
United Kingdom
Savills (UK) Limited
33 Margaret Street
London W1G 0JD
United Kingdom

Independent valuer

Colliers International UK LLP
50 George Street
London W1U 7GA

CORPORATE INFORMATION

REGISTERED OFFICE

B45 Twenty Foot Road
3rd Floor, La Croisette
Grand Baie
Mauritius

BUSINESS REGISTRATION NUMBER

123368 C1/GBL

SECRETARY

Osiris Corporate Solutions (Mauritius) Limited
3rd Floor, La Croisette
Grand Baie
Mauritius.

AUDITORS

BDO & Co
(Chartered Accountants)
10 Frère Félix de Valois Street
Port Louis
Mauritius

BANKERS

The Barclays Bank PLC
Standard Bank South Africa

LEGAL ADVISORS

Eversheds
3rd Floor, Barkly Wharf
Caudan Waterfont, Port Louis
Mauritius

C&A Law
Suite 1005, Level 11, Alexander House
35, Cybercity, Ebene
Mauritius

ASSET MANAGER

Waypoint New Frontier Limited
2nd Floor, 86 Brook Street
London
W1K5AY
United Kingdom

VALUER

Colliers International Valuation UK LLP
50 George Street
London
W1U7GA
United Kingdom

NOTICE OF ANNUAL GENERAL MEETING

This document is important and requires your immediate attention.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares, please send this document, but not the accompanying personalised proxy form, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

New Frontier Properties Limited

(Incorporated in the Republic of Mauritius)

(Registration number 123368C1/GBL)

Having its registered address at

B45 Twenty-Foot Road, 3rd Floor, La Croisette, Grand Baie, Mauritius

SEM share code: NFP.N0000

JSE share code: NFP

ISIN: MU0453N00004

("New Frontier" or "the Company")

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of New Frontier Properties Limited (the "Company") will be held at 2nd Floor, 86 Brook Street, London, W1K 5AY, United Kingdom at 10:00 UK time (12:00 South African time; 14:00 Mauritian time) on Tuesday, 28 February 2017 for the purpose of:

- A. presenting the audited annual financial statements of the Company as well as the directors' report for the period ended 31 August 2016; and
- B. considering and if deemed fit adopting with or without modification, the shareholder resolutions set out below.

Terms defined in the Annual Report to which this Notice of Annual General Meeting is attached ("**Annual Report**") shall, unless the context indicates otherwise, have the meanings ascribed to them in the Annual Report.

Resolutions 1 to 6 (inclusive) will be proposed as ordinary resolutions which require more than 50 percent of the votes cast to be in favour in order for the resolution to be passed. Resolution 8 to 9 will be proposed as special resolutions which require at least 75 percent of the votes cast to be in favour in order for the resolution to be passed. In terms of the JSE Listings Requirements, Resolution 7 will be proposed as an ordinary resolution requiring at least 75% of the votes to be cast in favour in order for the resolution to be passed.

For those who are unable to attend, please complete the hard copy proxy form enclosed and return it to the Company Secretary by 14:00 Mauritian time on Monday, 27 February 2017.

Timetable of events

Notice of Annual General Meeting posted to shareholders by no later than	Tuesday, 7 February 2017
Record date to be recorded in the register in order to be entitled to vote at the Annual General Meeting	Friday, 17 February 2017
Last date to lodge forms of proxy for the Annual General Meeting by 14:00 Mauritian time (12:00 South African time) on	Monday, 27 February 2017
Annual General Meeting held at 10:00 UK time (12:00 South African time; 14:00 Mauritian time) on	Tuesday, 28 February 2017

ORDINARY RESOLUTIONS

RESOLUTION 1: APPROVAL OF ACCOUNTS

To receive and adopt the audited annual financial statements of the Company for the period ended 31 August 2016, together with the directors' and independent auditor's reports thereon.

RESOLUTION 2.1: RE-ELECTION OF Director

To re-elect Mr Sisa Ngebulana as a Director.

RESOLUTION 2.2: RE-ELECTION OF Director

To re-elect Mr Andile Mazwai as a Director.

RESOLUTION 2.3: RE-ELECTION OF Director

To re-elect Mr Michael Riley as a Director.

RESOLUTION 2.4: RE-ELECTION OF Director

To re-elect Mr Nigel Gurkin as a Director.

RESOLUTION 2.5: RE-ELECTION OF Director

To re-elect Mr Kameel Keshav as a Director.

RESOLUTION 2.6: RE-ELECTION OF Director

To re-elect Mr Daniel Romburgh as a Director.

RESOLUTION 2.7: RE-ELECTION OF Director

To re-elect Mr Tinesh Ramprasad as a Director.

RESOLUTION 2.8: RE-ELECTION OF Director

To re-elect Mr William Heaney as a Director.

RESOLUTION 2.9: RE-ELECTION OF Director

To re-elect Mr Richard Thomas as a Director.

RESOLUTION 2.10: RE-ELECTION OF Director

To re-elect Mr John Needham as a Director.

Brief *curriculum vitae* in respect of the Directors standing for re-election are set out in the pages 10 and 11 of the Annual Report.

RESOLUTION 3: RE-APPOINTMENT OF AUDITORS

To re-appoint BDO & Co, as the independent auditor of the Company, to hold office until the conclusion of the Company's next Annual General Meeting in 2018.

RESOLUTION 4: REMUNERATION OF AUDITORS

To authorise the Directors to determine the remuneration of the auditors of the Company.

RESOLUTION 5: REMUNERATION OF NON-EXECUTIVE DIRECTORS

To approve the remuneration of the Non-executive Directors, as follows: the sum of £10 000 per annum (£15 000 per annum for the Chairman of the Board), plus £1 000 per meeting attended or £2 000 per meeting attended for a Chairperson of a Committee.

RESOLUTION 6: ISSUE OF SHARES

To authorise the Board, in terms of paragraph 4.1 of the Constitution, to issue up to 300 million ordinary shares at any time to any person and in any number as it thinks fit pursuant to section 52 of the Mauritian Companies Act 2001, provided that such authority shall only be valid until the next Annual General Meeting of the Company.

RESOLUTION 7: GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

To authorise the Board, subject to the restrictions set out below and pursuant, *inter alia*, to the Company's Constitution and the provisions of the Mauritian Companies Act 2001, the SEM Listing Rules and the JSE Listings Requirements, until this authority lapses which shall be at the next Annual General Meeting or 15 months from the date hereof, whichever is the earliest, to allot and issue shares of the Company for cash on the following basis:

- a) the allotment and issue of shares must be made to persons qualifying as public shareholders and not to related parties, as defined in the JSE Listings Requirements;
- b) the shares which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
- c) the total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 76,387,375 shares, being 50% of the total issued share capital at the date of this notice of Annual General Meeting. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 76,387,375 shares the Company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
- d) in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- e) the maximum discount at which the shares may be issued is 10% (ten percent) of the weighted average traded price of such shares measured over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the shares; and
- f) after the Company has issued shares for cash which represent, on a cumulative basis, within the period that this authority is valid, 5% (five percent) or more of the number of shares in issue prior to that issue, the Company shall publish an announcement containing full details of the issue, including the number of shares issued, the average discount to the weighted average trade price of the shares over the 30 (thirty) days prior to the date that the issue is agreed in writing and an explanation, including supporting documentation (if any), of the intended use of the funds.

NOTICE OF ANNUAL GENERAL MEETING continued

SPECIAL RESOLUTIONS

RESOLUTION 8: WAIVER OF PRE-EMPTION RIGHTS

To authorise the Board, in terms of paragraph 4.6 of the Constitution, to issue any further shares proposed to be issued wholly for cash consideration (which shall include a cheque received in good faith or a release of a liability of the Company for a liquidated sum or an undertaking to pay cash to the Company at a further date), without having to first offer such shares to the Members in proportion as nearly as may be to the number of the existing shares held by them respectively, provided that such authority shall only be valid until the next Annual General Meeting of the Company.

RESOLUTION 9: REPURCHASE OF SHARES

To authorise, the Company or any of its subsidiaries, by way of a general authority, to acquire shares issued by the Company, subject to the SEM Listing Rules, the Securities (Purchase of Own Shares) Rules 2007 and the JSE Listings Requirements, subject to the following provisions of the JSE Listings Requirements:

- a) any acquisition of shares shall be implemented through the order book of the JSE or the SEM and without prior arrangement;
- b) this general authority shall be valid until the Company's next Annual General Meeting, provided that it shall not extend beyond 15 months from the date of passing this special resolution;
- c) the Company (or any subsidiary) is duly authorised by its Constitution to do so;
- d) acquisitions of shares in the aggregate in any one financial year/period may not exceed 20% (or 10% where the acquisitions are effected by a subsidiary) of the Company's issued ordinary share capital as at the date of passing this special resolution;
- e) in determining the price at which shares issued by the Company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% of the weighted average of the market value on the JSE over the five business days immediately preceding the repurchase of such shares;
- f) at any point in time the Company (or any subsidiary) may appoint only one agent to effect repurchases on its behalf;
- g) repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the JSE Listings Requirements) unless a repurchase programme is in place (where the dates and quantities of shares to be repurchased during the prohibited period are fixed) and has been submitted to the JSE in writing and published on the SEM's website prior to commencement of the prohibited period.
- h) an announcement will be published as soon as the Company or any of its subsidiaries have acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the granting of the repurchase authority and pursuant to which the aforesaid threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such repurchases;
- i) the Board of Directors of the Company must resolve that the repurchase is authorised, the Company and its subsidiaries have passed the solvency and liquidity test and since that test was performed, there have been no material changes to the financial position of the Group; and

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

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

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

The following additional information, some of which appears elsewhere in the Annual Report is provided in terms of paragraph 11.26 of the JSE Listings Requirements for purposes of this general authority:

Major shareholders – page 29;

Capital structure of the Company – page 64.

Directors' responsibility statement

The Directors whose names appear on pages 10 to 11 of the Annual Report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the JSE Listings Requirements and the SEM Listing Rules.

Material changes

There have been no material changes in the affairs or financial position of the Company and its subsidiaries since the date of release of the abridged audited consolidated results for the year ended 31 August 2016 and up to the date of this notice.

QUORUM

The quorum for the Annual General Meeting shall be at least three shareholders present in person or by proxy.

In addition:

- (a) the Annual General Meeting may not begin until sufficient persons (being not less than three shareholders or their proxies) are present, or represented, at the Annual General Meeting to exercise, in aggregate, at least 25% (twenty five percent) of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the Annual General Meeting; and
- (b) a matter to be decided at the Annual General Meeting may not begin to be considered unless sufficient persons (being not less than three shareholders or their proxies) are present, or represented, at the Annual General Meeting to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

After a quorum has been established for the Annual General Meeting, or for a matter to be considered at a meeting, all the Shareholders forming part of the quorum must be present at the meeting for the matter to be considered at the meeting.

Registered office

B45 Twenty-Foot Road
3rd Floor
La Croisette
Grand Baie
Mauritius

BY ORDER OF THE BOARD

Osiris Corporate Solutions (Mauritius) Limited

Company Secretary

Dated this 25th day of January 2017

Notes

As at 25 January 2017 (being the last practicable day prior to the date of this notice of Annual General Meeting), the Company's issued share capital consisted of 152 774 750 ordinary shares, carrying one vote each. No shares are currently held in Treasury.

Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with the Constitution, at a meeting of the Company:

- (a) every person present and entitled to exercise voting rights shall be entitled to 1 (one) vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise;
- (b) on a poll any person who is present at the meeting, whether as a shareholder or as proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the securities held by that shareholder.

A shareholder may be represented at a meeting of shareholders by a proxy who may speak and vote on behalf of the shareholder.

A Form of Proxy is enclosed for your use if desired. To be valid, the instrument appointing a proxy must be completed and reach the Company Secretary at the Company's registered office, B45 Twenty-Foot Road, 3rd Floor, La Croisette, Grand Baie, Mauritius (or by email to kevin@ocs.world), so as to arrive not less than 24 hours before the time of holding the meeting.

In the case of joint holders of shares,

- (a) if two or more persons hold shares jointly each of them may be present in person or by proxy at a meeting of Shareholders and may speak as a shareholder;
- (b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and
- (c) if two or more of the joint owners are present in person or by proxy they must vote as one.

To direct your proxy how to vote on the resolutions mark the appropriate box on your proxy form with an 'X'.

To abstain from voting on a resolution, select the relevant 'Vote withheld' box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.

In the case of a member which is a company, your proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or an attorney for the company.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

NOTICE OF ANNUAL GENERAL MEETING continued

All beneficial owners whose shares have been dematerialised through a Central Securities Depository Participant (“CSDP”), the Central Depository and Settlement Company Limited (“CDS”) or broker other than with “own name” registration, must provide the CSDP, CDS or broker with their voting instructions in terms of their custody agreement should they wish to vote at the Annual General Meeting. Alternatively, they may request the CSDP, CDS or broker to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the Annual General Meeting. Such shareholder must not complete the attached form of proxy.

Any member attending the meeting has the right to ask questions. The Company has to answer any questions raised by members at the meeting which relate to the business being dealt with at the meeting unless: 1. to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; 2. the answer has already been given on a website in the form of an answer to a question, or 3. it is undesirable in the interests of the Company or the good order of the meeting to answer the question.

Explanation of resolutions

Resolutions 2.1 – 2.9: In accordance with paragraph 12.1.2 of the Constitution of the Company, any Director appointed under paragraph 12.1.1 shall hold office only until the following Annual General Meeting and shall then retire, but shall be eligible for appointment at that meeting.

Resolution 3: Pursuant to the Companies Act 2001, the auditors will be re-appointed by a resolution of the Shareholders.

Resolution 4: Pursuant to the Companies Act 2001, where the auditor is appointed at a meeting of the Company, the fees and expenses of an auditor of a company shall be fixed by the Company at the meeting or in such manner as the Company may determine at the meeting.

Resolution 5: The Companies Act 2001 requires the remuneration of the Non-executive Directors to be approved by a resolution of Shareholders. It is noted that the remuneration remains unchanged from 2016.

Resolution 6: Shareholders' authority is required for the Directors to issue shares to investors. The Directors consider that this authority should be sought in respect of such number of shares as have been approved to be issued by the Stock Exchange of Mauritius on 12 December 2014, such authority to expire at the Annual General Meeting of the Company to be held in 2018.

Resolution 7: Pursuant to the JSE Listings Requirements, any issue of shares for cash must comply with the provisions of the JSE Listings Requirements and must be approved by Members by way of an ordinary resolution requiring at least 75% of the votes to be cast in favour of the resolution. The number of shares that may be issued for cash may not exceed 50% of the Company's issued share capital at the date of the notice of the Annual General Meeting.

Resolution 8: Paragraph 4.6 of the Constitution of the Company requires shares to be offered to existing Members *pro rata* to their respective shareholdings in the Company, unless the Members by special resolution and the Board by resolution otherwise direct. Accordingly, the Directors consider that it is in the best interests of the Company to seek authority of the Members to waive pre-emption rights. Such authority will apply for a period expiring at the Annual General Meeting to be held in 2018.

Resolution 9: Pursuant to the JSE Listings Requirements, any repurchase or acquisition by the Company of its own shares must comply with the provisions of the JSE Listings Requirements and must be approved by Members by way of special resolution.

Recommendations

The Directors consider that the passing of Resolutions 1 to 9 is in the best interests of the Company and its shareholders as a whole and accordingly recommend that you vote in favour of all the resolutions to be proposed at this year's Annual General Meeting.

FORM OF PROXY

NEW FRONTIER

PROPERTIES

(Incorporated in the Republic of Mauritius)
 (Registration number 123368C1/GBL)
 Having its registered address at
 B45 Twenty-Foot Road, 3rd Floor, La Croisette, Grand Baie, Mauritius
 SEM share code: NFP.N0000
 JSE share code: NFP
 ISIN: MU0453N00004
 (“**New Frontier**” or “**the Company**”)

Annual General Meeting

For use by shareholders of the Company holding certified shares and/or dematerialised shareholders who have elected “own-name” registration, nominee companies of CSDPs, CDSs and brokers’ nominee companies, registered as such at the close of business on 17 February 2017 (the “voting record date”), at the Annual General Meeting to be held at 2nd Floor, 86 Brook Street, London, W1K 5AY, United Kingdom on 28 February 2017 at 10:00 UK time (12:00 South African time; 14:00 Mauritian time) (the “Annual General Meeting” or postponement or adjournment thereof.

If you are a dematerialised shareholder, other than with “own-name” registration, do not use this form. Dematerialised shareholders, other than with “own-name” registration should provide instructions to their appointed CSDP, CDS or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP, CDS or broker.

I/We _____ (NAME IN BLOCK LETTERS)

Of _____ (ADDRESS)

being the registered holder of _____ shares, hereby appoint

(1) _____ or failing him/her,

(2) _____ or failing him/her,

(3) the Chairperson of the Annual General Meeting

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company and at any adjournment or postponement thereof.

Please indicate with an “X” in the appropriate spaces how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.

Resolutions

Please mark ‘X’ to indicate how you wish to vote.

Resolutions	For	Against	Vote withheld
1 To receive and adopt the audited annual financial statements for the period ended 31 August 2016, together with the Directors’ report and independent auditor’s report thereon			
2.1 To re-elect Sisa Ngebulana as a Director			
2.2 To re-elect Andile Mazwai as a Director			
2.3 To re-elect Michael Riley as a Director			
2.4 To re-elect Nigel Gurkin as a Director			
2.5 To re-elect Kameel Keshav as a Director			
2.6 To re-elect Daniel Romburgh as a Director			
2.7 To re-elect Tinesh Ramprasad as a Director			
2.8 To re-elect William Heaney as a Director			
2.9 To re-elect Richard Thomas as a Director			
2.10 To re-elect John Needham as a Director			
3 To re-appoint BDO & Co as auditors			
4 To approve the remuneration of the Auditors			
5 To approve the remuneration of Non-executive Directors			
6 To authorise the Board to issue shares			
7 To grant a general authority to issue shares for cash			
8 Special resolution: Waiver of pre-emptive rights			
9 Special resolution: To grant authority to repurchase shares			

Signature _____

Date _____

2017

NOTES TO THE FORM OF PROXY

1. Every shareholder has the right to appoint some other person(s) of their choice, who need not be a shareholder as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided (see over). If the proxy is being appointed in relation to less than your full voting entitlement, please enter the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).
2. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. The 'Vote withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
4. Entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company on 17 February 2017. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. The completion and return of this form will not preclude a member from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated.
6. The Form of Proxy overleaf must arrive at the Company Secretary, Osiris Corporate Solutions (Mauritius) Limited at the Company's registered office, B45 Twenty-Foot Road, 3rd Floor, La Croisette, Grand Baie, Mauritius, or by email to kevin@ocs.world, accompanied by any Power of Attorney under which it is executed (if applicable), no later than 14:00 Mauritian time on 27 February 2017.

