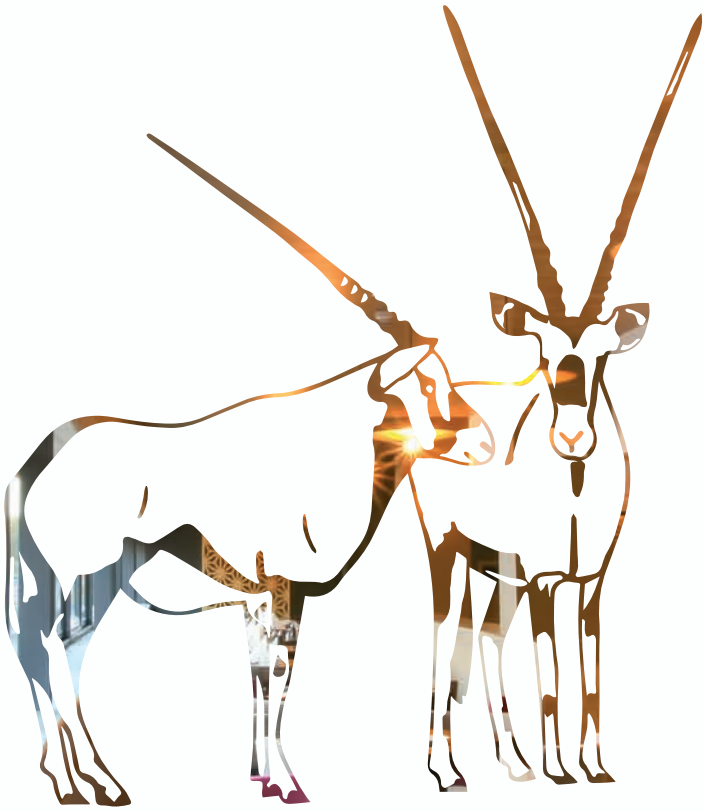

Oryx Properties Limited

INTEGRATED ANNUAL REPORT

2019

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HIGHLIGHTS
for the year ended 30 June 2019

150c
Total distribution 150.00 cents per unit

2.043 billion
Net asset value (NAV) N$2.043 billion

2.914 billion
Property portfolio valued at N$2.914 billion

165 million
Rights issue raising N$165 million

300 million
Completion of offshore investment N$300 million

94 million
Completion of the Gustav Voigts Centre (GVC) upgrade N$94 million

12%
Net rental income growth 12% (Inclusive of Elisenheim income and exclusive of straight lining)

61 million
Started phase one of Elisenheim project to the value of N$61 million

21 million
Acquired Steeledale through vendor placement for N$21 million

3.2%
Vacancy rate 3.2%

9.2%
Weighted average cost of funding 9.2%

34.9%
Gearing 34.9%

133%
Electricity recovery ratio 133% due to a reduction in carbon footprint from the solar installed

OVERVIEW OF ORYX PROPERTIES LIMITED

30 June 2019

INTRODUCTION

Oryx Properties Limited and its subsidiaries (Oryx or the Group) are pleased to present the Integrated Annual Report (Report) for the year ended 30 June 2019 (the year). The Report aims to provide an integrated and holistic overview of the Group's performance for the year. All information in the Report is for the year unless otherwise stated.

SCOPE AND BOUNDARY

The scope of this Report is consistent with the prior year, with no restatement of prior year financial information.

Integrated reporting demonstrates Oryx's ability to create and sustain value across material components for the benefit of stakeholders. This includes our performance in, and commitment to, economic, social and environmental sustainability. Due to the size and nature of Oryx, we compiled a concise Integrated Annual Report including complete Annual Financial Statements. No summarised Integrated Annual Report is issued separately. This Report strives to align with the requirements and principles of the Corporate Governance Code for Namibia (NamCode), International Financial Reporting Standards (IFRS) and the Companies Act of Namibia, 28 of 2004 (Companies Act).

Management applied its interpretation of materiality to determine the content and disclosure in this Report. A matter is material if it could affect the assessment and decisions of the Board of Directors (the Board), unitholders and providers of financial capital, and affect the Group's value creation over time.

ASSURANCE AND FORWARD-LOOKING STATEMENTS

The Board and management reviewed the Report's content which was not externally assured. Deloitte, the Group's external auditor, provided assurance on the Annual Financial Statements (set out on pages 88 to 159) and expressed an unmodified audit opinion thereon.

This Report contains forward-looking statements based on underlying uncertainties. The Group cannot guarantee that any forward-looking statement will materialise. Accordingly, readers are cautioned not to place undue reliance on these statements. If new information becomes available due to future events or other reasons, the Group disclaims any intention and assumes no obligation to update or revise any forward-looking statements.

RESPONSIBILITY OF THE REPORT

The Board and the Risk, Audit and Compliance Committee (RACC) , assisted by other Board subcommittees, oversaw the integrity and completeness of the Report. The Board applied its collective mind to preparing and presenting the Report. It concluded that a fair and balanced view of the Group's integrated value creation is presented. The Board approved the frameworks guiding the preparation of this Report and considered the reliability of data and information. The Board approved the Report on 25 September 2019.

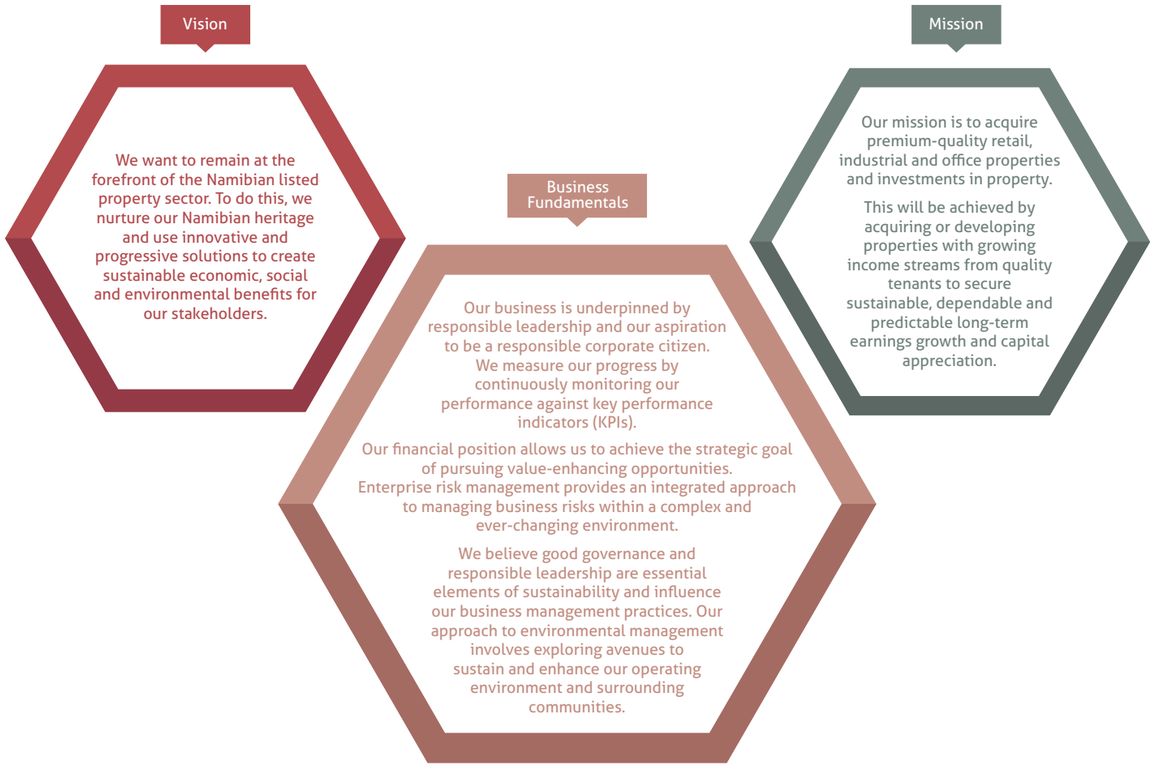
FEEDBACK

Oryx is committed to improving its reporting, aligned with best practice reporting methods. Please provide any feedback and questions on the Report to admin@oryxprop.com.

ORYX AT A GLANCE

Oryx is a property loan stock company. On 4 December 2002, it listed in the financial-real estate sector on the Namibian Stock Exchange (NSX).

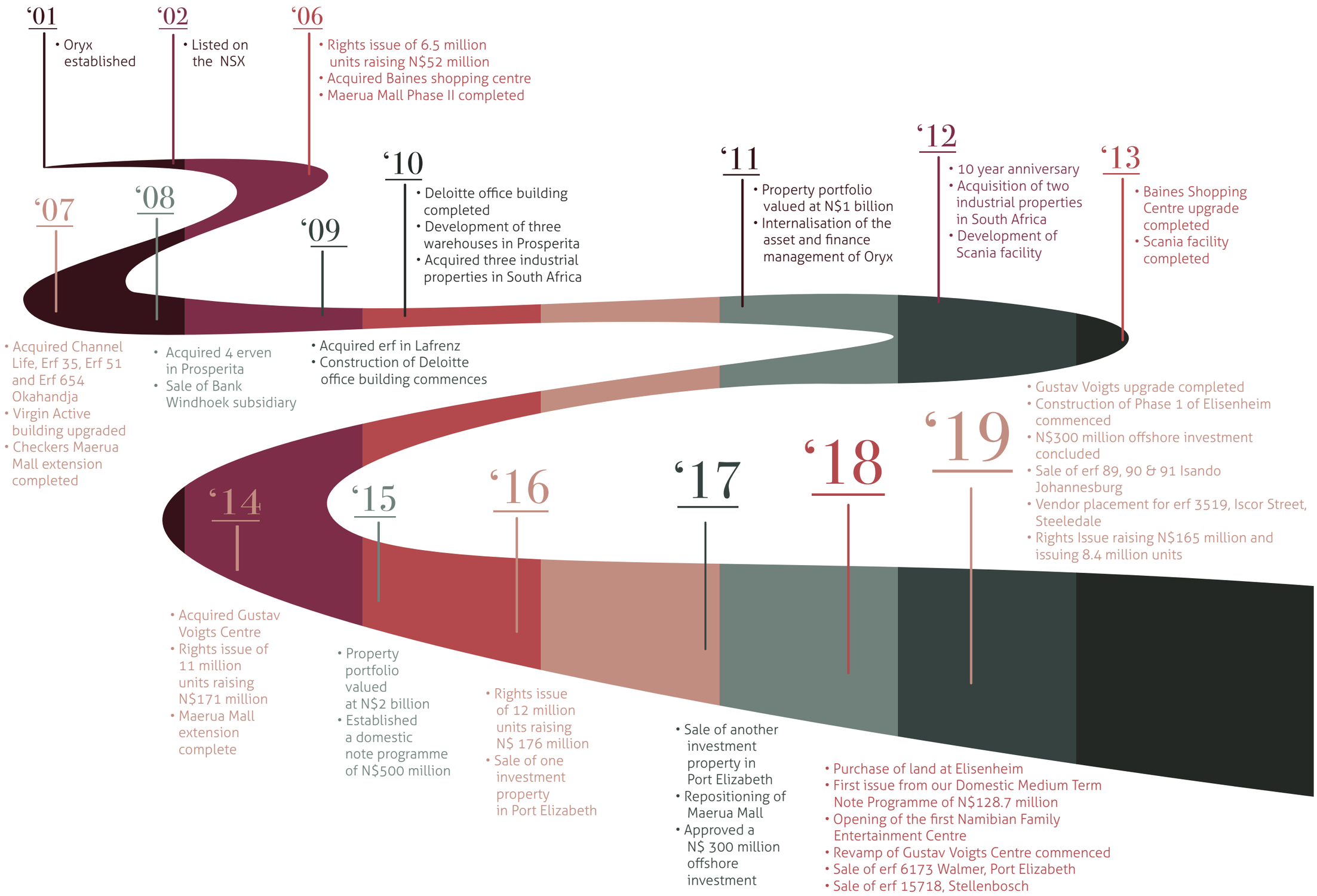
The Group owns a real estate portfolio comprising premier-quality retail, industrial and office properties. This year, Oryx concluded its first offshore investment (page 27). These properties and investments offer investors a dependable, sustainable and growing income stream.



OVERVIEW 1.

SIGNIFICANT EVENTS IN ORYX HISTORY

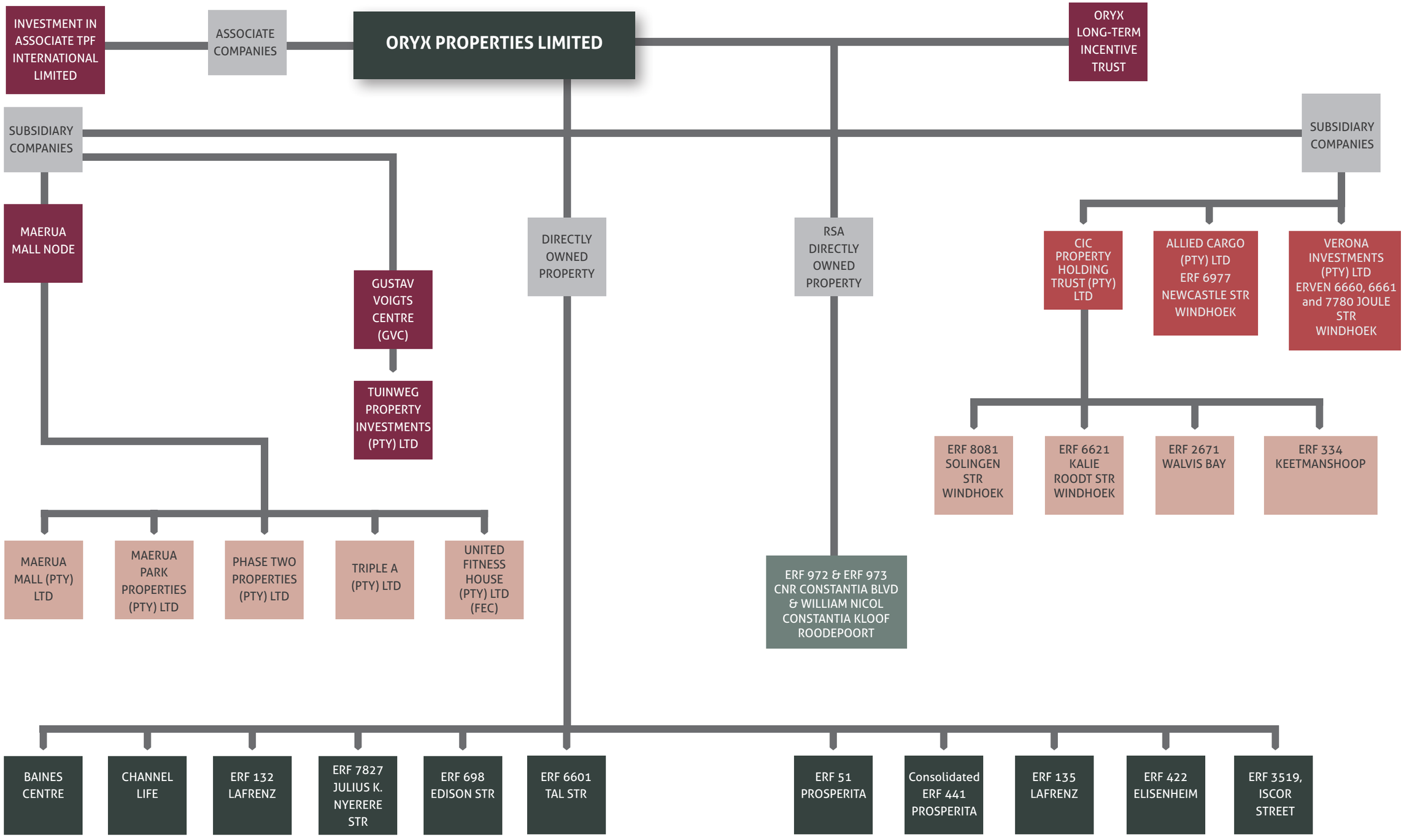
SIGNIFICANT EVENTS IN ORYX HISTORY



1. OVERVIEW

GROUP STRUCTURE

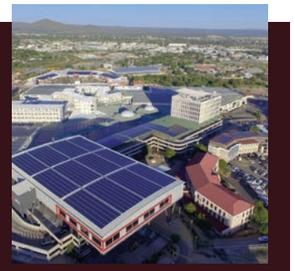
GROUP STRUCTURE



TOP 10 PROPERTIES BY VALUES

1.

MAERUA MALL NODE
Location: Cnr Jan Jonker and Robert Mugabe Avenues, Windhoek, comprises 5 properties
Open market valuation (N$): 1,538,100,000
Sector: Retail and Offices
GLA (m²): 65,290
Occupancy (%): 96.5
Major tenants: Checkers, Clicks, Truworths, Stuttafords, Ster Kinekor, Food Lovers Market, Mr Price Group, Foschini, Edgars, Ackermanns, House and Home, Markham, Totalsports, Sport Scene, Cape Union Mart.



2.

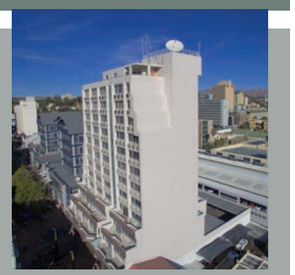
GUSTAV VOIGTS CENTRE
Location: Independence Avenue, Windhoek
Open market valuation (N$): 534,200,000
Sector: Retail
GLA (m²): 25,315
Occupancy (%): 98.87
Major tenants: Avani Hotel and Casino, Checkers, Clicks, Ackermanns, Safariland, Mr Price.

3.

ERF 8081, WINDHOEK
Location: Cnr Solingen and Iscor Streets, Northern Industrial Area, Windhoek
Open market valuation (N$): 106,000,000
Sector: Industrial warehousing
GLA (m²): 14,559
Occupancy (%): 100
Major tenant: Commercial Investment Company (CIC).

4.

CHANNEL LIFE
Location: 25 Post Street, Windhoek
Open market valuation (N$): 80,000,000
Sector: Office
GLA (m²): 4,979
Occupancy (%): 89.6
Major tenants: USAid, Nedloans, NSI.



5.

Erf 972 & Erf 973, CONSTANTIA KLOOF, ROODEPOORT
Location: Cnr of William Nicol and Constantia Boulevard, Gauteng, South Africa
Open market valuation (N$): 82,757,000
Sector: Industrial
GLA (m²): 4,295
Occupancy (%): 100
Major tenant: Action Ford Dealership.

TOP 10 PROPERTIES BY VALUES

6.

BAINES
Location: Erf 1297, Pioneerspark, Fritsche Street, Windhoek
Open market valuation (N$): 83,000,000
Sector: Retail
GLA (m²): 4,682
Occupancy (%): 99
Major tenants: OK Foods, Nucleus Gym, City Pets, Schnitzel King.

7.

Erven 135 and 139, WINDHOEK
Location: Erf 135, Rendsburger Street, Lafrenz Township, Windhoek
Open market valuation (N$): 67,000,000
Sector: Industrial
GLA (m²): 2,815
Occupancy (%): 100
Major tenant: Scania.

8.

ERF 51, PROSPERITA
Location: 36 to 46 Platinum Street, Prosperita, Windhoek
Open market valuation (N$): 62,885,000
Sector: Industrial
GLA (m²): 8,725
Occupancy (%): 100
Major tenant: FP du Toit Transport Group (Pty) Ltd.

9.

ERF 6601, TAL STREET
Location: 60 Tal Street, Windhoek
Open market valuation (N$): 53,400,000
Sector: Industrial showroom
GLA (m²): 7,857
Occupancy (%): 100
Major tenants: Metje & Ziegler, Audi.

10.

ERF 7827, JULIUS K. NYERERE STREET
Location: Cnr of Mandume Ndemufayo and Julius K. Nyerere Street, Windhoek
Open market valuation (N$): 45,400,000
Sector: Industrial showroom and workshop/Ford
GLA (m²): 3,597
Occupancy (%): 100
Major tenants: Novel Ford, Bidvest Plumblink, Bidvest Steiner.

OVERVIEW 1.

OUR BUSINESS MODEL

OUR BUSINESS MODEL

Our business model demonstrates how we operate by describing our inputs, activities, outcome and outputs in terms of the six capitals as shown below.

	INPUTS	ACTIVITIES	OUTCOMES
FINANCIAL CAPITAL	The funds we use, including: » Equity funding » Debt funding » Rental Income » Domestic Medium Term Note Programme (DMTNP)	• Cost management • Debt management and allocation • Portfolio Optimisation	» N$326 million revenue » N$125 million distributed » Gearing level reduced to 34.9% through balance sheet optimisation » 31% property expense ratio
MANUFACTURED CAPITAL	Our buildings and revenue-generating property portfolio: » Gross lettable area (GLA) » Diversified portfolio over various sectors: • Retail • Office • Industrial • Hospitality » Offshore investment »Suppliers » Employees »Providers of capital	• Grow our asset base and maintain our retail base through active asset management • Capitalise on investment opportunities • Pursue optimal development and expansion opportunities, including diversification • Dispose of non-core assets	» Growing asset value through GVC property refurbishment » Disposing of certain non-core properties in South Africa » 26% investment in TPF International Limited resulting in exposure in Croatian property to the value of N$300 million
HUMAN CAPITAL	Our employees' abilities, including: » Competency » Capability » Property specific experience » Motivation Experienced leadership	• Employer of choice • Employee incentives and rewards to align Group and employee interests	» Recruit, retain and upskill employees to overcome the property sector's skills shortage
SOCIAL AND RELATIONSHIP CAPITAL	The relationships that sustain our value creation over time, including: » Communities » Tenants » Customers » Government »Suppliers » Employees » Providers of capital	• Create and maintain inclusive and mutually beneficial relationships with stakeholders	» Proactive stakeholder engagement
NATURAL CAPITAL	Natural resources we rely on, including: » Water » Electricity » Land	• Environmental impact assessments • Measure and monitor electricity output • Operational efficiencies • Reduce carbon footprint with specific focus on water and energy efficiencies.	» "Greening" our buildings to reduce our reliance on natural capital through energy-efficient lighting, water-saving interventions and installing solar photovoltaics (PVs)
INTELLECTUAL CAPITAL	Our intangible knowledge, systems and processes, including: » Board of Directors and management team's balanced and diverse experience » Governance structures » Employee management processes » Technology	• Employ leading property professionals to ensure properties are managed to the highest standards, and that our property strategy remains responsive and effective.	» Continuously evaluating the Board and management to ensure we have adequate expertise and experience » Driving a high-performance culture

OUTPUTS

» Investing, developing and managing quality real estate investments

» Quality portfolio that shows resilience in a tough economic environment

» Vacancy rate of 3.2%, rental reversions of 0.6%, weighted average lease expiry (WALE) of 3.5 years and electricity recovery ratio of 133%

Our business model's success is linked to the following business-critical success factors and objectives:

1. CREATING A PLATFORM FOR GROWTH

- Drive rental income growth and lower vacancies
- Improve recoveries of property expenses
- Reduce expenses
- Prudent asset management
- Strong balance sheet management
- Focus on yield-enhancing activities

2. END-TO-END STAKEHOLDER MANAGEMENT

- Alignment and continuos communication with stakeholders
- Invest in employees' development and encourage low employee turnover
- Alignment and partnership with tenants to understand and support their business
- Focused research and data-driven understanding of customers to improve service offering to consumers
- Understand investor requirements for the bond programme to make Oryx more attractive

3. OPERATIONAL EFFICIENCIES

- Focused organisational restructuring for operational efficiencies
- Drive operational efficiencies including reporting and tracking thereof, to optimise the portfolio

INVESTMENT STRATEGY

We believe in focusing on the long-term. Our investment strategy is guided by our business model and continues from 2018. The medium-term focus areas are to:

- continue the focused search for yield-enhancing acquisitions and/or developments in Namibia;
- diversify local assets by investing in offshore or non-Namibian property;
- invest in undervalued South African Real Estate Investment Trusts (REITs);
- issue new units as financing of acquisitions/vendor placements;
- invest in existing major assets differentiated by defensive capital and value-added capital expenditure;
- allocate capital to in-store costs of top retailers to attract new retail offerings or enhance and retain current tenant offerings; and
- invest in green initiatives to optimise energy and water efficiencies and reduce our carbon footprint.

The above initiatives will be used to further strengthen our balance sheet to ensure that we deploy defensive capital in the economic downturn to withstand economic shocks as well as diversify and continue growing. Therefore, these focus areas will be used to review new investments over the next three years to increase Oryx's asset value closer to N$4 billion.

The return on the investment strategy will be measured against the return to unitholder and growth objectives:

RETURN TO UNITHOLDERS	GROWTH	SOUND PROPERTY FUNDAMENTALS
• Distribution growth per unit • Increase in market price premium over NAV	• Predetermined portfolio size	• Defined sectoral spreads • Defined geographic spreads

STAKEHOLDER ENGAGEMENT

Oryx reports on key matters affecting the Group's operations, its corporate governance practices and any other matter that could materially affect stakeholder decision making.

The directors are cognisant that stakeholder perception may impact the Group's reputation. The Board is the ultimate custodian of corporate reputation and stakeholder relationships. It considers a blend of shareholder and other stakeholder interests in its overarching duty to act in the Group's best interest. Management regularly engages with analysts and shareholders to determine expectations and perceptions of the Group.

The Group manages its financial capital to ensure that it will remain a going concern while maximising returns to shareholders through optimising the debt to equity balance.

OUR BUSINESS MODEL (CONTINUED)

OUR BUSINESS MODEL (CONTINUED)

INVESTORS AND PROVIDERS OF FINANCIAL CAPITAL

REASON FOR ENGAGEMENT

Our business depends on our access to finance. Therefore, our engagement strategies focus on investors and providers of financial capital. We grow our business by listening, understanding and addressing our investors' feedback. This provides investors comfort,improves governance and a return on investment.

SIGNIFICANT UNITHOLDERS

- Allan Gray Namibia
- Government Institutions Pension Fund (GIPF)
- Investec Namibia
- TLP Investments 137 (Proprietary) Limited
- Old Mutual Namibia
- Sanlam Namibia

STAKEHOLDER CONCERNS

- Distribution growth
- Gearing levels
- Strong Board of Directors with relevant experience
- Succession planning of directors and executives
- Ratio of encumbered versus unencumbered assets
- Weak economic environment and its impact on consumer spending

OUR RESPONSE

- Clear and timely communication with the market
- Balance sheet and portfolio optimisation initiatives by management
- Annual Board composition and experience evaluation
- Deputy Chairperson appointed
- Expensive debt repaid
- Gearing reduced
- Debt and swap maturity profiles actively managed
- Attract and retain customers through repositioned mall strategies and marketing initiatives

REGULATORY AND INDUSTRY AUTHORITIES

REASON FOR ENGAGEMENT

Our engagement furthers compliance with relevant laws and regulations and improves our understanding and application of governance best practice. This improves Oryx's credibility, ensures its responsible growth and sustains its value creation over time.

SIGNIFICANT REGULATORY AND INDUSTRY AUTHORITIES

- NSX
- Namibia Revenue Agency (NAMRA)
- South African Revenue Service (SARS)
- Namibian Competition Commission
- City of Windhoek
- City of Johannesburg

STAKEHOLDER CONCERN

- Compliance with relevant laws and regulations

OUR RESPONSE

- Compliance monitoring
- Engage with regulatory and industry bodies to ensure understanding and compliance

EMPLOYEES

Permanent employees: 23 (2018: 23)

REASON FOR ENGAGEMENT

Employees are heard and valued through constant engagement. This allows us to meet their legitimate needs and address concerns, resulting in job satisfaction and the business's talent retention.

STAKEHOLDER CONCERNS

- Career development
- Succession planning
- Loss of key employees
- Remuneration

OUR RESPONSE

- Employer of choice
- Quarterly performance evaluation and improvement discussions
- Employees are remunerated in line with industry benchmarks and incentivised to align with the Group's goals
- Career development and progression discussion
- Training and development programmes attended
- KPI's identified for each role

TENANTS

Tenants: 272 across 24 properties (2018: 278 across 24 properties)

REASON FOR ENGAGEMENT

To understand tenant-specific needs better so we can provide a safe and enjoyable shopping and business environment, remaining a landlord of choice.

STAKEHOLDER CONCERNS

- Property maintenance
- Utility supply interruptions
- Attracting shoppers and increasing foot count
- Contract renewal and rent escalations
- Change in consumer behaviour towards experiential offering
- Weak economy and low consumer spend

OUR RESPONSE

- Planned preventive maintenance
- Internal marketing department to communicate with tenants
- Family Entertainment Centre (FEC), in Maerua Mall, developed to cater for changing consumer and tenant needs
- Beneficial relationships and communication with tenants through various avenues (tenant commitee)
- Insourcing of property management function

SUPPLIERS

REASON FOR ENGAGEMENT

Ongoing engagement with our suppliers establishes value creating, mutually beneficial partnerships. By articulating our needs, we enable business growth for both parties.

RELEVANT SUPPLIERS

Our most significant suppliers in terms of cost include:

- AGA Cooling
- City of Windhoek
- Ultra Security
- Bidvest Steiner Cleaning
- PEC Metering
- Simonis Storm Securities (Proprietary) Limited
- IJG Securities (Proprietary) Limited

STAKEHOLDER CONCERNS

- Efficient contract management
- Maintaining good relationships

OUR RESPONSE

- Adequate supplier vetting
- Efficient and well-controlled payment processes
- Engage with relevant suppliers on a continuous basis
- Performance reviews of contracts
- Service Level Agreements (SLA's) in place and managed
- Project manager appointed

COMMUNITIES

REASON FOR ENGAGEMENT

Community engagement enhances the brand, adds tangible value and ensures our ongoing social licence to operate.

STAKEHOLDER CONCERN

- Future job creation

OUR RESPONSE

- Corporate Social Responsibility (CSR) programme and forum in place
- Employing interns who need experience
- More properties translate into increased employment

Peter Kazmaier
Acting Chairperson of the Board

The Chairperson, Mr Francois Uys, has been unable to discharge his responsibilities due to an unfortunate accident and has not availed himself for re-election. Mr Peter Kazmaier was appointed Deputy Chairperson to the Board effective April 2019. He will serve as Acting Chairperson until the Annual General Meeting.

MACROECONOMIC OVERVIEW

Namibia's Gross Domestic Product (GDP) declined by N$563 million to N$27.4 billion in the first quarter of 2019, compared to N$28 billion in 2018, measured at constant 2010 prices released by the Namibian Statistics Agency (NSA) on 20 June 2019. The following factors impacted the GDP:

- Compared to the previous year, the construction sector declined by 27.8% in the first quarter; the 13th consecutive quarter of contraction. The economic contribution was less than N$1 billion, a first since 2013 for the sector.
- Year on year, wholesale and trade's contraction was 6.7% in the first quarter; the 10th consecutive quarter of contraction. The quarterly contribution was less than N$3 billion, a first since the second quarter of 2013. Wholesale and retail is a main driver of the Namibian economy, and one of Oryx's most important sectors.
- Mining and quarrying contracted by 1.1%; the sector's worst first quarter performance since 2014.
- Hotel and tourism sectors contracted by 8.7%.
- Namibia is experiencing one of its worst droughts to date. This impacted agriculture resulting in lower output from the livestock and agronomy sectors. As a result of the droughts, there was a significant increase in animal supply which led to a material decrease in the prices.

These factors impacted the 4.1% year on year Consumer Price Index (CPI). The CPI is under continued pressure due to currency weakness, rising staple food prices and higher water tariffs. Most sectors of the economy will experience higher unemployment rates and a decrease in disposable income. At the same time consumers are

CHAIRPERSON'S STATEMENT
for the year ended 30 June 2019

> "Oryx delivered positive results for its stakeholders, albeit facing external and internal challenges."

tightening their belts, with retailers finding it difficult to make ends meet. Increasingly tenants are approaching landlords with requests for lower rentals. This will directly impact Oryx's operating environment as we negotiate terms to resolve these concerns with related parties. The challenge is to innovatively attract customers and offer value for money.

Therefore Oryx needs to diversify its portfolio to spread its risk profile. We can achieve this by investing in offshore assets and capitalising on opportunities arising from Namibia's current weak economic environment while keeping our gearing ratio at an acceptable range.

Global growth in 2019 was downgraded to 2.6%; 0.3% below previous forecasts. This reflects weaker-than-expected international trade and investment at the start of the year. Growth is projected to gradually rise to 2.8% by 2021, if global financing conditions remain positive, and emerging markets recover modestly and developing economies previously affected by financial market pressure, prevail.

Global risks include possible destabilising policy developments, including further escalations of trade tension between major economies, and sharper-than-expected slowdowns in major economies. This could lead to sharp increases in the cost of rolling over debt during periods of financial uncertainty and result in financial crises.

The Namibian Government's high debt level is limiting its ability to provide fiscal stimulus in a tough economic environment. This further limits Government's ability to invest in long term projects, especially where the investment momentum is already weak.

I commend our management team for continuously addressing and resolving these challenges innovatively throughout the year.

THE YEAR IN REVIEW

The Board and management team focused on ensuring that decisions align with Oryx's vision: to remain at the forefront of the Namibian listed property sector. We can achieve this by nurturing our Namibian heritage and using innovative and progressive solutions to create sustainable economic, social and environmental benefits for stakeholders.

Oryx's results and cash flows were negatively affected by the tough economic environment and the necessity to renegotiate certain lease terms with strategic tenants. We launched a successful yet partially subscribed rights issue. The proceeds were used to reduce debt thereby improving the gearing ratio to 34.9%. The remaining proceeds will fund the Elisenheim project to be concluded during the 2020 financial year.

THE YEAR IN REVIEW (CONTINUED)

The Board decided that in order to improve Oryx's overall cash flow position and gearing ratios it would reduce Oryx's distribution parameters from 100% of the distributable income to 90% for the six month period ending 30 June 2019. This resulted in a decrease of 4.5% in distributions compared to the prior year. The Board has also determined to apply the 90% principle to the next year's distribution. The distribution remains in line with our Debenture Trust Deed provisions. Oryx endeavours to achieve future sustainability and capitalise on future growth prospects through this decision.

One of Oryx's investment objectives is to have a diversified portfolio of value-adding assets. This will address the reliance on Maerua Mall as Oryx's main income driver. As previously reported, the Group's first offshore investment was finalised in July 2018, positively contributing to our results. We are currently concluding the investment into high-yielding residential assets.

All properties in Oryx's portfolio were independently valued at N$2.914 billion (2018: N$2.561 billion) as at June 2019, an increase of 13.8% (2018: 5.2%), after considering disposals and capital spend during the year.

NAV was N$23.37 per linked unit (2018: N$20.43). At 30 June 2019, the price quoted on the NSX was N$19.50 per linked unit (2018: N$20.20) which represents a discount of 16.5% (2018: 1.1%) to NAV.

With all these challenges and risks, it is reassuring that the quality of our portfolio, the acceptable gearing ratio and the proven management track record will enable Oryx to weather the current economic conditions. This will position Oryx to seize available opportunities in the market and therefore continue providing reliable and growing returns for our investors.

GOVERNANCE OVERVIEW

The Board continued functioning well. The three sub-committees responsible for risk, audit and compliance; remuneration and nominations; and investments made valuable contributions.

CHAIRPERSON'S STATEMENT (CONTINUED)
for the year ended 30 June 2019

We bid farewell to one of our longest serving directors, Mr Mathew Shikongo. He resigned from the Board after eight years of dedication and support, effective 30 June 2019. We wish him well and thank him for his contributions to the growth and success of Oryx.

Mr Francois Uys has indicated that he will not be available for re-election due to his unfortunate accident. We wish him a speedy recovery and would like to thank him for his unwavering support and guidance over the 17 years of service on the Oryx Board.

Ms Lizette Smit, CFO, and Ms Roswitha Gomachas were appointed to the Board effective 1 September 2018 and 1 July 2019, respectively. We welcome them to the Board.

APPRECIATION

My appreciation goes to my fellow Board members and the management team for making the transition to my new role at Oryx an exciting journey. Thank you for your assistance, encouragement and ongoing support.

To our tenants, service providers, committed employees and other stakeholders, a big thank you for the co-operation, dedication, valuable inputs and participation in realising our results in the current difficult economic conditions.

Mr Peter Kazmaier
Acting Chairperson
31 August 2019

Mr Ben Jooste
Chief Executive Officer (CEO)

GROUP SNAPSHOT

▲12% **UNITS IN ISSUE ('000)** 87,379 (2018: 77,860)	▲8% **TOTAL REVENUE (N$'000)** 325,902 (2018: 302,198)	▼-20% **RETURN TO UNITHOLDERS (%)** 4.5 (2018: 5)
▼-1% **YIELD TO UNITHOLDERS (%)** 7.7 (2018: 7.8)	▲8% **MARKET CAPITALISATION (N$M) AS AT 30 JUNE** 1,704 (2018: 1,573)	▲12% **NET PROPERTY INCOME (N$'000)** 224,518 (2018: 200,374)
▼1,375% **LISTED MARKET PRICE DISCOUNT TO NAV (%)** -16.5 (2018: -1.1)	▲965% **UNENCUMBERED ASSETS (N$M)** 426 (2018: 40)	▼-51% **VACANCY RATE (%)** 3.2 (2018: 6.5)

OPERATING CONTEXT

2019 was a continuation of the challenging year experienced in 2018 as most businesses had to tighten their belts and diversify or reinvent themselves to survive the current recession. Oryx is heavily exposed to the Namibian economy and was not immune from these challenges. This resulted in an intense focus to strengthen and diversify our balance sheet from being overly exposed to the local economy.

Continued negative economic growth is forecasted as the Bank of Namibia (BoN) revised GDP growth forecasts downwards by 213% from 1.5% to (1.7%) for 2019. This is due to lack of growth in the primary industries (agriculture, mining and construction) and tertiary industries, which include wholesale and retail trade. Namibia's long-term economic outlook was downgraded by Fitch Ratings to negative, reflecting Namibia's weak growth performance and prospects. This has adverse implications on Government's ability to stabilise the public debt trajectory.

Interest rates were cut by 25 basis points (bps) during August 2019 and a further rate cut is expected later in 2019. Average liquidity within the banking sector continues an upwards trajectory for 2019 following the negative liquidity position at the start of the calendar year. This has led to a decrease in BoN's repo facility utilisation which should increase the availability of funding. Annual inflation increased to 4.5% from 3.6% year on year but is expected to remain below 5% for 2019 according to NSA.

BUSINESS STRATEGY AND SUCCESS FACTORS

Oryx remains a property fund focused on sustainably protecting and growing the income stream thereby increasing distributions to investors.

Our growth strategy is underpinned by:

- a conservative and effective investment strategy (page 17) focused on making yield-accretive acquisitions;
- a defensive strategy to protect our core assets and ensure tenant retention, while disposing of non-core high-risk assets;
- a conservative and disciplined financial strategy that strengthens our balance sheet, reduces funding-related risks (sources of funding, maturity, pricing risk and variable rates) and protects cash flow; and
- a prudent risk management framework to identify risks as they arise and effectively manage these once identified.

The Group's strategy is supported by critical success factors. Our success factors are:

- focusing on our core business;
- creating a platform for sustainable growth;
- improving end-to-end stakeholder management while aligning shareholder and executive interests; and
- driving sustainable operational efficiencies within the Group.

During the year, we focused on consolidating the business by reviewing our core business model and competencies and focusing on our critical success factors to help achieve our growth strategy. For more details, refer to page 16.

STRATEGY IN ACTION: PROACTIVE ASSET MANAGEMENT

Oryx continued its defensive strategy to invest in the Group's assets and add value through renovations to keep assets relevant and improve their offering to consumers'. The GVC renovations were finalised at a cost of N$94 million. This project forms part of our commitment to regenerate assets within Windhoek's central business district (CBD) and improve the offering to cater for shopper's and business evolving needs.

Oryx started development on its latest project, Urban Village at Elisenhein. This new convenience lifestyle offering will serve about 1,400 residents in the area.

The project is a three-phase, mixed-use development. The first phase is a N$100 million project which includes the land cost of the entire three-phase

STRATEGY IN ACTION: PROACTIVE ASSET MANAGEMENT (CONTINUED)

development and is due to be completed in the 2020 financial year. This is the third investment project that Oryx undertakes in a recessionary environment.

We further acquired Steeledale in Windhoek in December 2018 through a vendor placement and consideration. The asset's location and makeup provide an excellent opportunity to create long-term value.

Similar to the prior two years, Oryx continued disposing of high-yielding, high-risk assets in South Africa. The Isando Industrial Warehouse was the last property sold in June 2019. This property was vacant for almost two years, following the liquidation of the tenant and accounted for 53% of the vacancy rate across the entire portfolio. Smaller, non-core assets have also been identified to be disposed of.

STRATEGY IN ACTION: DISCIPLINED FINANCIAL MANAGEMENT

Oryx is conservative and disciplined with its financial strategy and management thereof. While our gearing ratio increased early in the financial year after our offshore investment, it improved to 34.9% by year end. We reduced the Group's overall finance risk by increasing the sources of debt funding.

The aim is to reduce the overall cost of funding, protect cash flow, improve security to loan ratios and minimise refinance risks. We are creating special purpose vehicle structures to significantly reduce "moving" costs between banks when loans expire.

Using the rights issue proceeds, we repaid N$78 million of debt in South Africa to help reduce the cost of funding. We intensified our focus to sweat existing assets from a security to loan perspective, resulting in our unencumbered asset base growing significantly from N$40 million to about N$426 million.

STRATEGY IN ACTION: CRITICAL SUCCESS FACTORS

Oryx needs to adapt, improve and restructure its business from a service level and operating perspective. These changes will scale Oryx's internal operations to cater for the implications of its growth strategy, critical success factors and evolving stakeholder expectations. Our main priority remains focusing on delivering to stakeholders.

Creating a sustainable platform for growth

Our activities and solid operating performance helped create a sustainable platform for growth this year. Although rental income was under pressure during our GVC renovation project, overall rental income improved by 7.8% year on year.

We reduced vacancies to 3.2% (2018: 6.5%) since the first quarter for three consecutive quarters in this financial year. This is significantly below the industry average and an excellent achievement given the current economic climate where vacancy rates are trending upwards. This achievement testifies to the Group's focused approach to reduce vacancies.

We successfully reduced expenses in a sustainable, long-term manner. This included reducing some large recurring expenses by up to 20%, including security, cleaning and information technology (IT) costs.

End-to-end stakeholder management

We improved our stakeholder management approach for shareholders, tenants, employees and customers. From a shareholder perspective, this means actively engaging with our shareholders and aligning our interests. The executive team's Long-Term Incentive Plan (LTIP) was revised to align executive management and shareholder interests through incentivising earnings growth.

Tenant-facing roles were identified and key performance indicators (KPIs) created to ensure we regularly engage with tenants. This is to better understand their businesses which in turn will enable us to better support and communicate with them.

We changed our employee performance reviews. The process promotes equality and transparency and rewards great performance to better develop our talent pool. This aligns with Oryx's objective to be the employer of choice, and ensures we improve our talent pool, allow room for growth and improve productivity.

Similarly, our resourcing availability will change to a seven-day operation for our large retail assets as we adapt to growing consumer expectations.

Operational efficiencies

Our property management team was insourced, creating various operational efficiencies that will:

- improve our communication with our tenants;
- reduce lease renewal cycles;
- saving on placement commissions;
- improve recoveries from tenants;
- improve and simplify supplier screening and payment processes; and
- increase creditor payment days which in turn allows us to manage our cash flows better.

We are busy restructuring our internal property teams to be aligned per property portfolio. This means each team has one purpose: to manage a particular property and corresponding tenant. This will ensure that each team has the same priorities and tenant. Each team will be completely responsible for and maintain relationships with their tenants and/or properties.

WE MADE OUR FIRST OFFSHORE INVESTMENT

Our planned offshore transaction in Croatia was concluded during July 2018 and is now reflected in our results.

Colliers International reported that Croatia recorded its 18th consecutive quarter of GDP with 2.4% growth in the fourth quarter of 2018. All credit rating agencies upgraded Croatia's outlook to positive based on a budget surplus and steady economic growth. The total value of commercial real estate transactions reached €800 million in 2018. Similar levels are expected in 2019 as demand continues to outstrip supply.

We invested N$300 million in Euro (€) equivalent by acquiring a 26% share in Tower International Limited (TIL). The underlying real estate portfolio was worth €93 million on acquisition. It consists of four retail centres (three in Zagreb and one in Dubrovnik), and an office tower in Zagreb. The portfolio was revalued at €100 million in May 2019. Of the N$300 million investment, N$100 million was earmarked to acquire Yazaki, an industrial facility for a Japanese automotive manufacturer comprising two buildings, which was partially concluded during the financial year.

The partnership with Tower Property Fund Limited (Tower) into TIL is built on two fundamentals:
1. Tower and Oryx share an investment philosophy and are both income-based property funds. Our aim is to extract the maximum income from the investment to return to our shareholders.
2. Tower has been operating in Croatia since 2014. During this time, it has built a strong local team on the ground to maintain excellent relationships with local banks. It received the first "mover" status in Croatia from a relationship perspective. This is because it invested at the right time after a seven-year recession. Tower has been through several lessons learned and understands the system – adding value to the relationship.

The short to medium-term focus for TIL is to list a vehicle to create a platform to raise capital for further acquisitions. We are reviewing several options to list which has gathered positive interest thus far. We are proactively building a pipeline of assets for acquisition during the process. Since TIL is income-focused, we will only list an entity if our income stream is protected.

As we bed down our investment, we do not intend to explore any other international markets in the short term.

TECHNOLOGY AS AN ENABLER TO BUSINESS

We believe technology is a business enabler that should be embraced to better serve our customers' needs. Therefore, we invested in technologies with our stakeholders in mind.

TECHNOLOGY AS AN ENABLER TO BUSINESS (CONTINUED)

Technology to improve the customer convenience within retail

We invested in electronic payment solutions. These add convenience when customers pay for parking since they do not have to queue at parking machines. We further invested in data analytics regarding consumer behaviour. Through this, we will gain a better understanding of consumers' shopping patterns to improve our tenant mix and consumer movement profiling.

Oryx invested in a retail platform for the new generation consumer to be launched in the coming year. It will improve customer engagement, provide a better shopping experience and give tenants a different platform to engage with their customers. This will allow Oryx to reward shopping behaviour and through that, build customer loyalty.

Technology to sustainably reduce expenses and better support our tenants

We have initiated a project to commence with automated cloud meter reading. The meter will provide real-time consumption readings to improve data flow cycles and reduce manual reading costs.

From a property management perspective, we migrated to the MDA property management system. This system will streamline our tenant management, remove legacy systems and simplify reporting.

The management team made significant strides in curbing our expenses. However, many opportunities exist to further increase efficiency by using technology to sustainably reduce expenses over time.

We are committed to our environmental responsibility

The second phase of the solar plant on Maerua Mall was completed in May 2018, with an output capacity of 2.6MW. The solar output resulted in an average electricity recovery ratio of 133% (2018: 113%) for the 12-month period. Oryx is committed to reduce its carbon footprint. We will use the intellectual property created from these projects to build solar structures on our remaining portfolio, where possible.

UNPACKING OUR FINANCIAL PERFORMANCE

Rights issue

Historically, all net earnings are paid to shareholders. A rights issue was considered necessary to bring in equity from existing shareholders. The purpose of the rights issue was to:

- repay debt;
- reduce the overall cost of funding;
- improve gearing and our security to loan ratio; and
- help fund several capital yield-accretive projects.

Oryx raised a satisfactory N$165 million (53%) of the intended N$309 million in a subdued market where 75% of shareholders followed their rights. The rights issue was made tradeable, which meant that shareholders could trade all or a portion of their rights in the market. 99% of all rights made available for trading changed hands, with some institutions increasing their overall shareholding. Oryx repaid debt of N$78 million and prioritised the yield-accretive Elisenheim project which we were contractually committed to from the proceeds raised.

Subsequently, the Global Credit Rating Company (GCR) affirmed our long-term rating of BBB+(NA) and short-term rating of N2(NA), in line with the previous year. However, GCR changed the outlook from stable to negative based on how it viewed Oryx's inability to raise the full amount during the rights issue; deteriorating gearing levels; and overall liquidity within the Group.

The Board decided to pay 90% of distributable

UNPACKING OUR FINANCIAL PERFORMANCE (CONTINUED)

Rights issue (continued)

income to shareholders as allowed by our Debenture Trust Deed. This principle will be applied for the 2020 financial year. No augmentation of distributions with realised capital reserves was done for the year as in previous years. These measures will improve overall liquidity and reduce gearing as we strengthen the balance sheet for a sustainable future.

Financial performance

Considering the current economic landscape and volatile trading conditions on the ground, Oryx has delivered solid results with a lot of positives to draw from, whilst ensuring that we strengthen our financial position for the years to come.

Total revenue in our portfolio increased by 7.8% to N$326 million (2018: N$302 million) in a time where rental rebate requests have increased which illustrates resilience within our portfolio as previous investments are now starting to bear fruit. Saying that, these investments have come at a price, as finance costs increased by 29% to N$99.6 million (2018: N$ 77.3 million), and therefore added to the rationale for the rights issue.

The major drive to sustainably reduce expenses as mentioned in the section around creating a platform for growth resulted in our expense ratio improving to 31.1% (2018: 33.7%). This combined effort, led to an overall increase in net property income to N$225m (2018: N$200m) representing an increase of 12%.

Total distributions amounted to 150 cpu (2018: 157 cpu) for the 2019 financial year. This 4.5% decrease is mainly due to the 90% distributable earnings pay-out ratio decision for the second half of the financial year. When comparing the distribution on a like-for-like basis (100% pay-out ratio), the distribution would have reflected 157.75 cpu which represents a 0.5% growth for the year.

Since there was no augmentation in the current financial year, it is important to compare the interest portion of the distribution year on year where we achieved a 6% growth (2019: 147.25 cpu; 2018: 138.75 cpu) which should give our shareholders comfort. This is a significant step forward to return to distribution growth.

PORTFOLIO VALUATIONS

Our defensive investment strategy is paying off as shown in our property valuations. The overall portfolio was externally valued by Mills Fitchet Magnus Penny, resulting in an excellent growth of 13.8% to N$2.9 billion (2018: N$2.6 billion). If we exclude the Isando South Africa disposal, the core portfolio increased in value above expectations by 14.6%. This reflects the resilience of the underlying portfolio.

The increase in valuations is predominantly due to capital investments within the portfolio, improved capitalisation rates in renovated properties and standardising capitalisation rates within Maerua Mall node post the internal revamp. More information is provided in the Asset Manager's report on page 32.

PEOPLE STRATEGY

We realise our employees are our greatest asset. If they are nurtured to flourish, they will continuously add value to our assets, tenants and ultimately our shareholders. Therefore, our employees are key stakeholders within our business.

Oryx will continue striving to be an employer of choice by:

- continuing to attract the best talent in the industry through our best candidate employment philosophy;
- creating a fair, accountable environment where we pride ourselves in providing the best service to our stakeholders; and
- providing a platform where we encourage growth, development and opportunities for our employees.

ACKNOWLEDGEMENTS

Oryx has delivered satisfactory results in the current economic environment through the management team and employee' efforts. My personal thanks go to the executive team for its efforts in a challenging and fast-paced year. I thank the Board for its support as we are internally transforming to a more property-focused environment which will allow us to scale.

I also thank our tenants, customers, shareholders, and service and business partners for their confidence in and contribution to Oryx this year. We are confident that the changes we are implementing and our continuous investments will bolster our income levels and better support our tenants to ensure their continued success and prosperity.

Mr Ben Jooste
Chief Executive Officer (CEO)
31 August 2019

ASSET MANAGER'S REPORT
for the year ended 30 June 2019

Conrad van der Westhuizen
Asset Manager

GROUP SNAPSHOT

▼-8%	▲18%	▲14%	▲4%
PROPERTY EXPENSE RATIO (%)	ELECTRICITY RECOVERY RATIO (%)	VALUE OF PROPERTY PORTFOLIO (N$M)	OCCUPANCY FACTOR (%)
31.11 (2018: 33.69)	133 (2018: 113)	2,919 (2018: 2,561)	96.8 (2018: 93.5)

PORTFOLIO ANALYSIS

	2019
NUMBER OF PROPERTIES	25
GLA (m²)	174,442
AVERAGE VALUE PER PROPERTY (N$m)	117

ASSET MANAGER'S REPORT
for the year ended 30 June 2019

Oryx disposed of its industrial property in Isando, South Africa, in June 2019. This property was vacant for more than two years and contributed 53% of the Group's vacancy factor. Disposing of this property links back to Oryx's strategy to disinvest in high-risk, high-yielding assets. The only property remaining outside of Namibia is Action Ford located in Roodepoort, South Africa. Therefore, the Group's South African geographical spread reduced to 2% (2018: 4%).

Within Namibia, 2.55% of the GLA is located outside of Windhoek and includes industrial properties in Walvis Bay and Keetmanshoop.

> "THE ORYX PORTFOLIO PERFORMED WELL IN A VERY CHALLENGING ECONOMIC ENVIRONMENT - A TESTIMONY TO A FOCUSED APPROACH ON VARIOUS FRONTS AND A WELL-ORGANISED TEAM EFFORT."

PORTFOLIO SPREAD

The portfolio spread is still weighted for retail at 59.1% of total value (2018: 58.4%). Maerua Mall is our largest asset, contributing 75.5% to the retail portfolio. GVC comprises 15.9%, although this is slightly skewed by the exclusion of the Avani Hotel space which is reflected as "other". During the year, Avani's classification method was amended because it is not considered retail and due to the relative lettable area involved. We decided to separate it from the retail component so that we do not misreport the comparative analysis for retail data.

As part of continuously improving the quality of the portfolio, Oryx started construction on the first phase of the new Urban Village in Elisenheim. The retail facility of approximately 3,000m² is set to open its doors to the public in February 2020. Urban Village will increase the retail weighting for the entire portfolio to just over 60%. The second and third phases spread over a further seven year period and will add another 9,000m² to the initial phase.

RETAIL

The retail environment in Namibia felt the impact of the contracting economy. With consumers under pressure, typical spending patterns have changed. This caused some retailers to reassess their business models and led to downsized trading areas, resistance to rental reversion rates and a general slowdown in new store rollouts.

Oryx is monitoring retailers' sectoral performance within the portfolio. We adopted a strategy to change the tenant mix in centres to ensure offerings remain relevant and in line with consumers' expectations.

Within a competitive environment, Oryx must understand its consumers, their requirements and their challenges within the modern retail arena. We focused on a retail offering that combines convenience with an entertainment experience to extend customer dwell times within the centres.

RETAIL (CONTINUED)

Maerua Mall

	2019
VALUE (N$'000) (Retail only)	1,301,508
GLA (m²) (Retail only)	53,210
VACANCY (%)	1.7
EXPOSURE TO NATIONAL TENANCIES (%)	86
TENANT RETENTION RATE (%)	97.8

Major tenancies within the mall have not significantly changed from the prior year and comprise:

- Checkers - 6,016m²
- Edgars - 4,197m²
- Virgin Active - 3,000m²
- Woolworths - 2,810m²
- Food Lover's Market - 2,042m²

Maerua Mall is a regional shopping centre on the periphery of the Windhoek CBD. Located on the corner of Robert Mugabe Avenue and Jan Jonker Road, it is ideally placed among the eastern residential suburbs of Klein Windhoek, Ludwigsdorf and Auasblick.

Maerua Mall boasts a unique Family Entertainment Centre with a children's playpark aptly called Joyful Noise. Also part of the playpark is a glow-in-the-dark put-put course, a 10-pin bowling facility, Planet Aero trampoline park and a gaming arcade. Maerua Mall further boasts a Ster-Kinekor (Cinema) and a host of eateries to pronounce the entertainment offering to our customers.

GVC

	2019
VALUE (N$'000)	534,200
GLA (m²)	25,315
VACANCY (%)	0.5
EXPOSURE TO NATIONAL TENANCIES (%)	86.1
TENANT RETENTION RATE (%)	84.2

ASSET MANAGER'S REPORT (CONTINUED)
for the year ended 30 June 2019

Major tenancies comprise:

- Avani - 12,276m²
- Checkers - 2,594m²
- Wecke and Voigts - 1,502m²
- Mr Price - 1,008m²
- Queenspark - 513m²
- Clicks - 700m²

One of Windhoek's original and iconic buildings, the GVC houses the Avani Hotel and the well-known Wecke and Voigts department store. This building is in the heart of the Windhoek CBD among all the high-rise office blocks housing the pulse of the financial services industry.

During the year, we completed the GVC upgrade. The new look and feel gives an authentic cosmopolitan character to the eateries and coffee shops commensurate with mingling international tourists and local business people. This character suits this new business node, home to FNB's new head office, and soon Nedbank's new head office, which is under construction. The Hilton Hotel and the recently completed 1990 South mixed-use development complement the area and establish a vibrant node in the CBD.

The new rooftop restaurant and bar at Avani are firsts for Windhoek. The Stratos Restaurant and Bar offers guests a 360-degree view of the Windhoek skyline and is popular among locals and tourists.

Baines Centre (Baines)

	2019
VALUE (N$'000)	83,000
GLA (m²)	4,682
VACANCY (%)	1.0
TENANT RETENTION RATE (%)	98.86

This boutique convenience centre is the focal point for residents, situated in the residential suburb of Pioneerspark in Windhoek. Baines has been a favourite destination for its regular and loyal customers for years due to its ideal location. Schnitzel King, one of the main attractions and a true local eatery, has become a favourite for Windhoek patrons since opening its doors.

Elisenheim

Oryx started phase one of its new lifestyle retail offering, Urban Village. Situated in the new Elisenheim suburb to the north of Windhoek, 1,400 households reside in this nature-inspired estate. Households are set to grow to approximately 4,000 over the next four years. Urban Village will be anchored by Spar, complemented by a gymnasium and a host of smaller convenience tenants, and will feature a convenience retail facility with a village-like atmosphere. The three-phase development is set to open in February 2020 with a GLA of about 3,000m² at a cost of N$61 million for phase 1.

ASSET MANAGER'S REPORT (CONTINUED)
for the year ended 30 June 2019

OFFICES

The office market in Windhoek was impacted by the challenging economy. Vacancies in the CBD especially are increasing and rental levels are reducing. With the pending relocation of Standard Bank's head office from the Post Street CBD node, vacancies and rental levels will be negatively impacted.

Described as a "tenant's market", tenants are trading up from their C and B-grade offices to A-grade offerings. Accordingly, A-grade vacancies are flat compared to B and C-grade. Oryx endeavours to maintain and improve the quality of the office portfolio. This strategy positively impacted CBD vacancies. However, the older office space in Maerua Park has seen a slight increase in vacancies.

Channel Life

Located in the Post Street Mall in the CBD, the Channel Life building offers B-grade office space with onsite, secure basement parking. The property offers convenience to its tenants since it is in close proximity to the Wernhil Park Regional Shopping Centre.

	2019
VALUE (N$'000)	75,428
GLA (m²)	4,434
VACANCY (%)	11.7
TENANT RETENTION RATE (%)	100

Maerua Park

The Maerua Park office is rated as lower B-grade space. Although well situated, the age of the offices negatively impacts the interest and subsequent asking rentals.

	2019
VALUE (N$'000) (Offices only)	60,284,815
GLA (m²) (Offices only)	3,252
VACANCY (%)	29.6
TENANT RETENTION RATE (%)	56.1

INDUSTRIAL

The portfolio performed as would be expected of a high quality portfolio which is reflected in the tenant retention ratio. However, the general slowdown in the economy put the logistics sector under pressure with reduced loads transported across the border. With the Namibian consumer under pressure, lower priced consumer goods are increasingly in demand. To cater for this demand, more space is required, albeit with less profit margins.

ASSET MANAGER'S REPORT (CONTINUED)
for the year ended 30 June 2019

Rental levels on this portfolio were flat year on year and were in negative reversionary territory, especially for smaller industrial space.

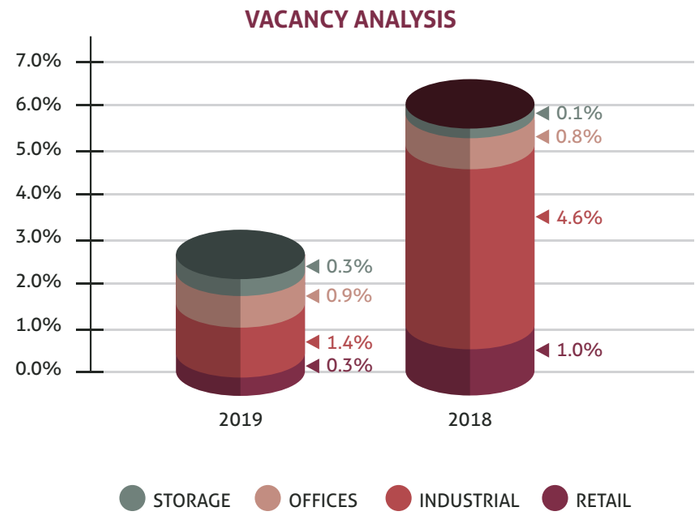
	2019
VALUE (N$'000)	539,885
GLA (m²)	69,881
VACANCY (%)	3.4
TENANT RETENTION RATE (%)	100

VACANCY ANALYSIS

This year was challenging as the Namibian economy continued contracting on a quarterly basis. This negative trend had a substantial impact on rental levels and vacancies. The office market was significantly impacted with office vacancies increasing to 0.9% (2018: 0.8%). The biggest contributor to office vacancy increases was Maerua Park, where vacancies increased by 35% to 962m² (2018: 715m²).

Industrial vacancies were substantially reduced by the Isando property sale in June 2019 to 1.4% (2018: 4.8%). It is set to further reduce to 0.9% as a new lease was negotiated on a vacant unit 3 in Walvis Bay after year end.

Retail vacancies also declined to 0.5% (2018: 1.0%) with Maerua Mall showing a reduction of 59%.



The portfolio's total vacancies reduced from 6.5% in 2018 to 3.2% in 2019. In the coming year, vacancies are expected to remain under pressure. We expect office vacancies to reduce, while industrial and retail vacancies

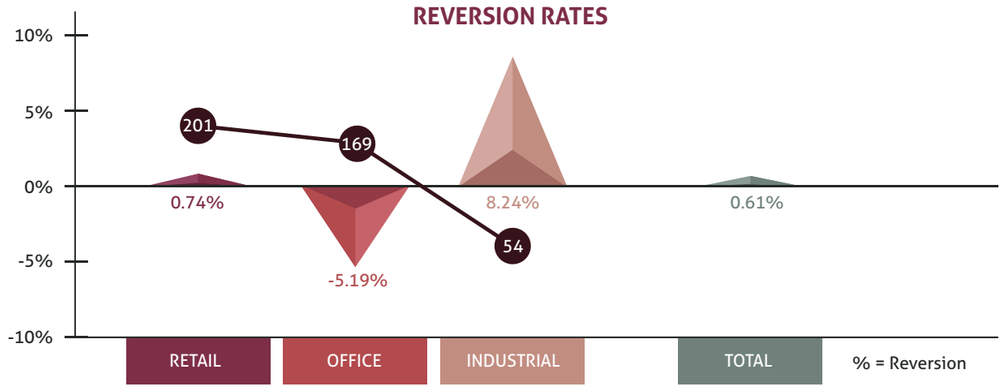
may remain flat.

RENEWAL PROFILE

Rental reversions were positive at 0.61%. With 10.47% of retail GLA renewed at a positive reversion of 0.74% at an average base rent of N$201/m², the total reversion rate remained low. Industrial reversions were positive at 8.24% at an average rate of N$54.00/m², while office reversions were negative by 5.19% at N$169.00/m².

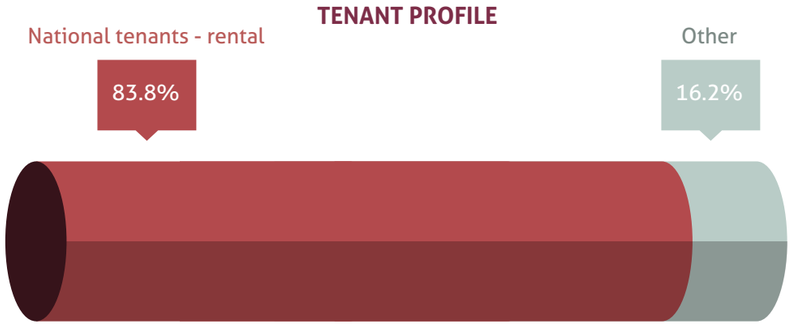
Retail reversions were negatively impacted by two renewals – one in the CBD's Post Street Mall and one in Maerua Mall – both done for strategic reasons on shorter-term leases.

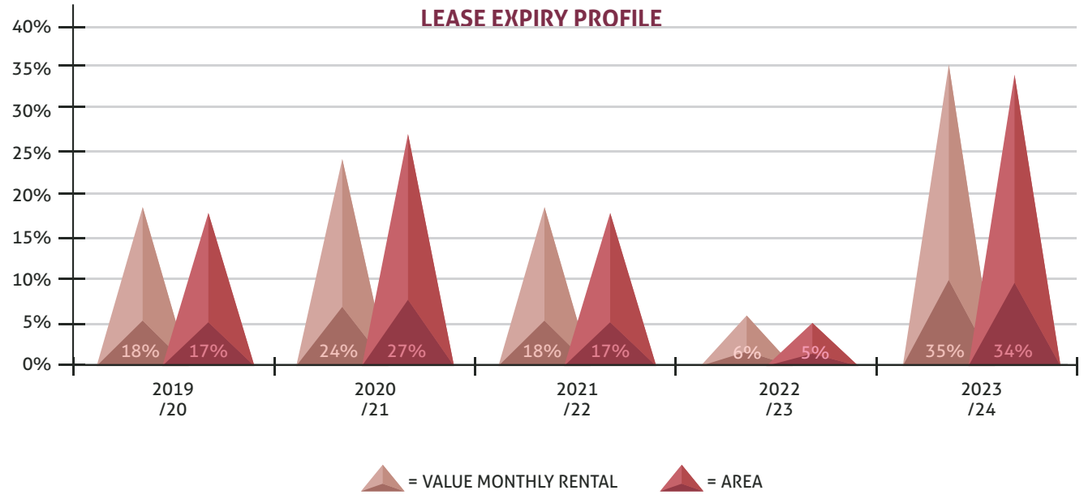
With rental at relatively high levels, we expect reversion rates will remain in positive territory, albeit at lower rates.



TENANT ANALYSIS

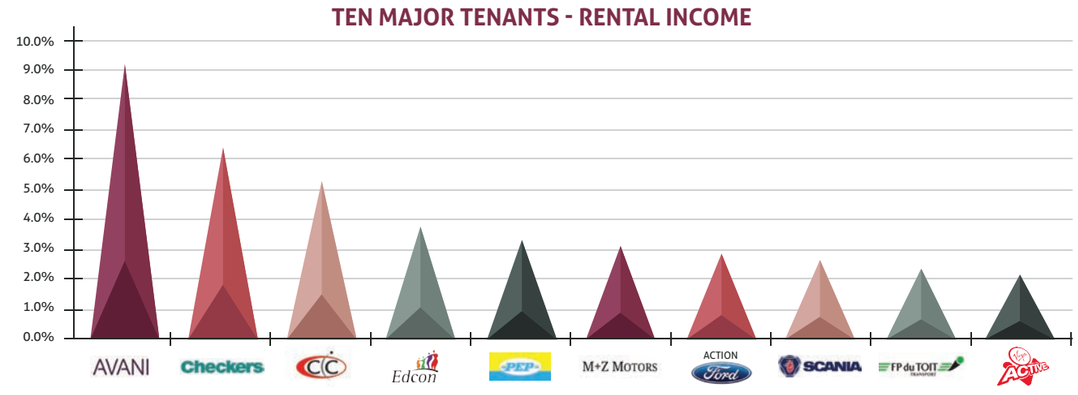
With increased pressure on retail tenants, the quality of Oryx's lower-risk portfolio is highlighted by its exposure to national South African and Namibian tenancies and their resultant rentals.





The portfolio's expiry profile was balanced to reflect a levelled spread. We aim for an expiry profile levelled over a five-year term to reduce the risk profile.

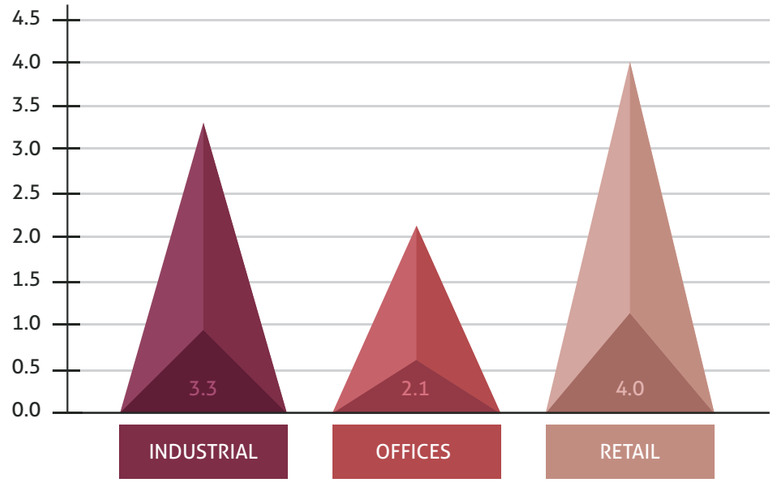
The top 10 tenants comprise 45.04% of GLA and together contribute 41.69% of basic rental income.



The WALE profile reflects an overall expiry profile of 3.5 years based on GLA.

ASSET MANAGER'S REPORT (CONTINUED)
for the year ended 30 June 2019

WALE PROFILE



PROPERTY EXPENSES

In the current economic climate, there is growing pressure on rental levels. To ensure the portfolio's net income maintains a positive momentum, prudent and proactive cost management is vital.

Many regions in southern Africa have limited energy resources and are experiencing a crippling drought. In light of these challenges, Oryx implemented several initiatives to be more energy efficient. Our focus extends to our natural environment and preserving our scarce resources.

Oryx installed the second phase of its 2.6MW PV plant on Maerua Mall. The PV plant was fully operational in May 2018. It generated 10,045,118kWh and has reduced its carbon footprint by 7,701,953kg since its inception in October 2015. With this successful installation, another rollout is planned for several industrial properties to enhance our portfolio's generating capacity and reduce energy costs.

With the drought in Namibia and the concern over Windhoek's water scarcity, Oryx implemented several water-saving initiatives. We started by focusing on properties with the highest water consumption. We involved our tenants in our water-saving initiatives by creating awareness of the crisis and informing them of new ways to curb water usage. Some of our initiatives being considered are:

- installing water-saving devices;
- focused monitoring of all common area facilities and tenant ablutions for water leaks and wastage;
- using grey water for irrigation; and
- installing smart water meters.

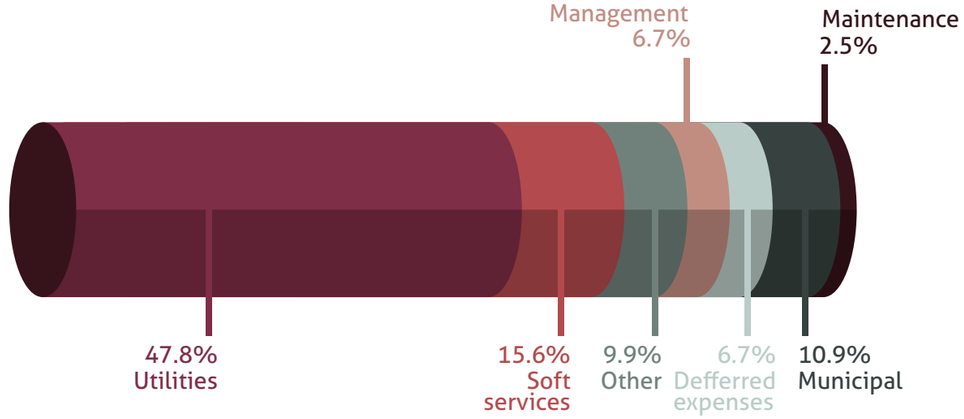
These initiatives will form part of our rental offering in all our properties to ensure that Oryx is an active role player in preserving water.

ASSET MANAGER'S REPORT (CONTINUED)
for the year ended 30 June 2019

With a strong focus on costs, our property management teams have successfully identified valuable opportunities to save and reduce our gross expense to income ratio to 31.11% (2018: 33.69%).

Expenses for the portfolio remained in line with prior year. We reviewed recoveries on every property and addressed older lease agreements on expiry to ensure that recoveries are streamlined. This resulted in an improvement of recovery ratios on the industrial portfolio to 65% (2018: 57%) and on the remaining portfolio to 83% (2018: 77%).

EXPENSES 2019



VALUATIONS

Mills Fitchet Magnus Penny conducted the portfolio's valuations for the year. The portfolio showed good growth at 14.6%. The growth percentage excludes the Isando property disposed of in June 2019.

The portfolio value increased to N$2.914 billion (2018: N$2.561 billion), largely driven by the retail component with a 15.3% increase, followed by the industrial segment with an 11.3% increase.

The portfolio performed well with vacancies down from the prior year. Expenses were well contained and recovery ratios increased. Combined, these factors contributed to positive valuation numbers.

Going forward, we will focus on improving our valuation numbers by keeping vacancies at bay, further growing net income per property, and prioritising tenant retention.

Mr Conrad van der Westhuizen
Asset Manger
31 August 2019

ASSET MANAGER'S REPORT (CONTINUED)

for the year ended 30 June 2019

ANNEXURE: REAL ESTATE PORTFOLIO

NAME	SECTOR	LOCATION	OPEN MARKET VALUATION (N$)	% OF PORTFOLIO	GLA (M^2)	OCCUPANCY (%)	MAJOR TENANTS
Included under Top 10	Refer to pages 12 and 13	Refer to pages 12 and 13	2,652,742,000	91.9	142,114	97.8%	Refer to pages 12 and 13
Erven 6660, 6661 & 7780 Joule Street	Industrial showroom	18 Joule Street, Windhoek	25,400,000	0.9	2,732	100%	Metje & Ziegler
Erf 698 Edison Street	Industrial showroom	Cnr Edison and Mandume Ndemufayo Avenues	34,700,000	1.2	2,268	100%	Metje & Ziegler
Erf 6621 Windhoek	Industrial warehousing	Cnr Kalie Roodt and Tommie Muller Streets, Northern Industrial Area, Windhoek	30,000,000	1.0	3,973	100%	Commercial Investment Company (CIC)
Erf 6977 Windhoek	Industrial warehousing	Newcastle Street, Northern Industrial Area, Windhoek	25,800,000	0.9	3,281	100%	Commercial Investment Company (CIC)
Erf 2671 Walvis Bay	Industrial warehousing	3rd Street East, Walvis Bay	15,650,000	0.5	3,525	74.8%	Commercial Investment Company (CIC)
Erf 334 Keetmanshoop	Industrial warehousing	5th Avenue, Keetmanshoop	1,900,000	0.1	810	100%	Commercial Investment Company (CIC)
Erf 441 Prosperita	Industrial	Erf 441 Prosperita, Windhoek	25,000,000	0.8	4,482	66.6%	Commercial Investment Company (CIC)
Erf 132 Lafrenz	Industrial	Erf 35 and Erf 36, Nordland Street, Lafrenz Townhsip, Windhoek	23,750,000	0.8	1,889	100%	Intercape Namibia
Erf 422 Windhoek	Mixed use	Erf 422 Elisenheim	56,000,000	1.9	Under Construction		
Erf 3519 Lafrenz	Industrial	Erf 3519, Iscor Street, Lafrenz Township, WIndhoek	23,000,000	0.7	9,368	100%	Steeledale Reinforcing and Trading Namibia (Pty) Ltd
SUBTOTAL			261,200,000	9.0	32,328	92.6%	
TOTAL			**2,913,942,000**	**100**	**174,442**	**96.8%**	

CHIEF FINANCIAL OFFICER'S REPORT

for the year ended 30 June 2019

Ms Lizette Smit
Chief Financial Officer (CFO)

The financial review reflects how we analyse business information and represents a condensed view of the Group's financial results. It should be read in conjunction with the complete Annual Financial Statements, starting on page 88. The accounting policies set out in the audited Annual Financial Statements for the year have been consistently applied.

SNAPSHOT

▼ -4.5%	▲ 6%	▼ -85%
DISTRIBUTION PER LINKED UNIT (CENTS)	INTEREST	DIVIDEND
150.00 (2018: 157.00)	147.25 (2018: 138.75)	2.75 (2018: 18.25)
▼ -6%	▲ 185%	▲ 14%
HEADLINE EARNINGS PER LINKED UNIT (CENTS)	WEIGHTED EARNINGS PER LINKED UNIT (CENTS)	NAV (CENTS PER UNIT)
137.34 (2018: 148.03)	533.00 (2018: 187.98)	2,337 (2018: 2,043)

CHIEF FINANCIAL OFFICER'S REPORT

for the year ended 30 June 2019

SNAPSHOT (CONTINUED)

▲ 1%	▲ 1%	100%	▼ -3%
WEIGHTED COST OF FIXED DEBT FUNDING (COSTING OF SWAPS) (%)**	COST OF VARIABLE DEBT FUNDING - REGIONAL (%)	COST OF DEBT (EURO) (%)	GEARING (%)*
9.2 (2018: 9.1)	9.1 (2018: 9.0)	2.7 (2018: 0.0)	34.9 (2018: 35.9)

* Debentures are treated as part of equity, as inputs are linked.
** Priced against the three-month JIBAR.

DISTRIBUTIONS

The Group's distributions for 2019 were N$125 million (2018: N$122.2 million) or 150 cpu (2018: 157 cpu).

The total dividend realised relates to Tower which continues from 2018. No dividends were declared from capital reserves for the year.

The distribution decreased by 4.5% year on year due to the Board's strategic decision to only pay 90% of distributable income. On a like-for-like basis, the distributable income increased by N$18 million or 16%. This is considered a necessary and prudent step to ensure the longevity of the Group, including to the overall improvement of liquidity. It addresses the change in the Group's rating outlook from stable to negative (refer to page 29). We engaged GCR regarding the rating outlook and will focus on the relevant metrics during the 2020 financial year.

> "THE GROUP PRODUCED SATISFACTORY RESULTS FOR THE YEAR. CHARACTERISED BY THE CONTINUING ECONOMIC DOWNTURN, WHICH IN TURN HAD A RIPPLE EFFECT ON THE RETAIL PROPERTY SECTOR. THE LINGERING RECESSION HAD A DOWNWARD IMPACT ON CUSTOMERS' DISPOSABLE INCOME, WHICH NEGATIVELY IMPACTED RETAILERS. CONSEQUENTIALLY, THERE HAS BEEN PRESSURE ON THE GROUP'S RENTAL INCOME. THE GROUP'S PERFORMANCE DURING THESE TESTING TIMES IS TESTAMENT TO THE STRENGTH OF ITS PORTFOLIO."

RIGHTS ISSUE

Oryx strengthened its strategic position in 2019 through a rights issue raising N$165 million and issuing 8,366,538 new linked units. The money raised was used to settle outstanding debt of N$78 million. The balance will be utilised for future capital projects. Our unitholders exercised 53% of total rights available which was acceptable considering the tough economic conditions. The Group is now able to fund yield-accretive developments, including the Elisenheim project.

STATEMENT OF COMPREHENSIVE INCOME

Oryx's focused and strategic decision making led to a net profit of N$313 million (2018: N$38 million).

Due to the nature of the Elisenheim head lease, income generated on the property was offset against the investment property and is not considered revenue. This accounting treatment resulted in realised income on the head lease of N$5.7 million, which was not recorded in the income statement but has been included in distributable income.

	N$'000
Total profit for the year after tax	303,052
Elisenheim rental income	5,748
Total profit adjusted	308,800

INVESTMENT IN ASSOCIATE - TIL

Oryx concluded the planned investment into TIL in July 2018, acquiring 26% of the entity for N$300 million (refer to page 27). The investment from associate yielded a return on net property income of 8.2% for the financial year ended May 2019, of which Oryx's share is N$23 million (N$26 million including accrual up to June 2019). Of the net property income, N$9 million relates to Oryx's share of the fair value adjustment which was not included in distributable income.

Dividends of N$10 million (2018: N$nil) were received. Vacancies in the offshore portfolio were 6.7% and TIL's gearing was 27.2% as at 31 May 2019. The vacancies are however only physical vacancies but due to the head leases no loss of income.

NET RENTAL INCOME

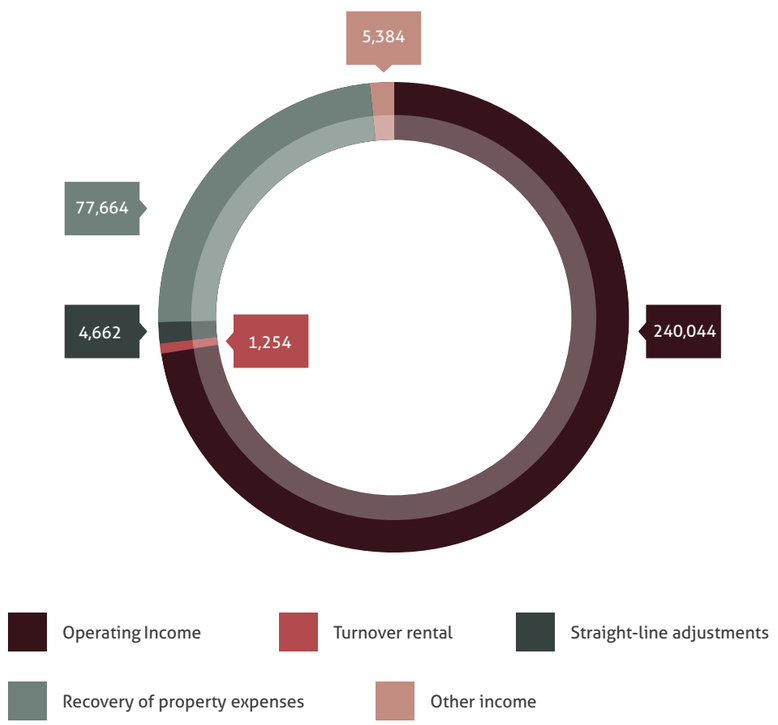
Net rental income increased year on year by 12% (inclusive of the Elisenheim head lease income). The electricity recovery ratio improved to 133% (2018: 113%), yielding full-year results from the additional solar plant installed at Maerua Mall during May 2018. A healthy increase in rental income from GVC, post the completion of the upgrade, a full year of income from the FEC, the Elisenhein head lease income and positive rental renewals all contributed to the net rental income growth.

Applying IFRS 15 Revenue and IFRS 9 Financial Instruments for the year did not have a significant impact on Oryx's financial results and therefore the Group has elected not to adjust opening balances.

CHIEF FINANCIAL OFFICER'S REPORT (CONTINUED)
for the year ended 30 June 2019

Sources of property income are shown below.

SOURCES OF PROPERTY INCOME



As in 2018, managing the Group's expenses is a key focus. Management recommended debtor write offs on overdue balances for three years or longer to the Board. As a result, the impairment allowance trended downwards for the year. Bad debts written off amounted to N$3.2 million. A summary of the impairment allowance is included in note 22 of the Annual Financial Statements.

For the 2020 financial year, we expect rental income to remain under pressure as the current economic downturn continues. This will require more focused actions by our teams.

INVESTMENT PROPERTY

Portfolio growth over the past year was underpinned by acquisitions, development expenditure and positive revaluations. Investment property increased by N$353 million with the like-for-like portfolio increasing by N$370 million or 14.6%. The largest contribution to the increase in the investment property is the fair value adjustment at N$279 million (2018: N$23 million). The valuation was performed by external valuers, Mills Fitchet Magnus Penny, and is testament to the Group's strong portfolio. Refer to Asset Manager's report for more detail.

INVESTMENT PROPERTY (CONTINUED)

CHIEF FINANCIAL OFFICER'S REPORT (CONTINUED)

for the year ended 30 June 2019

Significant acquisitions and capital expenditures consisted of:

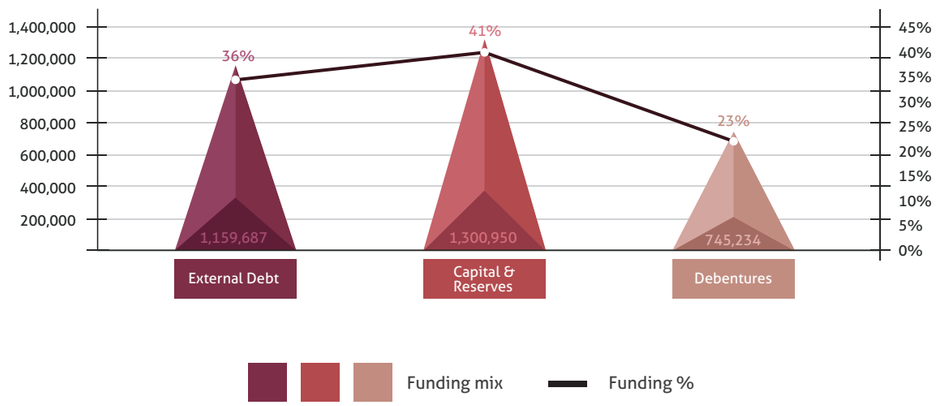
- N$94 million for GVC upgrade;
- N$21 million for Steeledale property acquired through vendor placement; and
- N$10 million for Elisenheim.

The only property disposed of during the year was the industrial property in Isando, South Africa, at N$14 million, realising a profiit of N$1.9 million.

BORROWINGS

Total interest-bearing borrowings used by the Group amounted to N$1,160 million (2018: N$951 million), while total facilities available to the Group amounted to N$1,670 million (2018: N$1,729 million). This includes the unutilised Domestic Medium-Term Note Programme of N$500 million, leaving N$149 million (2018: N$87 million) available for further expansion and capital projects.

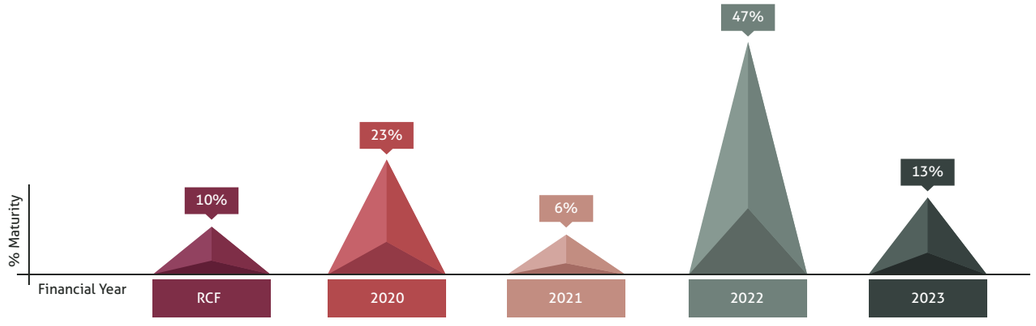
FUNDING MIX



The weighted average interest rate of the variable interest rate borrowings was 9.1%(2018:9%). The regional overall weighted average interest rate increased to 9.2% (2018: 9.1%) because of unfavourable swap arrangements entered into during the year. The Euro debt concluded at a rate of 2.7%.

Oryx's gearing ratio is 34.9% (2018: 35.9%). This is a significant reduction from 42.4%, post the conclusion of the offshore investment in July 2018.

The graph below illustrates the maturity profile of the total interest-bearing borrowings (based on utilised balances):



The following loans were refinanced during the year (refer to note 16.2 of the Annual Financial Statements for further details):

- OMIGNAM facility was increased from N$70 million to N$90 million and rolled for a three-year term, commencing September 2018.
- The commercial paper of N$128.7 million for a year on the same terms, effective November 2018.

The Nedbank N$140 million loan was set to mature in November 2018. The term was extended for a six-month period to give the funder sufficient time to provide pricing for the maturing loans. The negotiations were concluded during July 2019 and the loans were refinanced as follows (refer to note 16.2 for more details):

- N$140 million term loan and N$85 million revolving credit facilities (RCFs) were re-financed with Standard Bank Namibia; and
- N$75 million term loan and N$30 million overdraft facilities remain with Nedbank Namibia at favourable interest rates compared to last year.

We entered into a new loan with Absa for the N$300 million Euro equivalent used to finance the offshore investment acquisition.

The only debt maturing during the 2020 financial year is the commercial paper issued during November 2018, with the remainder in the current bucket comprising RCFs. We have already commenced discussions with financiers to increase the term of the comercial paper.

One significant component of the rights issue rationale was to improve Oryx's overall unencumbered asset base which was N$40 million in 2018. Based on the restructuring and repayment of loans, and additions performed during the year, our total assets not encumbered are at an all-time high of N$426 million. This is expected to increase to N$490 million when the Elisenheim project is completed in 2020. Management is further exploring options to improve overall facilities available to the Group to ensure that current debt can be paid in the short term. Refer to note 6 of the Annual Financial Statements for details of the properties.

LOAN COVENANTS

	REQUIRED	ACTUAL	ACTUAL
		2019	2018
Interest cover ratio excluding interest on linked debentures	>2.25	5.67	2.29
Gearing (%)	<50	34.9	35.7
NAV (N$m)	>500	2,041	1,609
Loan (utilised) to value ratio of Maerua Mall complex (%)	<55	42.5	33.5
Vacancies at Maerua Mall complex (%)	<5	3.5	2.4

The funding strategy is to maintain or reduce funding cost, refinance risk and operate within the set covenants of our loans and those set by ourselves. Oryx is operating well within these covenants as indicated above.

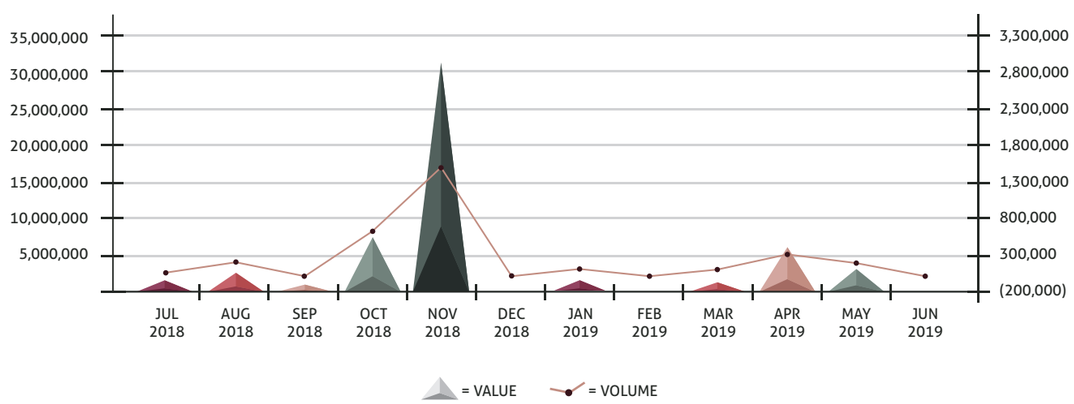
HEDGING

The Group is cognisant of interest rate risk and for funding sources to be supportive of the sustainable net property income growth. Of total debt drawn, 65% was fixed through using interest rate swaps with an average period of 2.5 years.

LIQUIDITY AND UNIT PRICE

Units traded decreased compared to the prior year. Total units traded was 2.6 million (2018: 6.8 million) to the value of N$52 million (2018: N$140 million). The unit price decreased from N$20.20 at end June 2018 to N$19.50 at end June 2019.

UNITS TRADED



CHIEF FINANCIAL OFFICER'S REPORT (CONTINUED)
for the year ended 30 June 2019

SUBSEQUENT EVENTS

There were no subsequent events after year end other than the conclusion of the loans with Standard Bank Namibia and the finalisation of the residential acquisition, discussed in note 40 of the Financial Statements.

TOTAL RETURN

The Group experienced a five-year low in total return. Distributions decreased to 150cpu and the unit price moved backwards to N$19.50 per unit. While we are cognisant of these factors, we strongly believe that the decision to only pay out 90% of distributable income will reward our unitholders in the longer term.

Total return remained positive and was 4% (2018: 5%) at year end, while the unit yield was 7.7% for the year (2018: 7.8%).

APPRECIATION

Many thanks to my team for their dedication and hard work during a very challenging year and in preparing the year end results and financial statements. I also extend my appreciation to the Board and, in particular, the RACC, for their guidance and continued support.

Ms Lizette Smit
Chief Financial Officer (CFO)
31 August 2019

CORPORATE SOCIAL INVESTMENT

Oryx embraces its obligation to be a responsible corporate citizen. We strive to meaningfully contribute to societies within which we operate, the economy, social welfare, our unitholders and employees, the environment and all other stakeholders. We concurrently aim to build and sustain our corporate reputation and create conditions conducive to a profitable business.

Oryx has a CSR Policy, which focuses on enhancing youth development, promoting environmental preservation and enhancing social welfare.

The Group's CSR programme is internally managed to foster our vision of being a model corporate citizen by ensuring that we add value to our stakeholders. This entails ensuring that we focus on addressing the needs of the communities surrounding our properties and those affected by our business operations.

During the year, Oryx participated/contributed to various initiatives which are indicated below:

The Bless a Child campaign was launched in December 2018. We identified two organisations as beneficiaries: Beautiful Kidz and Side by Side Early Intervention Centre. The Group will annually participate in this campaign.

With about 95 vulnerable children registered at the centre, Beautiful Kidz is a ministry to children in need. Children are given a meal, a place to do their homework and afterschool activities. There are centres in Windhoek, Katutura, and the communal farmland Ovitoto near Okahandja.

Side by Side Early Intervention Centre helps children up to 7 years old with special needs. The centre operates as a day care from Monday to Friday for about 19 children.

We set up collection boxes in Maerua Mall and Baines Centre so that people could donate anything from toys, books and non-perishable foods to these organisations. About 10 boxes of goods were collected during one month.

Oryx donated to the **Royal Family Kids Camp** in Namibia. This is a one-week camp (in August) for abused and neglected children between the ages of 8 and 12. During this week, the children are showered with love and affection and are given much needed clothes.

Oryx supported **Namibia's Church Alliance for Orphans and Vulnerable Children (CAFO)** once again. CAFO is a non-government organisation caring for the most vulnerable members of society. This year we renovated the children's playground.

CORPORATE SOCIAL INVESTMENT

The Winter Knights is an annual project hosted by Round Table Namibia. It is aimed at raising funds for marginalised communities all over the country. The project aims to raise cash donations to buy blankets for these communities. Any other donations like old clothing, blankets and non-perishable food are also distributed to the beneficiaries. Oryx donated blankets and non-perishable food and set up collection boxes within Maerua Mall so that customers could donate while shopping.

Groendraai Primary School is located on a farm 60km southwest of Rehoboth, with 160 children.

Oryx supplied much needed stationery to the school.

For the festive season, Oryx donated much needed everyday goods to the **Katutura old age home**. We took some time off to braai and spend time with the elderly people at the home.

We further hosted various organisations in our malls
(at no cost):

- Miss High;
- Lions Club; and
- Various SPCA initiatives.

The Group also embarked on several projects to do our part for the planet:

- We completed the solar installation at Maerua Mall in May 2018 and will be rolling out this concept to other properties during the new year. This will assist in reducing the overall electricity usage and costs on our properties.

- We implemented water-saving initiatives to help combat Namibia's drought.

For more details, refer to the Asset Manager's report on page 32.

CORPORATE GOVERNANCE PHILOSOPHY

The Group recognises the need to conduct its business with integrity and provide effective leadership based on an ethical foundation. The Board directs the strategy and operations to build a sustainable business while considering the short and long-term impacts on the economy, society and environment.

The Board ensures that the Group acts as a responsible corporate citizen and endorses the principles of openness, integrity, accountability and transparency. The Board is aware that stakeholders' perceptions affect Oryx's reputation. The Group is committed to promoting the highest standards of ethical business practice in all aspects of its operating activities. The Board further aims to apply the best practice recommendations, as set out in the NamCode, in a manner that reflects the stature, market position and size of the Group. The Board acts as the custodian for corporate governance.

This section provides an overview of our corporate governance philosophy and practices.

THE BOARD OF DIRECTORS

Composition Of The Board Of Directors

Under the Board Charter, the composition of the Board is annually reviewed by the Remuneration and Nomination Committee (RNC). The Board is satisfied that its composition reflects the appropriate mix of skills, knowledge, qualifications, diversity, experience and independence.

The Board predominantly consists of non-executive directors, who bring a wide range of skills and experience to the Group. This allows them to contribute independent views and exercise objective judgement in matters requiring directors' decisions. The Board is of the view that the non-executive directors are independent of management and promote the interests of stakeholders. The balance of executive and non-executive directors is such that there is a clear division of responsibility. This ensures balance of power, such that no individual or group can dominate Board processes or have unfettered powers of decision making.

As at 30 June 2019, the Board comprised of 10 directors, eight of whom are independent non-executive directors and two executive directors. The Board is compliant with Principle C2-18 of the NamCode in that the majority of non-executive directors were independent.

Ms Lizette Smit, CFO, was appointed to the Board in September 2018. Mr Mathew Shikongo resigned as independent non-executive director as at 30 June 2019, with Ms Roswitha Gomachas appointed as non-executive director effective 1 July 2019.

Mr Francois Uys has indicated that he will not be available for re-election due to his unfortunate accident.

The responsibilities of the Chairperson and the CEO remain separate, as recommended by King III and the NamCode. A Deputy Chairperson, Mr Peter Kazmaier, was appointed during the year and the roles and responsibilities of the Chairperson and Deputy Chairperson have been documented.

Directors As At 30 June 2019

DIRECTOR	YEAR APPOINTED	STATUS	INDEPENDENT	GENDER	TENURE (YEARS)
F Uys	2002	Non-Executive Chairperson	Yes	Male	17
A Angula	2013	Non-Executive Director	Yes	Female	6
J Comalie	2012	Non-Executive Director	Yes	Female	7
RMM Gomachas^	2019	Non-Executive Director	No	Female	N/A
NBS Harris#	2012	Non-Executive Director	Yes	Male	7
B Jooste	2018	Executive Director/ CEO	No	Male	1
PM Kazmaier	2016	Non-Executive Director	Yes	Male	3
JC Kuehhirt	2007	Non-Executive Director	Yes	Male	12
M Shikongo*	2011	Non-Executive Director	Yes	Male	8
L Smit+	2018	Executive Director/ CFO	No	Female	1
A Swanepoel	2006	Non-Executive Director	Yes	Male	13

* Resigned effective 30 June 2019.
# South African.
^ Appointed 1 July 2019.
+ Appointed 1 September 2018.

INDIVIDUAL INDEPENDENCE ASSSEMENT

Mr Francois Uys, Mr Jens Kuehhirt and Mr Andre Swanepoel exceed the nine-year tenure proposed by the NamCode. The Remuneration and Nomination Committee (RNC) reviewed the performance of these directors, and the factors which may impair their independence. The Committee found that they are still suitable to act as independent non-executive directors.

Mr Francois Uys, who acted as Chairperson of the Board, is a shareholder in TLP Investments One Three Seven (Proprietary) Limited, which holds a 19.15% interest in Oryx. His indirect interest in Oryx is 4.52% as at 30 June 2019. The independence of the Chairperson was deliberated by the RNC. The Committee confirmed it is satisfied that his direct shareholding did not impair his independence as Chairperson of the Board.

SUCCESSION PLANNING

The Board considers the current composition suitable to the business of the Group. Overall, the Board is confident that it has the right level of knowledge, experience and skill to ensure objective and effective governance and the depth of skill among current directors to meet succession requirements.

The RNC considers non-executive director succession each year. Where Board members retire, the opportunity is seized to rejuvenate the Board based on skills profiling and any shortcomings identified from Board assessments.

Similarly, the Committee considers succession planning for executive directors every year. Progress was made in this regard during the year by appointing Mr Peter Kazmaier as the Group's Deputy Chairperson.

GENDER AND RACIAL DIVERSITY

The Board adopted policies to promote gender and race diversity and supports their principles at Board level.

Four of the directors are from previously disadvantaged groups. Three of the directors are female, all of whom are from previously disadvantaged groups. This percentage will increase to 40% female after year end due to the appointment of Ms Gomachas.

DIRECTORS AT THE DATE OF THIS REPORT

CAREER: Francois is a director and Chairperson of FP du Toit Transport (Proprietary) Limited, Intercape Group (Proprietary) Limited, MacDonalds Transport Group (Proprietary) Limited, Darling Group (Proprietary) Limited and TLP Investments One Three Seven (Proprietary) Limited. He was previously a director of Ambit Properties Limited (listed on the Johannesburg Stock Exchange (JSE)) and was Senior Executive of the Trencor Group from 1970 to 1989, Managing Director of TransNamib Limited from 1989 to 1996 and of Metje & Ziegler (listed on the JSE) from 1996 to 2004, Chairperson of the NSX from 1999 to 2001, and served on the Executive Committee from 1997 to 2004. He has served on various Government and advisory bodies in Namibia and South Africa.

Mr Francois Uys (72) | Chairperson | Independent non-executive
Namibian | BA, BCom (Hons), MCom | Appointed to the Board in 2002
COMMITTEE: Remuneration and Nomination Committee (RNC)

CAREER: Peter is a non-executive director of Elso (Proprietary) Limited and member of the Executive Committee of Trustees of the Renaissance Health Medical Aid Fund. Previously he was Director: Finance and Administration of Namibia Breweries Limited from 1979 to 1994, Director: Corporate Services at Ohlthaver & List Group of Companies, and Group General Manager: Finance, Human Resources and Administration at SWABOU Building Society. In 1996, he was appointed CEO at Agra Limited until retiring in October 2015. He served on various boards such as Hartlief Corporation, the Karakul Board of Namibia and the Economic Strategy Committee of the Chamber of Commerce. He was Chairperson of the Agra Pension Fund from 1996 to 2015 and director of the Rosenthal Group of Companies.

Mr Peter Kazmaier (67) | Acting Chairperson | Deputy Chairperson
Independent non-executive | Namibian | BCom | Appointed to the Board in 2016
COMMITTEES: Investment Committee (IC) and Risk, Audit and Compliance Committee (RACC)

CAREER: Ally is Managing Director and Founder of Leap Holdings (Proprietary) Limited, a diversified group of companies, with operations in horticulture, garment manufacturing and retail. She was a KPMG Assurance Partner up to February 2013. She is serving as a non-executive director at Pupkewitz Holdings. She previously served as a council member of the Institute of Chartered Accountants in Namibia (ICAN), and as a Board member of Old Mutual, Rössing Uranium Limited, Namibia Postal and Telecommunications Holdings (Proprietary) Limited , BoN and Namcor.

Ms Ally Angula (39) | Independent non-executive
Namibian | BAcc, BCom (Hons) |
Appointed to the Board in 2013
COMMITTEE: RACC Chairperson

CAREER: Jenny is an entrepreneurial professional with more than 20 years' experience in organisational development, strategy development and implementation, and finance accounting. She was Group Financial Accountant at Olthaver & List Trust Company Limited from 1998 to 2001. From 2001 to 2004 she was a trainee accountant and manager at Deloitte & Touche. She was Manager of Management and Cost Accounting at Standard Bank Namibia from 2004 to 2005. Her previous positions held include CFO at Pointbreak Holdings (Proprietary) Limited, CEO of Shali Group and Director of Finance at the Namibia Institute of Public Administration and Management (NIPAM). She is currently the Chief Commercial Officer at Nampost.

Ms Jenny Comalie (45) | Independent non-executive
Namibian | BCom, BCompt (Hons), CA(Nam) |
Appointed to the Board in 2012
COMMITTEES: RACC and RNC

DIRECTORS AT THE DATE OF THIS REPORT

CAREER: Ben completed his MBA master's at the London Westminster Business School in 2009. He is an executive with 20 years' experience in the financial, legal, technology and media industries. His focus areas are mergers and acquisitions, expansion initiatives, general management of large teams in real estate, technical and sales environments. From 2012 to 2016 he was the Head of Rest of Africa at Hitachi Data Systems where he led the Shoden Data Systems merger and expansion across Africa. His previous positions include Programme Manager at Bank of America Merrill Lynch, and management consultant, managing projects for Barclays, ABN Amro, RBS, Abbey National and Dresner Kleinwordt Benson across Europe, the Middle East and Africa.

Mr Ben Jooste (40) | CEO and executive director
Namibian | MBA | Appointed to the Board in 2018
COMMITTEES: Standing invitations to the RACC, RNC, and IC meetings

CAREER: Nick was the CEO of South African listed company Ambit Properties Limited from its listing in 2004 until June 2008. He has over 40 years' experience in the real estate industry. He was President of the South African Property Owners Association, Chairperson of the South African Board of the Royal Institution of Chartered Surveyors and Board member of the Middle East and African World Regional Board of the Institution.

Mr Nick Harris (76) | Independent non-executive
South African | FRICS | Appointed to the Board in 2012
COMMITTEE: IC Chairperson

CAREER: Jens has been an independent financial consultant since 2007. He retired from the auditing profession in December 2006 as senior partner of Deloitte & Touche in Namibia after 35 years' service with the firm in South Africa, Germany and Namibia. He was a partner of Deloitte for 24 years in Namibia and has gained extensive experience in the banking and other financial services sectors, including mining, fishing, retail and manufacturing, serving mainly large, blue-chip and listed clients. He was a member of the Board and Tax Committee of ICAN for several years. His current directorships include Old Mutual Life Assurance Company (Namibia) Limited and Old Mutual Short Term Insurance Company of Namibia Limited.

Mr Jens Kuehhirt (69) | Independent non-executive
Namibian | BCom, CA(Nam), CA(SA) | Appointed to the Board in 2007
COMMITTEES: RNC Chairperson and IC

CAREER: Mathew retired as Mayor of Windhoek and has extensive business experience in diverse industries, providing him with a good understanding of the general business community and activities. He fulfilled numerous chairmanships and other leadership roles, among which Mayor of the City of Windhoek, Chairperson of Namibian Marine Resources (Proprietary) Limited, Chairperson of Nampower, President of the Namibia Chamber of Commerce and Industry, Vice-Chairperson of Welwitschia Insurance Brokers, Chairperson of Tunacor, Chairperson of NUTAM Operation (Proprietary) Limited and Vice-Chairperson of Sanlam Namibia.

Mr Mathew Shikongo (69) | Independent non-executive
Namibian | Appointed to the Board in 2011

DIRECTORS AT THE DATE OF THIS REPORT (CONTINUED)

CAREER: Lizette, a chartered accountant, brings over six years' experience from Deloitte and gained experience in several industries, including real estate. Lizette completed her studies at Rhodes University then joined Deloitte as a trainee in 2011. From 2014 to 2017 she was a manager in the assurance division and was promoted to a senior manager. Lizette joined Oryx on 1 August 2017 as CFO and was appointed as director during the year.

Ms Lizette Smit (31) | CFO and executive director
Namibian | BAcc (Hons), CA(Nam) |Appointed to the Board in 2018
COMMITTEES: Standing invitations to the RACC and IC meetings

CAREER: Andre is Managing Director of Dr Weder, Kauta & Hoveka Inc. Legal Practitioners, with over 35 years' experience in the legal field. He was formerly a member of the Law Society's Standing Committee on Conveyancing; formerly a member of the Board for Legal Education; instrumental in overseeing the amendment of the Sectional Title Act; and a member of the Screening Committee of the Namibian Stock Exchange. He has extensive experience in corporate, commercial and property law and structuring of sectional title development schemes, large township developments and other property-related transactions.

Mr Andre Swanepoel (65) | Independent non-executive
Namibian | BCom, LLB | Appointed to the Board in 2006
COMMITTEE: IC

CAREER: Roswitha is Deputy Chief Legal Advisor to the office of the Attorney General, with over 14 years' experience in the legal field. She was admitted as a legal practitioner during April 2005, after which she gained experience as legal consultant and advisor, and land environment and development project lawyer. She was appointed to the GIPF Board of Trustees during July 2016 and acts in various roles for GIPF's Investment Committee, Legal Governance and Compliance Committee and Benefits and Administration Committee.

Ms Roswitha Gomachas (38) | Non-executive
Namibian | B.JURIS, LLB, LLM | Appointed to the Board in 2019

EXECUTIVE AND SENIOR MANAGEMENT AT THE DATE OF THIS REPORT

CAREER: Conrad joined Oryx in 2014 as the executive property manager. He has been in the property industry since 1991 and brings a vast knowledge to Oryx. He joined Old Mutual Properties in 1991 as Junior Property Manager. In 1992 he became Property Manager of Old Mutual Properties; became the General Manager of Old Mutual Properties' Namibian subsidiary in 1994; and became a director of Old Mutual Properties (Namibia) (Proprietary) Limited in 2001. During this period, he was the Chairpersonof the Windhoek Chamber of Commerce's CBD Association. Conrad was the General Manager: Property Management with Joseph & Snyman before joining Oryx. Conrad has an LLB obtained from Stellenbosch University and a BBA obtained from Unisa.

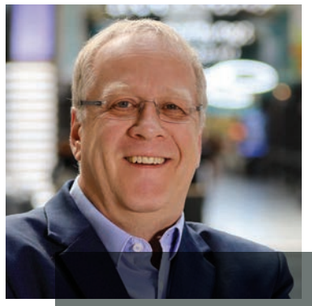
Mr Conrad van der Westhuizen (52) | Asset Manager
Namibian | LLB, BBA
COMMITTEES: Standing invitations to IC meetings

CAREER: Francis is a chartered and professional accountant and registered member of both ICAN and NIPAM. Francis completed her qualifications at the North West University, Potchefstroom Campus, then joined PricewaterhouseCoopers Inc. (PwC) as a trainee in 2011 while completing a BCompt (Hons) through Unisa on a part-time basis. She has gained over seven years' experience in several industries during her time at PwC. She joined the assurance team in the accounting department as a manager from 2014 to 2018.

Ms Francis Heunis (30) | Finance Manager
Namibian | BCompt (Hons), CA(Nam), CFA(Nam), MBA (UNIC)

Career: Petro graduated from the University of the Free State and Stellenbosch and has over 25 years' commercial, marketing and finance experience, of which 15 are in property and retail development. Petro has gained property experience in various industries by rolling out retail shops in shopping centres and being part of the development team of national and regional centres across Namibia. Petro has experience in financial and operations areas which adds to her overall experience for her current role.

Ms Petro Oberholster (50) | Manager: Property Administration
Namibian | BCom



CAREER: Dirk completed his MBA in Germany. He gained marketing, sales and business development experience in different industries including machinery building, software and hardware. He has worked in the property industry for over 10 years. His experience includes managing retail, office and industrial properties. He joined Oryx as Retail Operations Manager in 2014 and was later appointed as Manager: Operations, Projects, Property Risk and IT.

Mr Dirk Schuler (58) | Manager: Operations, Projects, Property Risk and IT
Austrian | MBA

RE-ELECTION OF BOARD MEMBERS

Under Oryx's Articles of Association, all non-executive directors are subject to retirement by rotation after a period not exceeding three years or by reaching the retirement age of 70.

According to the Board Charter, a director should retire at the age of 70, but an appointment may be extended on a year-to-year basis. Mr Nick Harris and Mr Francois Uys, having reached the retirement age of 70, Mr Harris was requested to extend his appointment by another year with effect from 1 July 2019 to 30 June 2020, which he accepted. The reappointment was approved by the Board at the August 2019 meeting. Mr Uys has not availed himself for re-election as Director.

DEVELOPMENT OF DIRECTORS

> The Group's success is intimately connected to the effectiveness of its Board.

The Group recognises that the Board comprises directors who have extensive knowledge and experience within their specific disciplines. For the Board to discharge its duties in managing the Group in an effective and efficient manner, directors are encouraged to stay up to date with any new developments and engage in continuous professional development. Relevant new developments are communicated to directors at Board meetings, including those regarding the Companies Act, corporate governance and other relevant legislation. If deemed necessary, training is sourced for any new development's directors should be aware of.

The skills and experience profiles of the Board and its Committees are reviewed annually by the RNC, to ensure an appropriate and relevant composition from a governance, succession and effectiveness perspective.

All new appointees are provided with an induction pack, the contents of which is approved by the Board and managed by the Company Secretary. Directors are provided with all necessary information and documentation to familiarise themselves with Oryx and issues typically facing the Board. As part of the onboarding process, directors visit Oryx's properties to familiarise themselves with the portfolio.

PERFORMANCE EVALUATION OF BOARD AND COMMITTEES

The Board evaluates its effectiveness and that of its Chairperson, Committees, Committee Chairpersons and individual directors annually. The Company Secretary facilitated the formal questionnaire-based effectiveness evaluations. The last evaluation was done during the November 2018 Board meeting. The evaluation reports were considered by the RNC and the Board.

The evaluation concluded that the Board and Committees are functioning well and effectively. The Board is satisfied that the evaluation process leads to an improvement in its performance.

PERSONAL SHARE DEALINGS BY DIRECTORS

Directors and the Company Secretary are required to obtain written approval before dealing in Oryx shares. All share transactions are disclosed on the Securities Exchange News Service within the time prescribed by the NSX. Details of dealings by directors during the year are found in the directors' report (page 90). The changes in the directors' shareholding during the year are due to directors exercising their rights during the rights issue process which was open to all existing shareholders.

CONFLICTS OF INTEREST

One of the fundamental duties of a director is to avoid any possible conflict of interest with the Group. It is an accepted principle that, due to the trust placed in a director, they are bound to put the Group's interests before their own.

Established procedures require all directors to timeously inform the Board of any actual or potential conflicts of interest they may have in relation to particular items of the business. Directors are obliged to recuse themselves from discussions or decisions on matters in which they have a conflict of interest. A director is also prohibited from any action that may influence the discussion or vote by the Board and is prohibited from executing any document on behalf of the Group in relation to the matter, unless specifically requested to do so by the Board. In general, directors are required to avoid any direct or indirect interest that conflicts or may conflict with the Group's interest.

The conflict of interest provision applies equally to persons related to the director. Thus, where a director knows that a related person has a personal financial interest in a matter to be considered at a Board meeting, the director should disclose this. Further, should a director become aware that a related person has acquired a personal financial interest in a matter, after the Board has approved that agreement or matter, the director should disclose it to the Board.

BOARD RESPONSIBILITIES

The Board is ultimately responsible for the financial performance and corporate governance of the Group. The Board, together with the constituted Board Committees, is responsible for assessing and managing risk policies, assuring appropriate internal controls and overseeing major capital expenditure or acquisitions and disposals. The Board, together with management, implements the plans and strategies.

The Board seeks to exercise leadership, integrity and judgement in pursuing strategic goals and objectives, to achieve long-term sustainability, growth and prosperity. It provides leadership within a framework of prudent and effective controls which ensures risks are assessed and properly managed.

The Board is guided by a Board Charter and Approval Framework. This provides the framework within which the Board operates and the type of decisions taken by the Board and which should be delegated to management.

The Board retains responsibility and accountability for:

- adopting strategic plans and setting performance objectives;
- legislative, regulatory and governance compliance;
- governance of risk, including IT;
- focal point for and custodian of corporate governance;
- effective leadership based on ethical foundations; and
- ensuring the Group is and is seen to be a responsible citizen.

The Board meets its objectives by reviewing and guiding corporate strategy, setting high standards of corporate governance and ensuring that obligations to its unitholders and other stakeholders are understood and met. By understanding the key risks, determining its risk tolerance and approving and reviewing the processes in operation, the Board seeks to mitigate the impact of risk incidents.

Certain matters are specifically reserved for the Board. To achieve its objectives, the Board may delegate certain duties to various Board Committees, or the CEO, without abdicating its own responsibilities provided that:

- the Board has formally defined and documented the authority it has delegated to the various Board Committees through terms of reference; and
- in fulfilling its responsibilities, the Board is supported by management in implementing the plans and strategies approved by the Board.

Also, directly or through its sub-committees, the Board:

- assesses the quantitative and qualitative aspects of performance through a comprehensive system of financial and non-financial monitoring involving an annual budget process, detailed monthly reporting, regular review of forecasts and regular management, strategic and operational updates;
- approves annual budgets, capital plans, projections and business plans;
- monitors compliance with relevant laws, regulations and codes of business practice;
- ensures processes are in place enabling

BOARD RESPONSIBILITIES (CONTINUED)

complete, timely, relevant, accurate and accessible disclosure to stakeholders and monitors communication with all stakeholders to ensure transparent and effective communication;

- identifies and monitors key risk areas and KPIs;
- reviews processes and procedures to ensure the effectiveness of internal systems of control;
- ensures the adoption of sustainable business practices, including social and environmental activities;
- assisted by the RACC, ensures appropriate IT governance is in place, and ensures the process is aligned to the performance and sustainability objectives of the Board;
- ensures appropriate risk governance, including IT, is in place including continual risk monitoring by management, determines the levels of risk tolerance and ensures that risk assessments are performed continually;
- ensures the integrity of the Group's Integrated Annual Report, which includes sustainability reporting; and
- evaluates the performance of senior management and considers succession planning.

The Board confirms that it is satisfied that it has carried out its duties and responsibilities in compliance with its mandate and the Board Charter.

BOARD COMMITTEES

To assist the Board in properly discharging its duties, it delegates certain functions to the various Board Committees and to the executive team. Each Board Committee acts within agreed, written terms of reference. The minutes of Board Committee meetings are provided to the Board. The Company Secretary is responsible for verifying that all Board Committees comply with statutory, regulatory, NSX Listings Requirements and best practice. Directors have access to the Company Secretary at all times. The various established Board Committees are set out below.

These Committees meet independently and provide detailed feedback to the Board via their Chairpersons. All Committee meetings are minuted and directors may raise any questions arising from these minutes.

The executive team is charged with implementing the Group's strategies and objectives. It is also responsible for ensuring internal controls are in place and function effectively for the Group to operate and to mitigate risk to such operation. The Board holds the executive team accountable for its activities, which are monitored and controlled through regular reports and performance measurements.

BOARD OF DIRECTORS

Board And Committee Meetings

The Board meets at least four times annually and met four times during the year.

The Chairperson is responsible for setting the agenda for each meeting, in consultation with the CEO and Company Secretary. Comprehensive information packs on matters to be considered by the Board are provided to directors before the meetings. Details relating to Board and Committee attendances are shown below. All directors have unfettered access to management and Oryx's records, information and documentation. The Board or representative Committee accepts a justified apology from directors who were unable to attend a meeting. The Company Secretary attends Board and Committee meetings.

Board and Committee meeting attendance for the year

DIRECTOR/EXECUTIVE	BOARD		RACC		RNC		IC	
	Member	Attendance	Member	Attendance	Member	Attendance	Member	Attendance
F Uys	X@	3/4			X	2/2		
A Angula	X	3/4	X@	3/3				
J Comalie	X	4/4	X	3/3	X	2/2		
NBS Harris	X	3/4					X@	2/2
B Jooste (CEO)	X	4/4		3/3#		2/2#		2/2#
PM Kazmaier	X	4/4	X	3/3			X	2/2
JC Kuehhirt	X	4/4			X@	2/2	X	2/2
M Shikongo	X	3/4						
L Smit (CFO)	X	4/4		3/3#				2/2#
A Swanepoel	X	4/4					X	2/2#
C van der Westhuizen (Asset Manager)		4/4#						

#By invitation
@Chairperson

COMPANY SECRETARY

The Company Secretary provides the Board and individual directors with guidance regarding their duties, responsibilities and powers, and also ensures that all administrative requirements relating to the Annual General Meeting (AGM), Board and Committees are met. The Company Secretary provides guidance to the Board in terms of risk, ethics, good governance and changes in legislation.

COMPANY SECRETARY (CONTINUED)

The Board as a whole and individual directors have unrestricted access to the advice and services of the Company Secretary.

The Board is satisfied with the expertise, experience, competence and qualifications of the Company Secretary and confirms that the relationship between the Board and the Company Secretary remains at arm's length.

IT MANAGEMENT

The Board appreciates that IT can create and unlock value in the business. The IT and IT governance responsibility were delegated to the RACC. The operations manager is responsible for managing day-to-day IT operations. The majority of the operational functions have been outsourced to service providers. Detailed service level agreements are in place and services are supervised to comply with requirements.

The Board also oversees the IT functions at Oryx's offices and has established the necessary IT security policies and firewalls. Daily offsite backups are maintained for added IT security. There have been no material changes to IT management during the year.

GOING CONCERN AND INTERNAL CONTROL

The going concern basis was adopted in preparing the financial statements. The directors have no reason to believe that Oryx will not be a going concern in the foreseeable future. The RACC has reviewed a documented assessment including key assumptions of the going concern status of the Group. The RACC accordingly confirmed to the Board that the Group will be a going concern for the foreseeable future. This assessment was prepared by management.

The Annual Financial Statements starting on page 88 support Oryx's viability, accountability and effective internal control processes.

Systems of internal and operational control are the Board's responsibility. However, executive directors are responsible for ensuring that assets are protected, losses arising from fraud and/or other illegal acts are minimised, all valid transactions are properly recorded and systems operate effectively.

The internal auditor performed comprehensive reviews and testing of the effectiveness of the internal control systems in operation and reported its findings to the RACC. The internal audit function co-ordinates with other internal and external providers of assurance to ensure proper coverage of financial, operational and compliance controls.

Risks and controls are regularly reviewed and monitored for relevance and effectiveness. Internal controls are designed to mitigate and not eliminate significant risks faced. Such a system provides reasonable but not absolute assurance against error, omission, misstatement or loss. This is achieved through combining risk identification, evaluation and monitoring processes, appropriate decision making, assurance and control functions, such as risk management and compliance.

These ongoing processes were in place throughout the year and up to the date of approval of the Integrated Annual Report.

NAMCODE REVIEW

Oryx's review of the NamCode is done on a "comply or explain" basis.

The Board performed a full review on the chapters and principles during the year. Where items are indicated as applied, the Board evaluated and concluded that Oryx complies with all requirements. Items indicated as partially applied, indicates that not all aspects as recommended by the NamCode were complied with and the exceptions are explained.

PRINCIPLE	DESCRIPTION	APPLIED/ PARTIALLY APPLIED/ NOT APPLIED	EXPLANATION
1	Ethical leadership and corporate citizenship	APPLIED	
2	Boards and directors	APPLIED	
3	Audit committees	PARTIALLY APPLIED	Oryx does not compile a summarised integrated report. A results and distribution announcement was released to provide a summary of results.
4	The governance of risk	APPLIED	
5	The governance IT	APPLIED	
6	Compliance with laws, rules, codes and standards	APPLIED	
7	Internal audit	APPLIED	
8	Governing stakeholder relationships	PARTIALLY APPLIED	Oryx only has a communication policy in place. A strategy is not considered necessary.
9	Integrated reporting and disclosure	APPLIED	

The IC is a committee established by and is accountable to the Board. The IC is responsible for monitoring and supervising the Group's strategic objectives and implementing the Board's resolutions.

The IC's Charter determines that the IC comprises at least three non-executive directors. The IC comprised four independent non-executive directors for the financial year. Members of the IC collectively have sufficient qualifications and property experience to fulfil their duties.

The IC has an independent role and operates within a clearly defined mandate and with certain levels of responsibility delegated by the Board. Above those delegated powers, it makes recommendations to the Board for its consideration and final approval. The IC does not assume the functions of management, which remain the responsibility of the executive directors, officers and other members of senior management.

ROLES AND RESPONSIBILITIES

The IC's roles and responsibilities include:

- developing and recommending an investment strategy and guidelines for the Group;
- ensuring that investments made by Oryx are aligned with the overall strategy and vision as approved by the Board:
  - o advising, reviewing and recommending or approving, based on predetermined authority levels, any proposed:
    - acquisitions or disposals of investment properties or related investments;
    - development or redevelopment opportunities within the approved investment policy; and
    - other investments for which the Board may require IC approval;
  - o ensuring that appropriate due diligence procedures are followed when acquiring and disposing of assets;
- advising, reviewing and recommending disposals, acquisitions and developments to the Board which exceed the delegated authority limits of the IC;

- ensuring that all investment proposals approved by the IC are in the Group's best interest;
- setting criteria and targets for individual investments;
- reviewing the performance of approved investments against acquisition approval criteria;
- reviewing and approving the property portfolio composition from time to time;
- providing a high-level review of annual and half-year property valuations;
- considering and satisfying itself of the resources and suitability of the expertise and experience of the investment team;
- monitoring the Group's debt fixing process within the approved debt fixing strategy;
- advising, reviewing and recommending policies pertaining to the above to the Board for adoption; and
- supporting, developing and recommending sustainability practices and green opportunities for the Group.

The IC executed its duties during the year in line with its roles and responsibilities as outlined above.

ATTENDANCE AT MEETINGS

The IC meets at least twice a year and more frequently when investment or debt fixing decisions are required. Directors' attendance is set out on page 63.

Mr Nick Harris
Chairperson – IC
25 September 2019

ROLES AND RESPONSIBILITIES

The primary objective of the Board's RACC is to provide the Board with additional assurance regarding the efficiency and reliability of the financial information used by the directors and to assist them in discharging their duties.

Among other things, the RACC ensures the integrity of integrated reporting and internal financial controls and identifies and manages financial risks. The RACC also oversees co-operation between the internal and external auditors and serves as a link between the Board of Directors and these functions.

TERMS OF REFERENCE

The RACC adopted a formal charter approved by the Board.

EXTERNAL AUDIT

Based on processes followed by the RACC and assurances received from the external auditors, nothing has come to their attention regarding the independence of the external auditors. Based on this, the RACC has recommended to the Board that Deloitte be reappointed for the financial year ending 30 June 2020. Mr Johann Cronjé is the new audit partner replacing Erwin Tjipuka for the 2019 audit.

The RACC, in consultation with executive management agreed to the terms, audit plan and budgeted fees for the year contained in the engagement letter. The RACC considered the fee to be fair and appropriate. The audit plan and budgeted fee for the 2020 financial year will be presented at the next RACC meeting.

Information relating to non-audit services provided by the external auditors was disclosed in the notes to the Annual Financial Statements (refer to page 139). Oryx has a non-audit services policy that governs the non-audit services provided by our external auditors to preserve the auditor's independence.

INTERNAL CONTROL

The system of internal financial and operational control is the responsibility of the Board. Management ensures that assets are protected, systems operate effectively and all valid transactions are properly recorded.

Based on the reviews performed by internal and external auditors, information and explanations given by management and discussions with the external and internal auditors on the results of their audits, the RACC is satisfied that Oryx's system of internal controls operated effectively during the year. Nothing has come to the RACC's attention that causes it to believe that the system of internal financial and operational controls is not effective.

INTERNAL AUDIT

It is the RACC's responsibility to ensure that the internal audit function is independent and has the necessary resources, standing and authority to discharge its duties. The appointed internal auditors are responsible for regularly reporting the findings of internal audit to the RACC.

KPMG was mandated to perform the internal audit function. The scope of the mandate given to KPMG was reviewed and approved by the RACC. The RACC annually assesses the performance of the internal audit function.

FINANCE FUNCTION

The RACC reviewed the Annual Financial Statements of the Group and is satisfied that they comply with IFRS, NSX requirements and the Namibia Companies Act.

The external auditor has expressed an unmodified opinion on the financial statements for the year ended 30 June 2019 (refer to pages 84 to 87).

The RACC is satisfied that the CFO, Ms Lizette Smit, has the appropriate expertise and experience to discharge her responsibilities in the position for the year.

The RACC is satisfied with the:

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

Based on the processes and assurances obtained, the RACC believes that the accounting practices are effective.

GOING CONCERN

The RACC reported to the Board that it supports management's view that the Group will continue as a going concern for the foreseeable future as from the date of this report.

LEGAL, REGULATORY OR OTHER RESPONSIBILITIES

The RACC has complied with its legal, regulatory and other responsibilities.

INTEGRATED ANNUAL REPORT

The RACC reviewed the Annual Financial Statements of Oryx for the year ended 30 June 2019. It is of the view that in all material respects they comply with the relevant provisions of the Companies Act and IFRS and fairly present Oryx's financial position at that date and the results of operations and cash flows for the year then ended.

The RACC satisfied itself of the integrity of the remainder of the Integrated Annual Report. Having achieved its objectives, the RACC recommended the Integrated Annual Report for the year ended 30 June 2019 for approval to the Board. The Board has subsequently approved the Integrated Annual Report, which will be open for discussion at the forthcoming AGM.

RISK AND OPPORTUNITY MANAGEMENT

Oryx views risk management as the systematic process of understanding, measuring, controlling, mitigating and communicating risk exposure to achieve its objectives. The key risk management objectives are the:

- timely identification, assessment and mitigation of risks;
- provision of timely information on risk situations and appropriate risk responses;
- identification of potential opportunities which would result in long-term sustainable distributions; and
- enhancement of a culture of risk management throughout the Group.

The Board maintains an understanding of the various risks facing the Group and ensures that appropriate internal and other controls are in place to create a strong control environment to address key risk areas. The Board is satisfied with the adequacy, accuracy and effectiveness of information distribution and reporting in the area of management and controls. However, it is continuously striving to improve the information flow by further integrating its systems.

The RACC is tasked with ensuring that the risk management process is adhered to through review and debate of relevant documents. Management is accountable and responsible for managing risks daily. The CFO was designated as the Risk Officer.

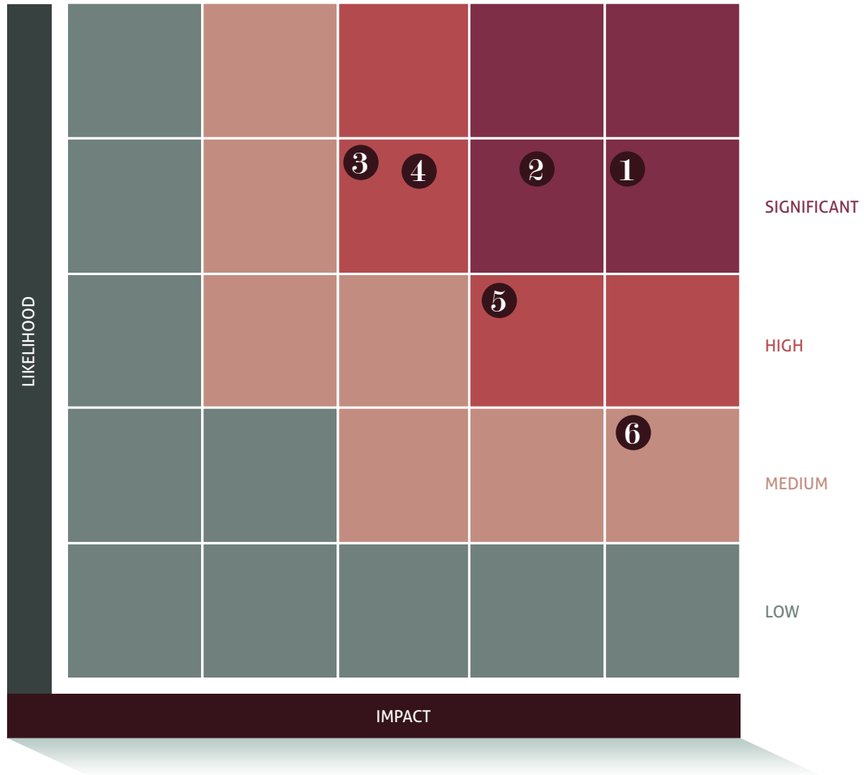
Risks are continuously evaluated with the RACC reviewing the consolidated risk log, and the Board reviewing key risks. Management actions are identified for follow-up. A risk workshop is held annually and attended by senior managers and members of the RACC. All directors are invited to attend.

Risk Management Policy And Plan

The Risk Management Policy and Plan were reviewed in May 2019 and have been implemented throughout the business. The RACC monitored compliance with the Risk Management Policy and the Group has complied with the policy in all material aspects during the year. As the revised risk process was only concluded and fully adopted for the 2019 financial year, Oryx's risk method has yet to define its risk tolerance and risk appetite and will define these as the risk culture within Oryx matures.

Key Risk Matrix

The risk register was reviewed in detail at a risk meeting held in May 2019. In addition, emerging and maturing risks were considered. The Board, assisted by the RACC, identified the top key risks that could impact Oryx's ability to achieve its strategic objectives as set out below.



Risk rating based on residual risk after taking controls into consideration.

RISK AND OPPORTUNITY MANAGEMENT (CONTINUED)

	RISK CATEGORY	RISK DEFINITION	RISK RESPONSE / MITIGATION	AFFECTED STAKEHOLDERS
1	External risk	Current economic downturn could result in a slowdown in collections, increase in defaults, reduction in operating hours and a decrease in new tenancies signing up.	Focus was placed on the entire debtors' process: - Stringent application and screening of debtors before placement, regular meetings and engagement with debtors regarding outstanding debt, settlement negotiations to avoid debtors defaulting on entire amount due. - Active focus by portfolio managers to identify and sign new tenants.	• Investors • Asset managers • Tenants
2	Operational risk	Risk that occupational health and safety compliance is not adhered to or implemented on Oryx's properties.	An annual review of the relevant policies and implementation thereof is performed by an external service provider. A gap analysis was conducted, and timelines determined to address gaps.	• Investors • Asset managers • Employees • Suppliers • Regulatory and industry authorities
3	Strategic risk	The retail landscape is changing due to changing customer expectations- there is a risk that Oryx does not sufficienly adapt to these changes.	Annual retail study planned in December 2019 together with a strategy to specifically address any changes or requirements.	• Investors • Asset managers • Employees • Tenants • Suppliers
4	Technological risk	Data protection and classification of access to Oryx's data.	Data classification performed on all Oryx's data, with access restrictions defined for each employee.	• Employees
5	Strategic risk	Retention of key employees not formalised with clear succession plans in place.	- Key roles identified. Succession plan and appropriate retention scheme to retain key employees are being formalised. - Regular career discussions are conducted.	• Employees
6	Financial risk	All assets or properties are fully encumbered for the benefit of lenders.	- Detailed finance plan developed to identify other methods of funding to ensure improvement of total assets not encumbered. - Negotiations with Lenders to maximise security to loan ratio.	• Investors • Asset managers

CORPORATE GOVERNANCE 2.

RISK, AUDIT AND COMPLIANCE COMMITTEE (CONTINUED)

STATEMENT BY THE COMMITTEE

The RACC considers that it has adequately performed its functions in terms of its mandate, the NamCode and the Companies Act.

Ms Ally Angula
Chairperson – RACC
25 September 2019

ROLES AND RESPONSIBILITIES

The primary objective of the RNC is to address the risks associated with human resources, social and ethics matters.

The RNC's primary objectives in respect of remuneration and nominations include:

- assisting the Board in its responsibility for setting and administering remuneration policies;
- appointing the executives (CEO, CFO and Asset manager) and approving the employment contracts;
- annually reviewing and approving performance contracts in conjunction with the Board approved strategy for the executives;
- assessing the executives' performance;
- approving annual increases and year end bonuses for employees;
- considering Board composition for recommendation to the Board;
- considering Board candidates and recommending appointments to the Board;
- recommending non-executive directors' fees to the Board;
- regularly reviewing incentive schemes to ensure their continued contribution to unitholder value;
- periodically reviewing the general conditions of employment to ensure compliance with Namibian Labour Law and income tax requirements;
- determining and reviewing the code of conduct for Oryx's employees on a three-year cycle; and
- assessing Committee compliance with its Charter and report to the Board.

The RNC's primary objectives in respect of social and ethics include:

- monitoring the Group's activities, considering relevant legislation and other legal requirements or prevailing codes of best practice;
- social and economic development;
- the Group's standing in terms of goals and purposes of:
  - o good corporate citizenship, including:
    - > promotion of equality;
    - > prevention of discrimination;
    - > prevention of corruption;
    - > contribution to development of communities in which its activities are predominantly conducted; and
    - > sponsorship, donations and charitable giving;
  - o environmental, health and public safety, including the Group's activities and its services;
  - o customer relationships, including the Group's advertising, public relations and compliance with consumer protection laws; and
  - o the Group's employment relationships, and its contribution to the educational development of its employees.
  - o ensuring that executive and employee remuneration is competitive and stimulates sustainable performance
    and behaviour that creates shared value over time;
  - o the Board composition and structures are appropriate, including the size and composition of the various Board Committees and considering whether there is an appropriate split between executive, non-executive and independent directors;
  - o the process followed in terminating and possibly renewing executive contracts is objective and transparent; and
  - o the terms of reference of the RNC are annually reviewed by the Board.

Concerning remuneration matters, the RNC endeavours to ensure that:

- through its oversight role, the remuneration practices of the Group's employees are applied consistently under the Remuneration Policy and that they are compliant with Namibian Labour Law and income tax requirements;
- quality employees are retained and developed within the Group;
- remuneration is regularly benchmarked against other listed funds; and
- employees are responsibly and fairly remunerated across the Group and equal opportunities are afforded to all employees.

THE OBJECTIVE OF THE REMUNERATION POLICY

The purpose of the policy is to create a framework for managing and controlling remuneration, ensuring that Oryx can effectively attract and retain the talent required to achieve the desired business results.

The policy sets out Oryx's approach to remunerating employees across all elements of remuneration. This policy and its application are regularly reviewed. The RNC's structure and attendance during the 2019 financial year are set out on page 63.

REMUNERATION REPORT

The policy for determining the remuneration of executive and non-executive directors is as follows:

Remuneration of executive directors is reviewed after considering:

- remuneration paid to similarly sized listed property companies in South Africa;
- the latest available PwC South Africa report on executive directors' remuneration practices and trends; and
- norms of directors' remuneration in Namibia.

REMUNERATION REPORT (CONTINUED)

Non-executive directors' fees are benchmarked against:

- the latest available PwC South Africa report on non-executive directors' fee trends for appropriate size and
  sector companies listed on the JSE;
- norms of directors' fees paid in Namibia per the PwC report; and
- peer group of South African listed property companies.

The following remuneration policies were presented to the Board and approved for Oryx employees:

- All salaries are structured on a cost-to-company basis with annual reviews effective July each year.
- All employees are eligible for an annual incentive, based on the achievement of individual KPIs. Employee bonuses are paid in December, while executives are assessed for financial years and their bonuses are paid in September.
- The individual KPIs for executives are determined based on the charter of the position and assigned weightings accordingly.
- The annual incentive for executives is determined by applying a performance rating factor to the maximum allowed incentive of 25% of annual cost to company.
- Executive and selected senior management employees participate in the Long Term Incentive Plan (LTIP), incorporated since 1 July 2014. The LTIP is based on the allocation of Oryx's linked units, to be held in an executive and senior management share trust. Linked units are allocated annually based on specific performance criteria.
- The LTIP was amended to include two components referred to as the external and internal perspectives during the previous financial year:
  - The external perspective remains similar to the previous plan whereby the distribution performance per linked unit of the Group is measured against a predetermined peer group comprising listed property companies from South Africa and Botswana.
  - The internal perspective is based on the achievement of budgeted net income.

The terms and conditions regulating allocations and awards are as follows:

- If the Group's distribution growth performance (external perspective) per linked unit is in the upper quartile of the peer group, allocations will be at the maximum of the external portion as set out below as if the performance falls within the median quartile of the peer group, allocations will be at half the maximum external portion as set out below.
- If the budget was met (internal perspective), 75% of the maximum portion for the internal perspective will be allocated, exceeding the budget based on a framework will allow allocations for more than 75% of the internal portion.
- The maximum combined allocation (internal and external) and possible award of units to eligible participants shall be determined on the following basis as a month's salary of the eligible participant's cost to company or also referred to as total guaranteed package (TGP) remuneration pertaining to that financial year:

POSITION	INTERNAL	EXTERNAL	TOTAL	TGP
CEO	4.0 months	2.0 months	6 months	50.00%
CFO	2.5 months	1.5 months	4 months	33.33%
ASSET MANAGER	2.5 months	1.5 months	4 months	33.33%

- Any other awards to eligible employees at percentages as determined by the Board on recommendation of the RNC in its sole discretion.

A total of 45 500 units are held by the Oryx long term incentive trust (LTIT). Based on management's best estimate of the criteria described above an amount of N$1.4 million was recorded as part of the LTIP provision. This has yet to be approved by the RNC as the Group awaits the results of the peer groups identified before performance can be assessed against the required criteria in order to assess whether an allocation can be made in favour of executive management.

NON-EXECUTIVE DIRECTORS' FEES

Non-executive directors' fees for the 2019 financial year were paid on the basis presented in the 2018 Integrated Annual Report. They were recommended by the Committee for approval by the Board. The unitholders approved the benchmarking method highlighted on page 75 and the fee structure as indicated below at the AGM held on 21 November 2018.

Non-executive directors' fees are structured as follows:

- **Board:**
  - Fixed fee based on four meetings a year, paid quarterly;
  - Additional fixed fee for Chairperson based on four meetings a year, paid quarterly; and
  - Attendance of additional meetings at an hourly rate but capped daily.
- **RACC:**
  - Fixed fee based on three meetings a year, paid quarterly;
  - Additional fixed fee for Chairperson based on three meetings a year, paid quarterly; and
  - Attendance of additional meetings at an hourly rate but capped daily.
- **RNC:**
  - Fixed fee based on two meetings a year, paid quarterly;
  - Additional fixed fee for the Chairperson based on two meetings per annum, paid quarterly; and
  - Attendance of additional meetings at an hourly rate but capped on a daily basis.
- **IC:**
  - Fixed fee based on two formal meetings per annum and adhoc conference call meetings, paid quarterly
  - Additional fixed fee for Chairperson based on two formal meetings a year, paid quarterly; and
  - Attendance of additional meetings at an hourly rate but capped daily.

NON-EXECUTIVE DIRECTORS' REMUNERATION

The RNC proposed increases to non-executive directors' fees for the 2020 financial year to the Board as set out below. This recommendation was approved by the Board, subject to unitholder approval at the forthcoming AGM. Refer to the ordinary resolution set out in the notice of the AGM to approve the non-executive directors' remuneration for the 2020 financial year.

The fees were benchmarked against the latest available PwC Namibia report – upper quartile, PwC JSE report – medium and small cap companies (financial services) on the median category and a peer group of South African listed property companies.

An increase of 6% was effected to the Board, Chairperson's fees and individual or meeting fees for 2020 compared to 2019. The Chairperson of the Board and various sub-committees are entitled to call meetings in addition to scheduled meetings.

The Chairpersons of the various Committees are responsible for assessing whether a meeting is necessary and to determine the duration thereof for remuneration purposes. Fees remain unchanged and are set at N$1,500 per hour with a maximum cap of N$10,000. The daily cap will be paid to members travelling to Windhoek.

Non-executive directors also attend various adhoc meetings, participate in telephone conferences and undertake other preparatory work for which no additional fees are paid.

SCHEDULE OF DIRECTORS FEES

	FEES FOR THE 2019 FINANCIAL YEAR		PROPOSED FEES FOR THE 2020 FINANCIAL YEAR	
Fees per meeting attended	**Chairperson N$**	**Director/ Committee member N$**	**Chairperson N$**	**Director/ Committee member N$**
Board	317,790	176,550	336,857	187,143
Risk, Audit and Compliance Committee	180,322	120,215	191,141	127,427
Remuneration and Nomination Committee	120,215	80,143	127,427	84,952
Investment Committee	120,215	80,143	127,427	84,952

The proposed fee for the Deputy Chairperson for the 2020 financial year is N$254,855 (2019 : N$240,429 pro rated from date of appointment 1 April 2019) per annum.

ACTUAL FEES PAID TO NON-EXECUTIVE DIRECTORS

DIRECTOR	DIRECTORS' FEES 2019 N$'000	DIRECTORS' FEES 2018 N$'000
F Uys	410	396
A Angula	358	345
J Comalie	379	356
NBS Harris	295	287
PM Kazmaier	383	362
JC Kuehhirt	377	374
M Shikongo	175	162
A Swanepoel	258	237
TOTAL	**2,635**	**2,635**

EXECUTIVE DIRECTORS' FEES

Fees paid to executive directors for the 2019 financial year were paid on the basis presented in the 2018 Integrated Annual Report. The 2019 fees paid to executive directors, as approved by the RNC and the Board, comprise guaranteed total cost to company and the short-term incentive (STI) bonuses attributable to their respective performances in respect of the 2018 financial year, payable in September 2018.

CORPORATE GOVERNANCE 2.

REMUNERATION AND NOMINATION COMMITTEE (CONTINUED)

ACTUAL FEES PAID TO EXECUTIVE DIRECTORS

DIRECTOR	STI'S 2019 N$'000	CASH SALARY 2019 N$'000	STI'S 2018 N$'000	CASH SALARY 2018 N$'000
B Jooste^	100	2,050	-	500
C Fourie*	-	-	450	1,458
L Smit**	165	1,050	-	-
Total	**265**	**3,100**	**450**	**1,958**

*Resigned 31 March 2018.
**Appointed 1 September 2019 as Director.
^Appointed 1 April 2018.

Mr Jens Kuehhirt
Chairperson – RNC
25 September 2019

FIVE-YEAR REVIEW

	GROUP				
	2019 N$M	2018 N$M	2017 N$M	2016 N$M	2015 N$M
SUMMARISED BALANCE SHEET					
ASSETS					
Investment properties	2,858	2,510	2,389	2,276	2,150
Investment in associate	326				
Other non-current assets	87	90	52	84	65
Current assets	51	48	77	39	34
Total assets	**3,322**	**2,648**	**2,518**	**2,399**	**2,249**
EQUITY AND LIABILITIES					
Linked unitholders' interest	2,042	1,591	1,582	1,584	1,265
Interest-bearing liabilities	1,160	951	836	696	872
Deferred taxation	23	23	12	21	30
Other non-current liabilities	3	-	1	-	1
Linked unitholders for distribution	62	51	69	70	57
Other current liabilities	32	32	18	28	24
Total equity and liabilities	**3,322**	**2,648**	**2,518**	**2,399**	**2,249**

	GROUP				
	2019 N$M	2018 N$M	2017 N$M	2016 N$M	2015 N$M
SUMMARISED STATEMENT OF COMPREHENSIVE INCOME					
Rental income	325	305	297	288	269
Investment income	3	5	7	3	1
Total revenue	328	310	304	291	270
Other property income	-	3	-	-	-
Operating costs	(101)	(103)	(96)	(92)	(75)
Administration cost	(19)	(17)	(20)	(16)	(12)
Amortisation of debenture interest	30	26	26	21	11
Other income / (expenses)	(9)	(2)	(1)	4	-
Share of associate profit after tax	26	-	-	-	-
Profit/(loss) on sale of investment property	2	(1)	1	(1)	-
Changes in fair value of investment property	274	18	-	91	179
Exchange differences on foreign loan	(10)	-	-	-	-
Net operating income	521	234	214	298	373
Finance cost	(100)	(77)	(66)	(67)	(76)
Taxation	-	(11)	6	4	(1)
Income before debenture interest	421	146	154	235	296
Debenture interest	(119)	(108)	(122)	(129)	(105)
Exchange differences on associate	10	-	-	-	-
Total comprehensive income for the year	**312**	**38**	**32**	**106**	**191**

FIVE-YEAR REVIEW

	GROUP				
	2019 N$M	2018 N$M	2017 N$M	2016 N$M	2015 N$M
SUMMARISED CASH FLOW STATEMENT					
Net cash inflow / (outflow) from operating activities	(20)	(14)	(25)	3	(14)
Net cash outflow from investing activities	(363)	(104)	(112)	(62)	(46)
Net cash inflow from financing activities	380	115	140	58	56
Net movement in cash and cash equivalents	(3)	(3)	3	(1)	(4)
UNIT STATISTICS					
Linked units in issue (million)	87	78	78	78	66
Distribution per linked unit (cents)	147.25	138.75	156.75	166.00	158.50
Dividend paid (cents)	2.75	4.25	10.25	1.00	-
Dividend declared (cents)	-	14.00	-	-	-
Total distribution (reduction) / growth (%)	(4.5%)	(6.0%)	-	5.4%	7.1%
Net asset value per linked unit (cents)	2,337	2,044	2,032	2,034	1,915
Listed market price per linked unit (cents)	1,950	2,020	2,074	2,115	1,953
Interest bearing liabilities to total asset value ratio (%)	34.9%	35.9%	33.2%	29.0%	38.8%
PROPERTY STATISTICS					
Number of properties	25	25	24	25	26
Lettable area (m² GLA)	174,442	169,242	184,214	188,254	227,030
Vacancy factor (%)	3.2%	6.5%	6.4%	2.1%	0.7%
TOTAL RETURN (cents per linked unit)					
Opening price (1 July)	2,020.00	2,074.00	2,115.00	1,953.00	1,787.00
Closing price (30 June)	1,950.00	2,020.00	2,074.00	2,115.00	1,953.00
Movement in price	(70.00)	(54.00)	(41.00)	162.00	166.00
Total distribution 30 June	150.00	157.00	167.00	167.00	158.50
Total return	**80.00**	**103.00**	**126.00**	**329.00**	**324.50**
Total return (%)	**4.0%**	**5.0%**	**6.0%**	**16.8%**	**18.2%**

3. ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY FOR AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2019

The directors are responsible for the preparation of the annual financial statements that fairly present the state of affairs of the Company and the Group at the end of the financial year as set out on pages 88 to 159.

In order for the Company and the Board to discharge their responsibilities, management has developed, and continues to maintain, a system of internal control. The Board has ultimate responsibility for the system of internal control and periodically reviews its operation, primarily through the Risk, Audit and Compliance Committee.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Group's policies and procedures. These controls are implemented by trained, skilled personnel, with appropriate segregation of duties which are monitored by executive directors and the Risk, Audit and Compliance Committee and include a comprehensive budgeting and reporting system operating within an appropriate control framework.

The financial statements have been audited by the independent auditors, Deloitte & Touche, who were given unrestricted access to all financial records and related data including minutes of all meetings of the Board of directors and committees of the Board. The directors believe that all representations made to the independent auditors during the audit are valid and appropriate. The audit report of Deloitte & Touche is presented on pages 84 to 87.

The annual financial statements are prepared in accordance with the Namibian Companies Act and International Financial Reporting Standards. They are based on appropriate accounting policies consistently applied, except where otherwise stated, and are supported by reasonable and prudent judgements and estimates.

The directors believe that the Group will be a going concern for the foreseeable future from the date of this report, as adequate funding facilities are in place and the operational and the cash flow budget supports this statement. Accordingly, the going concern basis has been adopted in the preparation of the annual financial statements.

The annual financial statements for the year ended 30 June 2019 as set out on pages 88 to 159 were approved by the Board of directors on 25 September 2019 and are signed on behalf of the Board by:

Mr Peter Kazmaier
Acting Chairperson
25 September 2019

Ms Ally Angula
Chairperson – RACC
25 September 2019

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ORYX PROPERTIES LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of Oryx Properties Limited ("the Company") and its subsidiaries ("the Group") set out on pages 88 to 159, which comprise the consolidated and separate statements of financial position as at 30 June 2019, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies and the directors' report.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 30 June 2019, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of Namibia.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the company and group in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Revised July 2016), parts 1 and 3 of the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (Revised July 2018) and other independence requirements applicable to performing audits of financial statements in Namibia.

We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

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

KEY AUDIT MATTER	
VALUATION OF INVESTMENT PROPERTY	**HOW THE MATTER WAS ADDRESSED IN THE AUDIT**
The carrying value of the investment properties of the group amounted to N$2.9 billion and the fair value adjustment recorded in the net profit for the year in respect of the investment properties was a gain of N$ 278.8 million. Significant judgements and assumptions are required by management in determining the fair value of investment property and for the purposes of the audit, we identified the valuation of investment properties as a significant audit risk. The significant judgements relate to the following: capitalisation rates, reversionary rates and discount rates. The group's investment properties is comprised of various properties, the most significant being the Maerua Mall node. The models used to determine the fair values for each of the properties differ due to the different nature of each of the properties. The group uses independent valuers to determine the fair values for all of the properties held by the group. Accordingly, the valuation of investment properties is considered to be a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the judgements associated with determining the fair value.	We assessed the competence, capabilities and objectivity of management's independent valuators, and verified their qualifications. In addition, we discussed the scope of their work with management and reviewed their terms of engagement, to confirm their independence and objectivity and to confirm that no scope limitations were placed on them. We confirmed that the approaches they used are consistent with IFRS. We tested a selection of data inputs underpinning the investment property valuation, including rental income, discount rates, capitalisation rates and reversionary capitalisation rates to that of the May 2019 South African Property Owners' (SAPOA) Report. We performed a sensitivity analysis on the significant assumptions to evaluate the extent of the impact on the fair values and assessed the appropriateness of the entity's disclosures relating to these sensitivities. We found that the assumptions and judgements used for the various properties were appropriate. The discount rates were comparable to the market and that the capitalisation rates, reversionary cap rates and discount rates used were reasonable. The disclosures pertaining to the investment property were found to be appropriate in the consolidated and separate financial statements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises of the Overview and Corporate Governance sections of the Report, as well as the Director's Responsibility Statement and the Unitholder Information section, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate financial statements, director's report and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Deloitte & Touche

Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (Namibia)
ICAN practice number: 9407

Per: J Cronjé
Partner

PO Box 47, Windhoek, Namibia
25 September 2019

Partners: RH Mc Donald (Managing Partner) H de Bruin
A Akayombokwa J Cronjé AT Matenda J Nghikevali G Brand*
M Harrison*
* Director

Associate of Deloitte Africa, a member of Deloitte Touche Tohmatsu Limited

The directors have pleasure in submitting their report, which forms part of the financial statements for the year ended 30 June 2019.

NATURE OF BUSINESS

Oryx is a property loan stock company. On 4 December 2002, it listed in the financial-real estate sector on the Namibian Stock Exchange (NSX).

The Group owns a real estate portfolio comprising premier-quality retail, industrial and office properties. This year, Oryx concluded its first offshore investment (page 126). These properties and investments offer investors a dependable, sustainable and growing income stream.

Oryx Properties Limited is listed on the NSX
Financial - Property sector
Share code: ORY
ISIN: NA0001574913
Company registration number: 2001/673

ISSUED SHARE CAPITAL

As at 30 June 2019, there were 87,378,835 (2018: 77,859,791) linked units in issue, each comprising one ordinary share of 1 cent and one unsecured variable rate debenture of 449 cents. Units in issue are unsecured and bear interest at a variable rate. The debenture premium is amortised on a straight-line basis over the minimum contractual term of the investment, namely the remaining portion of 25 years from December 2002.

A total of 1,086,878 linked units were issued during December 2018 for the purchase of the Steeledale property through vendor placement and consideration. The issue was made to one of Oryx existing shareholders, TLP Investments 137 (Proprietary) Limited at a price of N$19.19 per linked unit which represented a 5% discount to trading price at the date of issue.

Oryx further issued a total of 8,366,539 linked units during April 2019 at a price of N$19.59 per linked unit raising a total of N$165 million as part of a rights issue embarked on during the year.

FINANCIAL REVIEW

	2019 CENTS PER UNIT	2018 CENTS PER UNIT
Earnings attributable to linked units	**533.00**	187.98
Headline earnings attributable to linked units	**137.34**	148.03
Interest distribution per linked unit	**147.25**	138.75
Dividend per linked unit (refer to page 81)	**2.75**	18.25

Refer to note 25 on page 141 for more detail.

SUBSIDIARIES

Details of the Company's subsidiaries are reflected in note 8.

ASSOCIATE

Details of the Company's associate are reflected in note 9.

DIRECTORATE

Details of the directors are set out on pages 56 to 58 of this report. Below is a summary of the directors as at the date of this report.

DIRECTOR	YEAR APPOINTED	STATUS	INDEPENDENT	GENDER	TENURE (YEARS)
F Uys	2002	Non-executive Chairperson	Yes	Male	17
A Angula	2013	Non-executive Director	Yes	Female	6
J Comalie	2012	Non-executive Director	Yes	Female	7
RMM Gomachas^	2019	Non-executive Director	No	Female	n/a
NBS Harris#	2012	Non-executive Director	Yes	Male	7
B Jooste	2018	Executive Director / CEO	No	Male	1
PM Kazmaier	2016	Non-executive Director	Yes	Male	3
JC Kuehhirt	2007	Non-executive Director	Yes	Male	12
M Shikongo*	2011	Non-executive Director	Yes	Male	8
L Smit+	2018	Executive Director/CFO	No	Female	1
A Swanepoel	2006	Non-executive Director	Yes	Male	13

* Resigned effective 30 June 2019
# South African
^ Appointed 1 July 2019
+ Appointed 1 September 2018 as Director

ATTENDANCE OF DIRECTORS' AND SUB-COMMITTEE MEETINGS

Refer to page 63 for the respective attendance of the Board and sub-committees.

DIRECTORS' FEES

Refer to the Remuneration Report, pages 78 to 79 and note 38, for the fees paid.

COMPANY SECRETARY

Bonsai Secretarial Compliance Services
Unit 6
Gold Street Business Park, Prosperita, Windhoek
P O Box 90757, Windhoek

REGISTERED OFFICE

Maerua Mall Office Tower
2nd Floor
Cnr Jan Jonker Road and Robert Mugabe Avenue, Windhoek
P O Box 97723, Maerua Park, Windhoek

AUDITORS

Deloitte & Touche
Deloitte Building
Maerua Mall Complex
Jan Jonker Road, Windhoek
P O Box 47, Windhoek

Deloitte & Touche will continue to be the auditor of the Company in terms of Namibia Companies Act 28 of 2004, section 278(1).

RELATED PARTY INTERESTS

The joint beneficial interests of directors and the Oryx Long Term Incentive Trust in the equity of the Company as at 30 June 2019 were 5.52% (2018: 5.28%) and can be analysed as per table below:

	DIRECT BENEFICIAL		INDIRECT BENEFICIAL		TOTAL	
DIRECTOR / TRUST	LINKED UNITS	%	LINKED UNITS	%	LINKED UNITS	%
2019						
Oryx Long Term Incentive Trust	45,500	0.05	-	-	45,500	0.05
NBS Harris	18,662	0.02	-	-	18,662	0.02
JC Kuehhirt	-	-	757,427	0.87	757,427	0.87
F Uys	38,326	0.04	3,952,388	4.52	3,990,714	4.56
B Jooste	20,000	0.02	-	-	20,000	0.02
Total	**122,488**	**0.13**	**4,709,815**	**5.39**	**4,832,303**	**5.52**

	DIRECT BENEFICIAL		INDIRECT BENEFICIAL		TOTAL	
DIRECTOR / TRUST	LINKED UNITS	%	LINKED UNITS	%	LINKED UNITS	%
2018						
Oryx Long Term Incentive Trust	45,500	0.06	-	-	45,500	0.06
NBS Harris	15,552	0.02	-	-	15,552	0.02
JC Kuehhirt	-	-	678,010	0.90	678,010	0.90
F Uys	31,415	0.04	3,317,317	4.26	3,348,732	4.30
Total	**92,467**	**0.12**	**3,995,327**	**5.16**	**4,087,794**	**5.28**

DIRECTORS' REPORT (CONTINUED)

BORROWINGS

The directors are authorised to borrow funds on behalf of the Group, up to an amount not exceeding 60% of the directors' bona fide valuation of the consolidated real estate portfolio and any other assets of the Group.

The Group's long-term borrowings at 30 June 2019 are disclosed in note 16.2 to the annual financial statements, representing 34.9% (2018: 35.9%) of the total assets including the directors' bona fide valuation of the consolidated real estate portfolio. Debentures are excluded from the long-term borrowings for the purpose of the calculation.

ACQUISITIONS, DEVELOPMENTS AND DISPOSALS

Below table provides a summary of the major capital expenditure incurred during the year:

PROPERTY	2019 N$'000	2018 N$'000
Baines	**593**	1,645
Channel Life	**1,895**	1,052
Erf 422, Elisenheim	**10,098**	-
Erf 2671 Walvis Bay	**90**	3,159
Erven 6660, 6661 & 7780 Joule street	**169**	728
Maerua Mall	**1,983**	13,979
Phase Two	**2,215**	11,158
Maerua Park	**1,421**	21,333
Tuinweg (GVC)	**50,194**	43,965
United Fitness House (FEC)	**1,033**	28,552
Total additions for the year	**86,245**	**173,526**

Below table provides a summary of the acquisitions of properties made during the year:

PROPERTY	N$'000
2019	
Erf 351, Iscor Street, Steeledale	21,005
2018	
Erf 422, Elisenheim	45,344

Below table provides a summary of the disposals done during the year.

PROPERTY	CARRYING VALUE AT DATE SOLD N$'000	PROCEEDS N$'000
Erven 89,90,91 Isando, Johannesburg	**12,018**	**14,000**

GOING CONCERN

The directors are of the opinion that the Company and the Group have adequate resources to continue its operations for the foreseeable future from the date of this report and the annual financial statements have accordingly been prepared on a going concern basis.

SUBSEQUENT EVENTS

Subsequent to year end the Group concluded the refinancing of the N$140 million term loan that was set to mature during the 2020 financial year. The loan was refinanced with Standard Bank Namibia Limited (Standard Bank). We have further refinanced our N$85 million Revolving Credit Facility with Standard Bank. Oryx further concluded the acquisition of residential properties consisting of three complexes and will be purchased for an amount of N$86.7 million with a facility secured at Standard Bank Namibia. The residential loan will be priced at 3 month JIBAR + 2%. Ms Roswitha Gomachas was appointed to the Board effective 1 July 2019 and will be representing our largest shareholder, GIPF. There were no other subsequent events noted.

The consolidated and separate annual financial statements of the Group and Company, which appear on pages 88 to 159, were approved by the Board of Directors on 25 September 2019 and signed on its behalf by:

Mr Peter Kazmaier
Acting Chairperson
25 September 2019

Ms Ally Angula
Chairperson – RACC
25 September 2019

STATEMENTS OF FINANCIAL POSITION

	NOTES	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
ASSETS					
Non-current assets					
Investment properties	6	**2,857,834**	2,509,955	**622,905**	557,024
- At valuation		**2,913,942**	2,561,400	**636,892**	570,900
- Straight-line basis adjustment		**(56,108)**	(51,445)	**(13,987)**	(13,876)
Furniture and equipment	7	**219**	40	**219**	133
Interest in subsidiaries	8	**-**	-	**1,379,293**	1,383,010
Investment in listed shares	10	**23,623**	26,379	**23,623**	26,379
Investment in associate	9	**326,068**	-	**326,068**	-
Deferred expenditure	11.1	**11,911**	14,498	**1,928**	2,735
Rental receivable straight-line basis adjustment		**51,089**	48,201	**13,575**	14,185
Derivative asset	17	**-**	1,251	**-**	1,251
		3,270,744	2,600,324	**2,367,611**	1,984,717
Current assets					
Trade and other receivables		**37,627**	30,058	**15,866**	16,956
- Trade and other receivables	11.2	**32,608**	26,813	**12,676**	14,242
- Rental receivable straight-line basis adjustment		**5,019**	3,245	**3,190**	2,714
Dividend receivable	32	**1,233**	1,282	**1,233**	1,282
Taxation receivable		**736**	736	**736**	736
Deferred expenditure	11.1	**5,345**	6,219	**1,259**	1,746
Cash and cash equivalents	11.3	**6,658**	9,747	**6,247**	9,711
		51,599	48,042	**25,341**	30,431
TOTAL ASSETS		**3,322,343**	2,648,366	**2,392,952**	2,015,148
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	12	**874**	779	**874**	779
Non-distributable reserves	15	**1,282,639**	986,539	**335,665**	331,643
Distributable reserves		**12,874**	9,340	**62,845**	59,350
		1,296,387	996,658	**399,384**	391,772
Non-current liabilities					
Debentures	16.1	**392,127**	349,387	**392,330**	349,590
Debenture premium	16.1	**353,107**	245,131	**353,349**	245,373
Interest-bearing borrowings	16.2	**774,760**	428,813	**774,760**	428,813
Derivative liability	17	**2,904**	360	**2,904**	360
Deferred taxation	18	**22,993**	23,087	**787**	2,426
		1,545,891	1,046,778	**1,524,130**	1,026,562
Current liabilities					
Trade and other payables	19	**29,643**	29,876	**19,040**	21,807
Derivative liability	17	**2,258**	981	**2,258**	981
Deferred income	20	**1,159**	1,293	**1,135**	1,246
Interest-bearing borrowings	16.2	**384,926**	521,992	**384,926**	521,992
Linked unitholders for distribution		**62,079**	50,788	**62,079**	50,788
		480,065	604,930	**469,438**	596,813
TOTAL EQUITY AND LIABILITIES		**3,322,343**	2,648,366	**2,392,952**	2,015,148

STATEMENTS OF COMPREHENSIVE INCOME

	NOTES	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
REVENUE	**5**	**324,816**	305,470	**94,321**	89,979
- Rental - operating income		**320,154**	300,088	**94,456**	90,601
- Rental - straight-line adjustment		**4,662**	5,382	**(135)**	(622)
Property expense		**(101,384)**	(101,824)	**(25,584)**	(24,309)
NET RENTAL INCOME		**223,432**	203,646	**68,737**	65,670
Other property income	31	**-**	2,687	**-**	2,687
Share of profit from associate after tax	9	**26,263**	-	**26,263**	-
Investment income	21	**489**	1,137	**147,234**	128,972
Dividends received	32	**2,462**	3,778	**2,462**	40,330
Amortisation of debenture premium	16.1	**29,986**	25,587	**29,986**	25,587
Profit / (Loss) on sale of investment property		**1,457**	(686)	**1,457**	(686)
Changes in fair value of investment property		**274,169**	18,048	**49,539**	25,209
- As per valuations	6	**278,831**	23,430	**49,650**	24,107
- Straight-line basis adjustment	6	**(4,662)**	(5,382)	**(111)**	1,102
Changes in fair value of derivative instruments		**(5,072)**	1,460	**(5,072)**	1,460
Exchange differences on foreign loan		**(9,852)**	-	**(9,852)**	-
Changes in fair value of listed investments		**(2,752)**	(3,747)	**(2,752)**	(3,747)
Impairment loss on investment in subsidiaries		**-**	-	**(64,187)**	-
Other expenses	22	**(19,229)**	(17,485)	**(16,181)**	(15,486)
OPERATING PROFIT BEFORE FINANCE COSTS AND DEBENTURE INTEREST		**521,353**	234,425	**227,633**	269,996
Less: Finance costs	23	**(99,639)**	(77,286)	**(99,581)**	(77,286)
OPERATING PROFIT BEFORE DEBENTURE INTEREST		**421,714**	157,139	**128,053**	192,710
Less: Debenture interest	29	**(118,757)**	(108,027)	**(118,757)**	(108,027)
PROFIT BEFORE TAXATION		**302,957**	49,112	**9,296**	84,683
Taxation	24	**95**	(10,864)	**1,639**	(8,258)
PROFIT FOR THE YEAR		**303,052**	38,248	**10,935**	76,425
Other comprehensive income - exchange differences on associate		**9,760**	-	**9,760**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**312,812**	38,248	**20,695**	76,425
PROFIT ATTRIBUTABLE TO:					
Owners of the company		**303,052**	38,248	**10,935**	76,425
Non-controlling interest		**-**	-	**-**	-
		303,052	38,248	**10,935**	76,425
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the company		**312,812**	38,248	**20,695**	76,425
Non-controlling interest		**-**	-	**-**	-
		312,812	38,248	**20,695**	76,425
EARNINGS PER SHARE (CENTS)	**25**	**382.94**	49.15		
EARNINGS PER LINKED UNITS (CENTS)	**25**	**533.00**	187.98		

STATEMENTS OF CHANGES IN EQUITY

	SHARE CAPITAL N$ '000	DISTRIBUTABLE RESERVES N$ '000	NON-DISTRIBUTABLE RESERVES N$ '000	TOTAL N$ '000
GROUP				
Balance at 1 July 2017	779	10	960,931	961,720
Net profit attributable to linked unitholders	-	38,248	-	38,248
Other comprehensive income	-	-	-	-
Transfer to non-distributable reserves	-	(38,316)	38,316	-
Transfer from non-distributable reserves	-	12,708	(12,708)	-
Dividends paid	-	(3,310)	-	(3,310)
Balance at 30 June 2018	779	9,340	986,539	996,658
Net profit attributable to linked unitholders	-	**303,052**	-	**303,052**
Other comprehensive income	-	**9,760**	-	**9,760**
Transfer to non-distributable reserves	-	**(297,938)**	**297,938**	-
Transfer from non-distributable reserves	-	**1,838**	**(1,838)**	-
Dividends paid	-	**(13,178)**	-	**(13,178)**
Issue of linked units (Refer to note 16)	**95**	-	-	**95**
Balance at 30 June 2019	**874**	**12,874**	**1,282,639**	**1,296,387**
COMPANY				
Balance at 1 July 2017	779	14,922	302,956	318,657
Net profit attributable to linked unitholders	-	76,425	-	76,425
Other comprehensive income	-	-	-	-
Transfer to non-distributable reserves	-	(41,394)	41,394	-
Transfer from non-distributable reserves	-	12,707	(12,707)	-
Dividends paid	-	(3,310)	-	(3,310)
Balance at 30 June 2018	779	59,350	331,643	391,772
Net profit attributable to linked unitholders	-	**10,935**	-	**10,935**
Other comprehensive income	-	**9,760**	-	**9,760**
Transfer to non-distributable reserves	-	**(5,761)**	**5,761**	-
Transfer from non-distributable reserves	-	**1,739**	**(1,739)**	-
Dividends paid	-	**(13,178)**	-	**(13,178)**
Issue of linked units (Refer to note 16)	**95**	-	-	**95**
Balance at 30 June 2019	**874**	**62,845**	**335,665**	**399,384**

ANNUAL FINANCIAL STATEMENTS 3.
for the year ended 30 June 2019

STATEMENTS OF CASH FLOWS

	NOTES	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
OPERATING ACTIVITIES					
Cash generated by operating activities	28	**200,976**	**196,395**	**203,605**	195,504
Investment income	21	**489**	**1,714**	**435**	1,126
Dividend received	32	**2,511**	**2,496**	**2,511**	39,048
Finance costs	23	**(103,572)**	**(82,462)**	**(103,514)**	(82,462)
Decrease in subsidiary company operating loans		-	-	**2,370**	13,212
Distribution paid to linked unitholders	29	**(120,645)**	**(130,001)**	**(120,645)**	(130,001)
Taxation paid	27	-	**(1,794)**	-	(1,107)
Net cash (outflow) / inflow		**(20,241)**	**(13,652)**	**(15,238)**	35,320
INVESTING ACTIVITIES					
Acquisition of and additions to investment properties	6	**(86,245)**	(173,525)	**(28,876)**	(49,948)
Acquisition of furniture and equipment		**(314)**	(53)	**(221)**	(53)
Investment listed shares	10	-	(28,252)	-	(28,252)
Dividends received from associate	9	**9,955**	-	**9,955**	-
Investment in associate	9	**(300,000)**	-	**(300,000)**	-
Investment in other investments		-	28,096	-	28,096
Investment in subsidiary companies		-	-	**(62,840)**	(172,584)
Proceeds on disposal of investment properties	6	**13,991**	69,869	**13,991**	69,869
Net cash outflow		**(362,613)**	(103,865)	**(367,991)**	(152,872)
FINANCING ACTIVITIES					
Repayment of loans	16.2	**(145,879)**	(378,566)	**(145,879)**	(378,566)
Additional facility drawn	16.2	**344,908**	493,438	**344,908**	493,438
Proceeds from the issue of linked units		**180,797**	-	**180,797**	-
Net cash inflow		**379,826**	114,872	**379,826**	114,872
Net change in cash and cash equivalents		**(3,028)**	(2,645)	**(3,404)**	(2,680)
Cash and cash equivalents at beginning of year	11.3	**9,747**	12,392	**9,711**	12,391
Foreign exchange differences on cash balances		**(61)**	-	**(61)**	-
Cash and cash equivalents at end of year	11.3	**6,658**	9,747	**6,247**	9,711

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2019

1. GENERAL INFORMATION

Oryx Properties Limited (the Company) is a company incorporated in Namibia. The address of its registered office is disclosed in the corporate section of the Integrated Annual Report. The principal activities of the Company and its subsidiaries (the Group) are described in the Directors' report.

2. ADOPTION OF NEW AND REVISED STANDARDS

2.1. NEW AND AMENDED IFRS STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR

The group adopted the following revised accounting standards during the year:

2.1.1. IFRS 9: Financial Instruments (2014) (effective 1 January 2018)

IFRS 9 (2014) was issued as a complete standard including the requirements previously issued and additional amendments to introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets and liabilities. This standard replaces the reclassification and measurements models in IAS 39: Financial Instruments: Recognition and Measurement with a single model that has only two classification categories: amortised cost or fair value. The financial assets include the investment in listed shares, other financial assets, swap derivatives, trade and other receivables and cash and cash equivalents. The financial liabilities include the interest bearing borrowings, swap derivatives, trade and other payables.

In the current year, the Group has applied IFRS 9 and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives and as such the Group has not restated the comparatives.

The Group has assessed the impact of the application of IFRS 9 as follows:

Classification and measurements
Loans are classified and measured at amortised cost, these are held within the business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon application of IFRS 9.

All financial assets and financial liabilities are measured on the same basis as previously adopted under IAS 39.

Impairment
The application of the expected credit loss model of IFRS 9 has resulted in the earlier recognition of credit losses for trade receivables, which increased the amount of loss allowances recognised for these items. This impact is not significant as detailed in note 11.2.

2.1.2. IFRS 15: Revenue from contracts with customers (effective 1 January 2018)

The objective of IFRS 15 is to establish the principles that an entity should apply to report useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer. The standard introduces a 5 step approach on revenue recognition, where an entity only recognises revenue when (or as) a performance obligation is satisfied.

The Group recognises revenue from the following major sources:

- Rental and recovery income
- Interest
- Dividend income
- Deferred income
- Other rental income (Sundry recoveries, Tenant installations recoveries)

The directors have assessed the following:

- Interest and dividend income fall outside the scope of IFRS 15 as this is treated under IFRS 9 : Financial Instruments: recognition.
- Other income is recognised for each of these performance obligations when control over the corresponding services are transferred to the customer. Therefore IFRS 15 is applied.
- Rental and recovery income fall outside the scope of IFRS 15, as this is included in IAS 17: Leases scope.
- Deferred income is recognised over the period for which the prepayment relates to. The period for which prepayments are made is up to 6 months and therefore the Group does not consider there to be a significant financing component that would need to be treated in terms of IFRS 15 (Practical expedient option).

Apart from providing more extensive disclosures on the Group's revenue transactions, the application of IFRS 15 does not have a significant impact on the financial position of the Group.

2.1.3. IAS 40: Investment Property (effective 1 January 2018)

The amendments clarify that a transfer to, or from investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. A change in management's intention for use of the property by itself does not constitute evidence of a change in use.

The application of these amendments has no impact on the consolidated financial statements. This is because the Group already considers observable evidence when a change in use occurs, in a way that is consistent with the amendment.

2.1.4. IFRIC 22: Foreign Currency Transactions and Advance Consideration (effective 1 January 2018)

IFRIC 22 addresses how to determine the date of the transaction for the purposes of determining the exchange rate to use on initial recognition of an asset, expense or income when consideration of the item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or liability.

The application of the amendments does not have a significant impact on the Group's consolidated financial statements. This is because the Group already accounts for the transactions relating to payments or receipts in advance consideration in foreign currency in a way that is consistent with the amendments.

2.1.5. Annual Improvements to IFRS Standards 2014 – 2016 Cycle

Amendments to IAS 28 Investments in Associates and Joint Ventures

The Group has adopted the amendments to IAS 28 included in the Annual Improvements to IFRS Standards 2014–2016 Cycle for the first time in the current year. The amendments clarify that the option for a venture capital organisation and other similar entities to measure investments in associates and joint ventures at FVTPL is available separately for each associate or joint venture, and that election should be made at initial recognition.

In respect of the option for an entity that is not an investment entity (IE) to retain the fair value measurement applied by its associates and joint ventures that are IEs when applying the equity method, the amendments make a similar clarification that this choice is available for each IE associate or IE joint venture.

The application of the amendments does not have a significant impact on the Group's consolidated financial statements because the Group has not elected to record the associate at FVTPL.

2.2. NEW AND REVISED IFRS STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

Certain new accounting standards and IFRIC interpretations have been published that are applicable for future accounting periods. These new standards and interpretations have not been early adopted by the Group.

The directors do not expect that the adoption of the standards listed below will have material impact on the financial statements of the Group in future periods, except as noted below:

2. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

2.2. NEW AND REVISED IFRS STANDARDS IN ISSUE BUT NOT YET EFFECTIVE (CONTINUED)

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)			
STANDARD	**PRONOUNCEMENT**	**EFFECTIVE DATE**	**APPLICABLE**
IFRS 16 Leases	Original issue	Jan 2019	Yes
IFRS 17 Insurance Contracts	Amendments to the measurement of insurance liability	Jan 2021	No
IFRS 9 Financial Instruments	Prepayment Features with Negative Compensation	Jan 2019	No
IAS 28 Investments in associates and joint ventures	Long-term Interests in Associates and Joint Ventures - IFRS 9 to be applied where the equity method is not used for investments.	Jan 2019	No
IAS 19 Employee Benefits	Plan Amendment, Curtailment or Settlement Updated Assumptions	Jan 2019	No
IFRS 10 Consolidated Financial Statements and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Jan 2019	Yes
IFRIC 23 Uncertainty over Income Tax Treatments	The interpretation specifies how an entity should reflect the effects of uncertainties in accounting for income taxes.	Jan 2019	Yes
ANNUAL IMPROVEMENTS 2015- 2017 CYCLE:			
IFRS 3 Business Combinations	Clarification that when an entity obtains control of a business that is a joint operation, it is required to remeasure previously held interests in that business. Definition of a business amended	Jan 2019	No
IFRS 11 Joint Arrangements	Clarification that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business.	Jan 2019	No
IAS 12 Income Taxes	Clarification that all income tax consequences of dividends should be recognised in profit or loss, regardless how the tax arises.	Jan 2019	Yes
IAS 23 Borrowing Costs	The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.	Jan 2019	Yes

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both leases and lessors. The standard distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting and is replaced by a model where a right-of-use of the asset and a corresponding liability is to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

Where the Group is a lessee, the adoption of IFRS 16 will result in the Group needing to recognise the right-of-use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the Group does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment.

The directors have decided it will apply the modified retrospective adoption method in IFRS 16, and will recognise leases on statement of financial position as at 1 July 2019. In addition, they have decided to measure right-of-use assets by reference to the measurement of the lease liability on that date. This will ensure there is no immediate impact to net assets on that date.

The Group does not expect the adoption of this standard to have a material impact on its financial position or results as it is mainly a lessor. Accounting by lessors has been left largely unchanged in IFRS 16, and the group does not have material commitments to operating lease payments.

3. ACCOUNTING POLICIES

The financial statements incorporate the principal accounting policies set out below and apply to the consolidated (Group) and separate (Company) financial statements.

3.1. STATEMENT OF COMPLIANCE

The Group financial statements comprise the consolidated and separate financial statements. The annual financial statements are prepared in accordance with IFRS and the requirements of the Companies Act of Namibia. All accounting policies applied in the preparation of these annual consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated and separate financial statements except for the adoption of IFRS 9 and IFRS 15.

3.2. BASIS OF PREPARATION

The annual consolidated financial statements are prepared on the historical cost basis except for investment properties and financial instruments that are measured at revalued amounts or fair values at the end of the reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

3. ACCOUNTING POLICIES (CONTINUED)

3.2. BASIS OF PREPARATION (CONTINUED)

Fair value adjustments do not affect the calculation of distributable earnings; however, they do affect the net asset value per linked unit to the extent that the adjustments are made to the carrying value of the assets and liabilities.

The functional currency of the Group is the Namibia Dollar ("N$") and all amounts are rounded to the nearest thousand.

The principal accounting policies adopted are set out below.

3.3. BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year. An investor determines whether it is a parent by assessing whether it controls one or more investees.

An investor controls an investee if and only if the investor has all the following elements:

- has power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor's returns.

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

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Before recognising a gain on a bargain purchase, the acquirer shall reassess whether it has correctly identified all the assets acquired and all the liabilities assumed and shall recognise any additional assets or liabilities that are identified in that review.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised gains/losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3.4. INVESTMENT IN ASSOCIATE

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. The Company has elected to apply the equity method to the investment which is in line with Group.

Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate . When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate . When the Group retains an interest in the

3. ACCOUNTING POLICIES (CONTINUED)

3.4. INVESTMENT IN ASSOCIATE (CONTINUED)

former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9.

The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate.

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3.5. INVESTMENT PROPERTIES

The Group applies the fair value model to all the investment properties. Investment property consists of land and buildings, installed equipment and undeveloped land held to earn rental income for the long term and subsequent capital appreciation (including property under construction for such purposes).

Investment properties are initially recorded at cost, including transactions costs. Subsequent expenditure, other than tenant installation costs, relating to investment properties is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

After initial recognition investment properties are measured at fair value. Fair values are determined bi-annually. Gains or losses arising from changes in the fair values are included in net profit or loss for the period in which they arise and are excluded in determining the distributable income. Unrealised gains are transferred to a non-distributable reserve in the statement of changes in equity. Unrealised losses are transferred against a non-distributable reserve to the extent that the decrease does not exceed the amount held in the non-distributable reserve. Investment property is maintained, upgraded and refurbished, where necessary, to preserve or improve the capital value as far as it is possible to do so. Maintenance and repairs which neither materially add to the value of the properties nor prolong their useful lives are charged against the statement of comprehensive income.

Properties purchased by the Group and settled by the issuing of shares are recorded at the fair value of the properties acquired.
The fair value of the investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying value is charged or credited to the statement of comprehensive income and then transferred from/to non-distributable reserves provided that such transfer shall not result in an accumulated loss.

3.6. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.7. FOREIGN CURRENCIES

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions.

At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/ hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a separate component of

3. ACCOUNTING POLICIES (CONTINUED)

3.7. FOREIGN CURRENCIES (CONTINUED)

equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

The financial statements are presented in Namibia Dollar (N$).

Foreign currency exchange rates used in converting Euro to N$ are:
Spot on 30 June 2019 Euro : N$ 15.96
Average Euro for the year: N$ 16.20

3.8. FURNITURE AND EQUIPMENT

Items of furniture and equipment are initially recognised at cost if it is probable that any future economic benefits associated with the items will flow to the Group and it has a cost that can be measured reliably. The initial costs include all costs necessary to get the asset ready for its intended use. Subsequent expenditure is capitalised when it is measurable and will result in probable future economic benefits. Expenditure incurred to replace a component of an item of furniture or equipment is capitalised to the cost of the item of furniture and equipment and the part replaced is derecognised.

All other expenditure is recognised in profit or loss as an expense when incurred. Subsequent to initial recognition furniture and equipment are stated at cost less accumulated depreciation and impairment losses. Furniture and equipment is depreciated on the straight-line basis to its residual value over the period over which the assets are expected to be available for use by the Group. Depreciation is recognised in the statement of comprehensive income. The following depreciation rates have been used:

Equipment	33.33% per annum
Furniture	20.00% per annum

Items of furniture and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal.

The gain or loss arising on the disposal or retirement of an item of furniture and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

The useful lives and residual values of furniture and equipment are reviewed annually.

3.9. TAXATION

Tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Income tax expense represents the sum of tax currently payable and deferred tax. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting date. A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be realised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.
The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

The directors reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority or the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

At each reporting date, the Group reviews the carrying

3. ACCOUNTING POLICIES (CONTINUED)

3.10. IMPAIRMENT OF TANGIBLE ASSETS

amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.11. INVESTMENT IN SUBSIDIARIES

In the company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment. Oryx holds a 100% shareholding in all subsidiaries and therefore they are controlled by the Company. The management of the subsidiaries is also performed by Oryx.

3.12. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of a financial instrument.

Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability (other than the financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition.

Transaction costs attributable to the acquisition of financial assets and / or liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.12.1. FINANCIAL ASSETS

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mis-match.

i. Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the

3. ACCOUNTING POLICIES (CONTINUED)
3.12. FINANCIAL INSTRUMENTS (CONTINUED)
3.12.1. FINANCIAL ASSETS (CONTINUED)

i. Amortised cost and effective interest method (continued)

amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the investment line item (note 5).

ii. Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (ii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognisingthe gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item. Other exchange differences are recognised in other comprehensive income in the investment's revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk component of a financial asset is designated as a hedging instrument for a hedge of foreign currency risk.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

1) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(1) The financial instrument has a low risk of default,
(2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

3. ACCOUNTING POLICIES (CONTINUED)
3.12. FINANCIAL INSTRUMENTS (CONTINUED)
3.12.1. FINANCIAL ASSETS (CONTINUED)

1) Significant increase in credit risk (continued)

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a. significant financial difficulty of the issuer or the borrower;
b. a breach of contract, such as a default or past due event (see (ii) above);
c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e. the disappearance of an active market for that financial asset because of financial difficulties.

4) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

5) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

3.12.2. FINANCIAL LIABILITIES AND EQUITY

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound instruments

The component parts of convertible loan notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability

3. ACCOUNTING POLICIES (CONTINUED)

3.12. FINANCIAL INSTRUMENTS (CONTINUED)

3.12.2. FINANCIAL LIABILITIES AND EQUITY (CONTINUED)

Compound instruments (continued)

component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to non-distributable reserves. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss (note 16.2) for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

3.13. ORDINARY SHARES

Ordinary shares are classified as equity. Each ordinary share is linked to a debenture, together comprise a linked unit. Shares issued by the Group are recognised at the proceeds received, net of direct issue cost.

3.14. DEBENTURES AND DEBENTURE PREMIUM

Debenture and debenture premium are classified under borrowings.

Debentures are recognised at nominal value.

Debenture premium is separately disclosed and is recognised at the proceeds net of nominal value of debenture and transaction costs of issue. Debenture premium is amortised on a straight-line basis over the minimum contractual term of the debt instrument, namely the remaining portion of 25 years from December 2002.

In terms of the Debenture Trust Deed the interest entitlement on each debenture shall be not less than 90% of the net earnings of the Company before providing for debenture interest, depreciation, amortisation and taxes (other than deferred taxation charges) and before taking into account any revaluation surpluses and income which are to be transferred to any non-distributable reserves, but after provision for funding cost, whether interest or dividend in nature, and also after transfers to non-distributable reserves.

Any interest remaining unclaimed for a period of three years from its declaration may, provided notice of the declaration has been sent to the last registered address of the person entitled thereto, be forfeited by resolution of the directors for the benefit of the company. The directors may at any time annul such forfeiture upon such conditions (if any) as they think fit. All unclaimed interest may be invested or otherwise made use of by the directors for the benefit of the company. Monies other than interest due to debenture holders must be held in trust by the company indefinitely until lawfully claimed by the debenture holder.

3.15. TREASURY LINKED UNITS

Linked units in Oryx Properties Limited held by Oryx Long Term Share Incentive Trust ("Trust") are held for employee participants in the Executive Incentive Scheme and classified as treasury linked units. The book value of these linked units, together with related transaction costs, is deducted from equity, but disclosed separately in the statement of changes in equity. The issued and weighted average number of linked units are reduced by the treasury linked units for the purposes of the basic and headline earnings per linked unit calculations.

The issued number of linked units is not reduced by the treasury linked units for the purpose of the interest distribution per linked unit calculations. Interest distribution received on treasury shares are recognised as income in the Trust and is utilised in meeting operational costs of the Trust. When treasury

3. ACCOUNTING POLICIES (CONTINUED)

3.15. TREASURY LINKED UNITS (CONTINUED)

linked units held for employee participants' vest in such participants, the linked units will no longer be classified as treasury linked units, their cost will no longer be deducted from equity and their number will be taken into account for the purposes of basic and headline earnings per linked unit calculations.

3.16. PROVISIONS

The Group recognises bonus and long term incentive provisions that are treated as below. Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.17. REVENUE RECOGNITION

Rental income
Revenue comprises of gross rental income, including all recoveries from tenants. Rental income and fixed operating costs recoveries are recognised on the straight line basis in accordance with IAS 17: Leases. Turnover rental income is recognised on the accrual basis and measured at fair value.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by references to the principal outstanding and at the effective interest rate applicable.

Dividend income
Dividends are recognised when the right to receive them is established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Other property income
All other revenue earned, not in the ordinary course of business as noted, is recorded as other property income. Due to the nature of the Elisenheim head lease, that has a guaranteed yield of 11% for a period of 10 years and is linked to the capital expenditure incurred on the property, the income earned on this property is classified as other property income as the income is not earned in the ordinary course of business.

3.18. DEFERRED EXPENSES

Deferred expenses comprise tenant installation costs and letting commissions that are amortised on a straight-line basis over the lease period to which they relate.

3.19. SEGMENT REPORTING

Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and assessment of its performance, is based on the economic sectors in which the investment properties operate. Each sector has an associated risk profile and is managed separately. The Group has determined that its chief operating decision maker is the CEO.

Management has determined the operating segments based on the reports reviewed by the CEO in making strategic decisions. The CEO considers the business based on the following operating segments:
Office - comprises commercial properties
Retail - comprises shopping centres
Industrial - comprises industrial properties
Fund - comprises head office and administration function

The operating segments derive their revenue primarily from income from lessees. All of the Group's business activities and operating segments are reported within the above segments.

The Group considers the below segments for geographical reporting purposes as secondary business segments:

Namibia
Non-Namibian

3.20. LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor
Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.21. DIVIDEND DECLARED

Dividends are recognised when the right to pay them is established.

3.22. EMPLOYEE BENEFITS

Short-term benefits
The cost of all short-term employee benefits is recognised in the statement of comprehensive income during the period in which the employee renders the related service. Short-term employee benefits are measured on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses, staff incentive schemes and annual leave represents the amount which the Group has a present legal or constructive obligation to pay as a result of employees' services provided up to the reporting date and the costs can be estimated reliably.

Other long-term employee benefits
The Group's net obligation in respect of long-term employee benefits, is the amount of future benefits that employees have earned in return for their service during the incentive cycle in respect of the linked units allocated to executives in accordance to the Other performance and award criteria set out in the Trust deed. The loan to the Trust for the purchase of the linked units was accounted for under IAS 19: Employee benefits and eliminated upon consolidation.

3.23. NON-DISTRIBUTABLE RESERVE

The non-distributable reserve relates to items that are not distributable to unit holders, such as fair value adjustments on the revaluation of investment property, derivatives and treasury linked units, the straight-line lease income adjustment, non-cash charges, capital items, deferred taxation and bargain purchases.

3.24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise petty cash, cash balances and call deposits with maturities of three months or less from the acquisition date. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in fair value.

Cash and cash equivalents are measured at amortised cost, which approximates fair value. Interest earned on cash invested with financial institutions is recognised on an accrual basis using the effective interest method.

3.25. DEFERRED INCOME

Deferred income comprises rental and recoveries received in advance and are recorded on a straight-line basis over the underlying contract period.

3. ACCOUNTING POLICIES (CONTINUED)
3.26. LISTED AND OTHER INVESTMENTS

Listed investments consist of shares in Tower Property fund and is initially recorded at fair value on purchase of such investment with any gains or losses subsequent to initial recognition being recorded in profit and loss. Fair value is determined in the manner as described in note 3.12.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

4.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Estimate of fair value of investment properties
The best evidence of fair value is current prices in an active market for similar leases and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

I. current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
II. recent prices of similar properties in less active markets, with adjustment to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
III. discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

Refer to note 6 for the valuation techniques as well as the inputs into the model.

(b) Principal assumptions for management's estimation of fair value
If information on current or recent prices of investment properties is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each statement of financial position date (Refer to note 36 for financial disclosure).

The methodology applied in determining the valuations: in determining the valuation the project income (based on the receipt of contractual rentals or expected future market rentals), adjusted for forecasted expenses discounted at appropriate discount rates is determined for a period of 5 to 10 years. The present value of the values is combined with the residual values, which is the anticipated selling value at present value.

Parameters which are applied during the valuation are: market rental growth, expenses inflation, period of cash flows, discount rate, capitalisation rate and reversionary rate. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

(c) Provision for impairment of trade receivables
The Group recognises a lifetime estimated credit loss ("ECL") for trade receivables, as per note 11.2. Management exercises judgement in the assessment of the credit risk for the measurement of the expected credit losses.

The following information is taken into account when assessing the credit risk:

- The existing and expected changes in business and economic conditions in the industrial, retail, residential, commercial and storage sectors, that may cause a significant decrease in the debtors ability to meet its debt obligations.
- Historical recoverability and financial viability of the debt is assessed using the simplified approach.
- Irrespective of the outcome of the above, the Group presumes that the credit risk on trade receivables has increased significantly since initial recognition when contractual payments are more than past due, unless the Group has reasonable information that demonstrates otherwise.

(d) Estimate of derivative liability
These are over-the-counter (OTC) agreements between two parties to exchange periodic payments of interest over a set period based on notional principal amounts. Interest rate swaps exchange floating rates for fixed rates of interest based on notional amounts. The fair value of a derivative financial instrument is the amount at which it could be exchanged in a current transaction between willing parties, other than a forced liquidation or sale. Fair values are obtained from quoted market prices and discounted cash flow models.

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Allocation of share premium and debenture premium
The Group has determined, in terms of the requirements of accounting standards, that the linked unit premium should be classified as debenture premium and not share premium. Debenture premium will be amortised over the minimum contractual period of the debentures, namely the remaining portion of 25 years from December 2002 (Refer to note 36 for financial disclosure).

Non-distributable reserves
The Group transfers all capital profits and unrealised profits to non-distributable reserves (Refer to note 36 for financial disclosure). Balances arising due to accounting anomalies are transferred to non-distributable reserves at the discretion of the directors and these currently comprise:

- Straight-line adjustments
- Deferred taxation
- Amortisation of debenture premium
- Fair value adjustments on investment properties
- Fair value adjustments in interest rate swaps
- Fair value adjustments of listed investments
- Foreign exchange gain/loss on translation of loan
- Foreign exchange gain/loss on translation of investment in associate

At subsidiary level, it is the Group's policy to allow for the distribution of capital and other unrealised profits to the holding company. At subsidiary (other than Oryx Company) level, these reserves are shown as distributable, but at Group level, these are classified as non-distributable.

Deferred taxation on Investment properties
For the purpose of measuring deferred taxation liabilities or deferred taxation assets arising from investment properties that are measured using the fair value model, the directors have reviewed the

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (CONTINUED)

Deferred taxation on Investment properties (continued)

Group's investment property portfolio and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, but rather through sale.

Therefore, in determining the Group's deferred taxation on the investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties in Namibia as the Group is not, other than for its South African properties, subject to any income taxes on the fair value changes of the investment properties on disposal.

Control over all subsidiaries

Note 8 to the annual financial statements describes the subsidiaries of Oryx Properties Limited. The ownership interest of all these subsidiaries are 100% and equates to 100% of the voting rights. The directors of Oryx Properties Limited assessed whether or not the Group has control over these subsidiaries based on whether the Group has the practical ability to direct the relevant activities of these subsidiaries unilaterally. In making their judgement the directors considered the size of shareholding and voting rights. The directors concluded that the Group has the dominant voting interest and shareholding to direct the relevant activities of these subsidiaries and therefore the Group has control over all these subsidiaries.

5. REVENUE

The directors have assessed the following:

- Rental and recovery income falls outside the scope of IFRS 15. This is included in the scope of IAS 17: Leases;
- Interest, dividend and other income fall outside of the scope of IFRS 15, as this is included in the scope of IFRS 9: Financial Instrument.
- The amounts that are included in other income, which falls within the scope of IFRS 15, are recognised when the performance obligations have been fulfilled and the customer obtains control of the good or service. The performance obligations are distinct and stipulated in the agreement with the various parties. The amount recognised as revenue is stipulated in or calculated based on the agreement.

	GROUP		COMPANY	
	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
Operating income	240,044	228,506	79,289	74,525
Turnover rental	1,254	510	-	-
Late payment interest on operating income	1,192	576	126	84
Total Rent	**242,490**	**229,592**	**79,415**	**74,609**
Straight-line adjustments	4,662	5,382	(135)	(622)
Recovery of property expenses	77,664	70,495	15,041	15,992
Total Revenue	**324,816**	**305,470**	**94,321**	**89,979**
Other property income (note 31)	-	2,687	-	2,687
Investment Income (note 21)	489	1,137	147,234	128,972
Dividends from listed shares (note 32)	2,462	3,778	2,462	3,778
Total	**327,767**	**313,072**	**244,017**	**225,416**

The above is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (see note 33).

Other property income consist of income generated from the Elisenheim property. Refer to note 31 for more detail.

6. INVESTMENT PROPERTIES

RECONCILIATION OF INVESTMENT PROPERTY	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
Balance at fair value at beginning of year	**2,509,955**	2,388,937	**557,024**	552,422
Investment properties at valuation	**2,561,400**	2,435,000	**570,900**	567,400
Cumulative rental straight-line adjustments	**(51,445)**	(46,063)	**(13,876)**	(14,978)
Additions	**86,245**	173,525	**28,877**	49,948
Fair value adjustments	**278,831**	23,430	**49,650**	24,107
Disposals	**(12,535)**	(70,555)	**(12,535)**	(70,555)
Rental straight-line adjustment	**(4,662)**	(5,382)	**(111)**	1,102
Balance at fair value at end of year	**2,857,834**	2,509,955	**622,905**	557,024
Investment properties at valuation	**2,913,942**	2,561,400	**636,892**	570,900
Cumulative rental straight-line adjustments	**(56,108)**	(51,445)	**(13,987)**	(13,876)

Property descriptions of freehold investment properties are detailed on pages 12 and 13 of this report. Refer to note 37 for fair value disclosures.

Investment properties were independently valued at market value at 30 June 2019 by M Gibbons (Nat.Dip. Prop.Val. and MRICS MIV (SA)) of Mills Fitchet Magnus Penny who is not connected to the Group. The valuation conforms to International Valuation Standards. The valuator has extensive experience in commercial, retail and industrial valuations throughout South Africa and Namibia. The vacant industrial land was valued based on the purchase price for similar land and after taking into account the size, location and physical attributes.

The fair value of the retail, office and industrials portfolio of the investment properties was based on the discounted cashflow method. A 10 year cash flow was used for Maerua Mall, Maerua Park, Gustav Voigts Centre and Phase 2 properties and is considered to be appropriate based on lease agreements in place. The remainder of the portfolio was based on either a 5 year cash flow or capitalisation of the net income earnings into perpetuity. The independent valuers applied current market related assumptions to the risks in rental streams of properties.

The valuers further considered comparative sales transactions that occurred within the South African market, to determine market related capitalisation and discount rates. This, coupled with the capital expenditure and the revamp of certain properties, has resulted in a decrease in our overall average capitalisation rates which has positively impacted our fair value adjustments for the year. The valuations were performed in line with prior year.

The fair value was approved by the Directors on 27 August 2019.

The below table sumarises the average discount and capitalisation rates per sector.

	2019 DISCOUNT RATE (%)	2019 CAPITALISATION RATE (%)	2018 DISCOUNT RATE (%)	2018 CAPITALISATION RATE (%)
Retail	**14%**	8%	**14%**	9%
Industrial	**15%**	10%	**15%**	9%
Office	**15%**	9%	**15%**	9%

Erf 89, 90 and 91, Power Street, Isando was sold during the year, for total proceeds of N$14 million. The fair value of the property was N$12 million at date of sale. After incurring selling costs and commissions the Group made a profit of N$1.9 million.

PROPERTIES ENCUMBERED ARE AS FOLLOW	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
Nedbank Limited facility (note 16.2)	**-**	78,813	**-**	78,813
Secured by:				
South African properties (note 16.2)	**-**	95,400	**-**	95,400
Solingen Street, Erf 8081	**-**	105,000	**-**	-
	-	200,400	**-**	95,400
The Nedbank Limited loans were repaid during April 2019, resulting in the release of the above properties as security. Refer to note 16.2 for further details.				
Absa Bank Limited facilities (note 16.2)	**739,760**	430,000	**739,760**	430,000
Secured by:				
Maerua Mall Node	**1,538,100**	1,369,400	**-**	-
Tal Street, Erf 6601	**53,400**	46,000	**53,400**	46,000
Julius K. Nyerere Street, Erf 7827	**45,400**	38,400	**45,400**	38,400
Prosperita, Erf 51	**62,885**	58,500	**62,885**	58,500
	1,699,785	1,512,300	**161,685**	142,900
During the year, the Group was able to negotiate the release of seven properties over which Absa had negative pledges.				
Old Mutual Investment Group Namibia Promissory Notes (note 16.2)	**90,000**	70,000	**90,000**	70,000
Secured by:				
Lafrenz, Erf 132, 135 and 139	**90,750**	82,900	**90,750**	82,900
Nedbank Namibia Limited (note 16.2)	**330,000**	330,000	**330,000**	330,000
Secured by:				
Gustav Voigts Centre, Channel Life and Baines	**697,200**	571,500	**163,000**	151,500
Total investment property balance	**2,913,942**	**2,561,400**	**636,892**	**570,900**
Total properties encumbered	**2,492,435**	**2,367,100**	**420,135**	**472,700**
Total properties unencumbered	**421,507**	**194,300**	**216,757**	**98,200**

Properties which are unencumbered consisting of Erf 698 Edison Street, Erf 6977 Newcastle Street, Erven 6660, 6661 and 7780 Joule Street, Erf 8081 Solingen Street, Erf 6621 Kalie Roodt Street, Erf 2671 Walvis Bay, Erf 334 Keetmanshoop, Erven 972 and 973 Roodepoort, Erf 441 Prosperita, Erf 422 Elisenheim and Erf 351 Iscor Street.

The prior year unencumbered assets included the 7 properties valued at N$154 million which were earmarked for the Euro loan as negative pledges which came into effect during July 2018. These were however released during the year.

SUMMARISED FINANCIAL INFORMATION:	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
Revenue	**324,816**	305,470	**94,321**	89,979
Rental - straight-line adjustment	**4,662**	5,382	**(135)**	(622)
Rental - cashflows inherent in leases	**320,154**	300,088	**94,456**	90,601
Direct operating expenses arising on the investment properties	**(101,384)**	(101,824)	**(25,584)**	(24,309)
Net rental income	**223,432**	203,646	**68,737**	65,670

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

7. FURNITURE AND EQUIPMENT

	COST N$'000	ACCUMULATED DEPRECIATION N$'000	CARRYING VALUE N$'000
GROUP			
Balance at 30 June 2017	633	(559)	74
Additions / Depreciation	53	(87)	(34)
Balance at 30 June 2018	686	(646)	40
Additions / Depreciation	**314**	**(135)**	**179**
Balance at 30 June 2019	**1,000**	**(781)**	**219**
COMPANY			
Balance at 30 June 2017	520	(353)	167
Additions / Depreciation	53	(87)	(34)
Balance at 30 June 2018	573	(440)	133
Additions / Depreciation	**221**	**(135)**	**86**
Balance at 30 June 2019	**794**	**(575)**	**219**

8. INTEREST IN SUBSIDIARIES

DETAILS OF THE COMPANY'S SUBSIDIARIES ARE AS FOLLOWS:

	COMPANY 2019 N$'000	COMPANY 2018 N$'000
Total interest in subsidiaries - shares at cost and loans	**1,379,293**	1,383,010

Comprising: 2019 NAME OF SUBSIDIARY	PLACE OF INCORPO-RATION AND OPERATION	ISSUED SHARE CAPITAL	% HOLDING	LOAN ACCOUNTS N$'000	SHARE INVEST-MENT N$'000	INDEBTED-NESS N$'000
Allied Cargo (Pty) Ltd	Namibia	**15,000**	**100**	**(15)**	**1,188**	**3,948**
CIC Property Holding Trust (Pty) Ltd	Namibia	**10,000**	**100**	**917**	**26,062**	**14,988**
Maerua Mall (Pty) Ltd	Namibia	**20,000**	**100**	**(33,510)**	**7,230**	**513,029**
Maerua Park Properties (Pty) Ltd	Namibia	**400**	**100**	**(17,378)**	**7,818**	**227,099**
Phase Two Properties (Pty) Ltd	Namibia	**100**	**100**	**(131,758)**	**-**	**394,999**
Triple A (Pty) Ltd	Namibia	**200**	**100**	**610**	**1,573**	**2,144**
Tuinweg Property Investments (Pty) Ltd	Namibia	**100**	**100**	**(11,030)**	**13,967**	**321,810**
United Fitness House (Pty) Ltd	Namibia	**1**	**100**	**14,756**	**168**	**11,580**
Verona Investments (Pty) Ltd	Namibia	**100**	**100**	**84**	**-**	**9,014**
				(177,324)	**58,006**	**1,498,611**
Total interest in shares and loan accounts						**1,379,293**

No restrictions were placed on Oryx's ability to access or use assets and settle liabilities of the subsidiary companies. There was also no change in the nature of the risks associated with the subsidiary companies.

The Group has the right to set off due to the agreement in place with subsidiaries and therefore only discloses the net amounts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Comprising: 2018 NAME OF SUBSIDIARY	PLACE OF INCORPO-RATION AND OPERATION	ISSUED SHARE CAPITAL	% HOLDING	LOAN ACCOUNTS N$'000	SHARE INVEST-MENT N$'000	INDEBTED-NESS N$'000
Allied Cargo (Pty) Ltd	Namibia	**15,000**	**100**	**(15)**	**1,188**	**3,823**
CIC Property Holding Trust (Pty) Ltd	Namibia	**10,000**	**100**	**668**	**26,062**	**14,996**
Maerua Mall (Pty) Ltd	Namibia	**20,000**	**100**	**(34,794)**	**7,230**	**511,220**
Maerua Park Properties (Pty) Ltd	Namibia	**400**	**100**	**(17,362)**	**7,818**	**226,456**
Phase Two Properties (Pty) Ltd	Namibia	**100**	**100**	**(134,559)**	**-**	**394,039**
Triple A (Pty) Ltd	Namibia	**200**	**100**	**609**	**1,573**	**2,144**
Tuinweg Property Investments (Pty) Ltd	Namibia	**100**	**100**	**(4,116)**	**13,967**	**263,638**
United Fitness House (Pty) Ltd	Namibia	**1**	**100**	**14,605**	**168**	**74,707**
Verona Investments (Pty) Ltd	Namibia	**100**	**100**	**10**	**-**	**8,935**
				(174,954)	**58,006**	**1,499,958**
Total interest in shares and loan accounts						**1,383,010**

All the subsidiary companies noted above are property investment companies. No subsidiaries were disposed of during the year.

	COMPANY 2019 N$'000	COMPANY 2018 N$'000
Directors' valuation	**2,456,770**	2,166,337

The valuation has been calculated based on the net asset value of the subsidiary companies, inclusive of any adjustments necessary for deferred taxation on revaluation of investment properties.

All the investments in subsidiaries were tested for impairment during the year. United Fitness House (Pty) Ltd (UFH) has a negative net asset value at 30 June 2019 and has not made a profit for the year. Based on the review performed by the Directors an impairment loss of N$64 million was recorded for Oryx's Investment in UFH. The impairment calculations were based on the discounted cash flow method and taking into account future expected credit losses. The amount disclosed above is after accounting for this impairment. A subordination letter was further put in place for United Fitness House (Pty) Ltd and no interest will be charged on this loan account until such time that the entity returns to profitability. The other subsidiaries did not require impairment.

Oryx does not intend to call on any of the loans during the new financial year.

	COMPANY 2019 N$'000	COMPANY 2018 N$'000
Profits / (losses) of subsidiaries attributable to the holding company	**292,229**	(38,177)

Interest is charged at variable rates.
Refer to pages 10 to 11 for the diagram depicting group structure for more information.

9. INVESTMENT IN ASSOCIATE

During the financial year, the Group concluded the investment into TPF International Limited (TIL). The first tranche amounting to N$200 million transferred on 16 July 2018 and the second tranche amounting to N$100 million transferred on 31 July 2018. The below details the key items around the associate. The Group does not hold any other interests.

NAME OF ASSOCIATE	NATURE OF ASSOCIATE	PLACE OF BUSINESS	OWNERSHIP INTEREST	VOTING RIGHTS	METHOD	SHARES AT COST
TPF International Limited	Property	Croatia	26%	26%	Equity	N$300 million

The entity's country of incorporation is Mauritius, which is different to the entity's main place of business. The percentage voting rights is equal to the percentage of ownership of the associate and there has been no change in the percentage of ownership during the year. The financial year end of TIL is 31 May. This was the reporting date established when the company was incorporated. For the purposes of applying the equity method of accounting, the financial statements of TIL for the year ended 31 May 2019 have been used and the appropriate adjustments have been made for the effects of significant adjustments between 31 May 2019 and 30 June 2019.

Dividends received from the associate below represents the actual amounts attributable and hence received by the Group. The other summary information that precedes the reconciliation to the Group's carrying amount represents amounts included in the IFRS financial statements of the associate, not the entity's share of these amounts. There have been no changes in the risks associated with the Group's interest in TIL.

CARRYING VALUE OF INVESTMENT IN ASSOCIATE	GROUP / COMPANY 2019 N$ '000	2018 N$ '000
Investment at cost	300,000	-
Share of current year's retained income	26,263	-
- Profit before tax	18,425	-
- Current tax	(1,140)	-
- Changes in fair value of investment property	8,978	-
Dividends received	(9,955)	-
Foreign exchange gain on translation of associate	9,760	-
Carrying value at the end of the year	**326,068**	**-**

An average exchange rate calculated at N$16.2 for every Euro was used to translate transactions relating to the investment in associate. An exchange rate of N$15.96 for every Euro at year end was used to translate the investment in associate's carrying value.

Directors valuation	**326,068**	**-**

TIL is not listed on a stock exchange and therefore has no quoted market price available for its shares. The Directors valuation was determined using its price to book value.

SUMMARISED FINANCIAL INFORMATION ASSOCIATE: SUMMARISED STATEMENT OF COMPREHENSIVE INCOME:	GROUP / COMPANY 2019 N$ '000	2018 N$ '000
Revenue	**100,060**	**-**
Changes of fair value of investment property	**34,316**	**-**
Profit before tax	**100,909**	**-**
Total comprehensive income for the year	**156,147**	**-**

SUMMARISED FINANCIAL INFORMATION ASSOCIATE: SUMMARISED STATEMENT OF FINANCIAL POSITION:	GROUP / COMPANY 2019 N$ '000	2018 N$ '000
Non-current assets	**1,641,893**	**-**
Current assets	**59,358**	**-**
Non-current liabilities	**(522,358)**	**-**
Current liabilities	**(11,594)**	**-**
NET ASSET VALUE	**1,167,299**	**-**
Interest in associate (26%)	**326,068**	**-**

10. INVESTMENT IN LISTED SHARES

	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
Carrying value at beginning of the year	**26,379**	1,874	**26,379**	1,874
Acquired during the year	**-**	28,252	**-**	28,252
Fair value adjustment recognised through profit and loss	**(2,756)**	(3,747)	**(2,756)**	(3,747)
Carrying value at end of year	**23,623**	26,379	**23,623**	26,379

At year end Oryx held 3,937,091 shares in Tower Property Fund Limited (2018: 3,937,091). The Directors do not consider that the Group has the ability to exercise any significant influence over the company. Refer to note 32 for the dividends received from the investment during the year.

The fair value heirarchy is level 1 as disclosed in note 37.

11. OTHER ASSETS

11.1 DEFERRED EXPENDITURE

	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
Balance at beginning of the year	**20,717**	23,269	**4,481**	3,633
Additions	**3,330**	5,049	**604**	3,025
Amortisation	**(6,791)**	(7,601)	**(1,898)**	(2,177)
Balance at year end	**17,256**	20,717	**3,187**	4,481
Closing balance of long term portion	**11,911**	14,498	**1,928**	2,735
Closing balance of short term portion	**5,345**	6,219	**1,259**	1,746

Leasing commissions and tenant installations are capitalised to deferred expenditure and are amortised over the remaining lease period of the respective tenant on a straight-line basis.

11.2 TRADE AND OTHER RECEIVABLES

	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
Trade receivables	**21,836**	11,695	**4,009**	5,477
Less: Allowance for doubtful debts	**(8,557)**	(10,173)	**(1,002)**	(4,009)
Trade receivables net of allowance for doubtful debts	**13,279**	1,522	**3,007**	1,468
Other receivables	**7,405**	7,330	**4,607**	2,489
Receiver of Revenue - Value Added Tax (VAT)	**6,679**	11,340	**-**	3,664
Prepayments	**5,245**	6,621	**5,062**	6,621
Total trade and other receivables	**32,608**	26,813	**12,676**	14,242

11. OTHER ASSETS (CONTINUED)

11.2 TRADE AND OTHER RECEIVABLES (CONTINUED)

	GROUP		COMPANY	
	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
Impaired (excluding VAT)	**8,557**	10,173	**1,002**	4,009
Past due but not impaired	**13,279**	1,522	**3,007**	1,468
Total trade receivables	**21,836**	11,695	**4,009**	5,477
Allowance for doubtful debts	**(8,557)**	(10,173)	**(1,002)**	(4,009)
Trade receivables net of allowance for doubtful debts	**13,279**	1,522	**3,007**	1,468
Ageing of trade receivables past due but not impaired				
Current	**5,019**	1,129	**1,897**	8
30 days	**1,741**	688	**149**	60
60 days	**1,486**	785	**94**	176
90+ days	**5,033**	(1,080)	**867**	1,224
	13,279	1,522	**3,007**	1,468
Ageing of impaired trade receivables				
Current	**105**	-	**-**	-
30 days	**592**	774	**61**	117
60 days	**630**	695	**75**	136
90+ days	**7,230**	8,704	**866**	3,756
	8,557	10,173	**1,002**	4,009
Allowance for doubtful debts				
Balance at the beginning of the year	**10,173**	8,605	**4,009**	4,363
Increase / (decrease) in provisions recognised	**1,552**	2,143	**(1,419)**	175
Amounts written off during the year	**(3,168)**	(575)	**(1,588)**	(529)
Balance at year end	**8,557**	10,173	**1,002**	4,009

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current and forecast direction of conditions at the reporting date.

The Group writes off a trade receivable balance when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Examples include when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over three years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

IFRS 9 was adopted by the Group effective 1 July 2018, as per the transition provisions. The adoption of IFRS9 resulted in an insignificant impact on the comparative figures. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained.

The calculation of the allowance for doubtful debts as a percentage of arrear rentals is shown in the table below. The provision is carried exclusive of VAT whilst the arrear rentals include VAT. This has been taken into account in the calculation below:

	GROUP		COMPANY	
	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
Provisions excluding VAT	**8,557**	10,173	**1,002**	4,009
VAT thereon	**1,284**	1,526	**150**	601
Provisions including VAT	**9,841**	11,699	**1,152**	4,610
Trade receivables	**21,836**	11,695	**4,009**	5,477
Provision as a % of trade receivables	**45%**	100%	**29%**	84%

Management and the Board consider the provision for any material credit risk exposure to be adequate.

The following table details the risk profile of trade receivables based on the Group's provision matrix:

	TOTAL	RETAIL	INDUSTRIAL	OFFICES	OTHER	FUND
GROUP						
2019						
CURRENT						
Trade debtors (N$'000)	**5,227**	4,358	622	247	-	-
ECL %	**4%**	5%	0%	0%	0%	0%
Provision (N$'000)	**209**	209	-	-	-	-
30 DAYS						
Trade debtors (N$'000)	**2,288**	2,130	105	53	-	-
ECL %	**24%**	25%	14%	0%	0%	0%
Provision (N$'000)	**546**	531	15	-	-	-
60 DAYS						
Trade debtors (N$'000)	**2,076**	1,952	78	46	-	-
ECL %	**28%**	28%	45%	0%	0%	0%
Provision (N$'000)	**590**	555	35	-	-	-
90 DAYS						
Trade debtors (N$'000)	**2,202**	2,081	76	45	-	-
ECL %	**30%**	30%	45%	26%	0%	0%
Provision (N$'000)	**667**	621	34	12	-	-
120 + DAYS						
Trade debtors (N$'000)	**10,043**	8,161	1,588	294	-	-
ECL %	**65%**	70%	41%	72%	0%	0%
Provision (N$'000)	**6,545**	5,684	649	212	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

11. OTHER ASSETS (CONTINUED)

11.2 TRADE AND OTHER RECEIVABLES (CONTINUED)

	TOTAL	RETAIL	INDUSTRIAL	OFFICES	OTHER	FUND
COMPANY 2019						
CURRENT						
Trade debtors (N$'000)	**1,896**	1,249	622	25	-	-
ECL %	**0%**	0%	0%	0%	0%	0%
Provision (N$'000)	**-**	-	-	-	-	-
30 DAYS						
Trade debtors (N$'000)	**165**	7	105	53	-	-
ECL %	**9%**	4%	14%	0%	0%	0%
Provision (N$'000)	**15**	-	15	-	-	-
60 DAYS						
Trade debtors (N$'000)	**129**	5	78	46	-	-
ECL %	**28%**	15%	45%	0%	0%	0%
Provision (N$'000)	**36**	1	35	-	-	-
90 DAYS						
Trade debtors (N$'000)	**123**	2	76	45	-	-
ECL %	**38%**	34%	45%	26%	0%	0%
Provision (N$'000)	**47**	1	34	12	-	-
120 + DAYS						
Trade debtors (N$'000)	**1,696**	64	1,338	294	-	-
ECL %	**53%**	68%	49%	72%	0%	0%
Provision (N$'000)	**904**	43	649	212	-	-

11.3 CASH AND CASH EQUIVALENTS	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
Bank Windhoek Limited (note 16.2)	**2,872**	8,870	**2,461**	8,835
Absa Bank Limited	**2**	1	**2**	1
Simonis Storm - Money Market Unit Trust	**7**	5	**7**	5
Nedbank Namibia Limited	**3,771**	866	**3,771**	866
Standard Bank Namibia Limited	**1**	1	**1**	1
Petty cash	**5**	4	**5**	3
	6,658	9,747	**6,247**	9,711
Nedbank Namibia Limited balance is made up as follows:				
Cash in local currency	**1,521**	866	**1,521**	866
Cash in foreign currency	**2,250**	-	**2,250**	-
	3,771	866	**3,771**	866

The cash in foreign currency relates to the dividends received from the investment in associate (refer to note 9) that is received quarterly. The dividends are utilised to service the Euro loan interest from Absa on a monthly basis, with the excess being paid into other loan facilities at the end of each quarter. For detail around the exchange rates refer to the accounting policy note 3.7.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

12. SHARE CAPITAL

	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
Authorised				
200,000,000 (2018: 200,000,000) ordinary shares of 1 cent each	**2,000**	2,000	**2,000**	2,000
1,000 Class A variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
1,000 Class B variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
1,000 Class C variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
1,000 Class D variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
1,000 Class E variable rate redeemable preference shares of N$1.00 each	**1**	**1**	**1**	**1**
1,000 Class F variable rate redeemable preference shares of N$1.00 each	**1**	1	**1**	1
	2,006	2,006	**2,006**	2,006
Issued				
77,859,791 (2018: 77,859,791) ordinary shares of 1 cent each at the beginning of the year	**779**	779	**779**	779
Vendor Placement of ordinary shares of 1 cent each (note 16.1)	**11**	-	**11**	-
Rights issue of ordinary shares of 1 cent each (note 14)	**84**	-	**84**	-
87,378,835 (2018: 77,859,791) ordinary shares of 1 cent each at the end of the year	**874**	779	**874**	779

The Group has one class of ordinary shares which carry no right to fixed income.
Unissued shares are under the control of the directors until the next annual general meeting.

13. TREASURY LINKED UNITS

	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
Balance at beginning of the year	**(446)**	(446)	-	-
Acquired during the year	**-**	-	-	-
Balance at year end	**(446)**	(446)	-	-

14. PROCEEDS FROM ISSUE OF LINKED UNITS

	GROUP		COMPANY	
	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
Rights issue of ordinary shares	84	-	84	-
Rights issue debentures: issue of 8,432,166 units	37,860	-	37,860	-
Premium arising on new issues	127,241	-	127,241	-
Antecedent interest included in issue price	(3,373)	-	(3,373)	-
Share issue expenses	(1,872)	-	(1,872)	-
	159,940	-	159,940	-

The Group embarked on a rights issue during the financial year, issuing 84,322 number of shares at N$19.59 per linked unit for cash. This resulted in total capital raised of N$165,186,152. The proceeds were used partially to settle debt (note 16.2) and partially ring fenced for phase 1 of the Elisenheim development. The share issuance resulted in an antecedent of N$3,372,866 which was paid to unitholders as part of the distribution in September 2019. Refer to note 25 for more detail in the distribution per unit. The antecedent is recorded against the debenture premium and amortised over the remaining period of the Trust Deed. The antecedent interest does not form part of income and therefore not recorded in profit and loss for this year.

15. NON-DISTRIBUTABLE RESERVES

	GROUP		COMPANY	
	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
The Group transfers the following amounts to non-distributable reserves:				
I. Straight-line adjustments of rental streams				
II. Fair value adjustments on investment properties, listed investments and financial instruments				
III. Realised capital gains or losses on the disposal of investment properties, properties held for sale and investments				
IV. Amortisation of debenture premiums				
V. Deferred tax				
VI. Fair value adjustments of derivatives				
VII. Foreign exhchange gain / (loss) on foreign loan and investment in associate				
Opening balance at the beginning of the year	986,539	960,931	331,643	302,956
Movement during the year	296,100	25,608	4,022	28,687
Balance at end of the year	1,282,639	986,539	335,665	331,643
Comprising:				
Capital reserves				
- Realised capital profits	29,836	34,418	20,936	25,518
- Unrealised capital profits (net of deferred taxation)	1,252,803	952,121	314,729	306,125
- Rental straight-line adjustment	(6,561)	(4,584)	(395)	292
- Amortisation of debenture premium	141,727	111,741	141,727	111,741
- Fair value adjustments	1,117,637	844,964	173,397	194,092
Balance at the end of the year	1,282,639	986,539	335,665	331,643

16. BORROWINGS

16.1 DEBENTURES AND DEBENTURE PREMIUM

	GROUP		COMPANY	
	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
Debentures				
77,859,791 (2018: 77,859,791) Debentures of 449 cents each at the beginning of the year	349,387	349,387	349,590	349,590
Vendor placement: Issue of 1,086,878 units	4,880	-	4,880	-
Rights issue: Issue of 8,432,166 units (note 14)	37,860	-	37,860	-
87,378,835 debentures of 449 cents each	392,127	349,387	392,330	349,590
Debenture premium				
Balance at the beginning of the year comprising:	245,131	270,718	245,373	270,960
Premium arising on listing	20,544	20,544	20,544	20,544
Premium arising on new issues	353,022	353,022	353,022	353,022
Antecedent debenture interest	(5,669)	(5,669)	(5,669)	(5,669)
Treasury linked units	(242)	(242)	-	-
Share issue expenses	(10,784)	(10,784)	(10,784)	(10,784)
Amortisation of debenture premium	(111,740)	(86,153)	(111,740)	(86,153)
Vendor placement during the year	15,966	-	15,966	-
Premium arising on new issues	15,966	-	15,966	-
Rights issue during the year	121,996	-	121,996	-
Premium arising on new issues (note 14)	127,241	-	127,241	-
Antecedent debenture interest	(3,373)	-	(3,373)	-
Share issue expenses (note 14)	(1,872)	-	(1,872)	-
Current year amortisation of debenture premium	(29,986)	(25,587)	(29,986)	(25,587)
Balance at year end	353,107	245,131	353,349	245,373

On 14 December 2018, the Group entered into an agreement with one of its existing shareholders, TLP Investments 137 (Pty) Ltd (TLP), for a vendor placement and consideration for the purchase of a property. The total purchase consideration for Erf 3519 Iscor Street amounted to N$23,609,490.20 of which N$20,857,185 related specifically to the vendor placement at an issue price of N$19.19 per linked unit. The issue price was arrived at after a 5% discount to the weighted average share price 10 days prior to the issue. Total number of linked units issued to TLP was 1,086,878 comprising N$10,869 share capital, N$4,880,081 debentures and debenture premium of N$15,966,235.

Refer to note 14 for further detail regarding the rights issue.

Units in issue are unsecured and bear interest at a variable rate. The debenture premium is amortised on a straight-line basis over the minimum contractual term of the investment, namely the remaining portion of 25 years from December 2002.

In terms of the debenture trust deed, the interest entitlement of every debenture linked to each ordinary share shall not be less than 90% of net earnings of the company before debenture interest, depreciation and amortisation, taxes (other than deferred taxation charges) and before taking into account both realised and unrealised capital profits but after provision for funding costs, whether interest or dividend in nature and also after transfers to reserves. The interest is payable bi-annually. The debentures are redeemable at the option of the holder after 25 years from 2nd December 2002 being the first date of the allotment of debentures.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

16. BORROWINGS

16.2 INTEREST-BEARING BORROWINGS

	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
BANK WINDHOEK LIMITED				
Revolving credit floating interest rate facility	-	-	-	-
- Unsecured loan bearing interest at the Namibian prime lending rate (2018: prime lending rate). At 30 June 2019 the account was in a favourable balance and reflected under Cash and Cash equivalents, refer to note 11.3.				
- N$20 million (2018: N$20 million) facility and is reassessed annually.				
NEDBANK LIMITED SOUTH AFRICA				
5 Year floating interest rate	-	21,499	-	21,499
- The facility bears interest at South African prime less 1%.				
- The entire facility was repaid on 11 April 2019 through the use of the rights issue proceeds. No penalties or early repayment interest was incurred.				
3 Year floating interest rate	-	57,314	-	57,314
- The facility bears interest at South African prime less 1%.				
- The entire facility was repaid on 11 April 2019 through the use of the rights issue proceeds. No penalties or early repayment interest was incurred.				
Refer to note 6 that details the security provided on these loans.				
ABSA GROUP LIMITED SOUTH AFRICA				
Absa revolving credit facility	**84,166**	114,586	**84,166**	114,586
- This is a N$130 million (2018: N$130 million) facility and is reassessed annually.				
- Loan bearing variable interest at 1 month JIBAR plus 2.05%.				
Absa term loan 1	**150,000**	150,000	**150,000**	150,000
- Loan expires 28 February 2022.				
- The loan bears variable interest at 1 month JIBAR plus 2.175%.				
Absa term loan 2	**150,000**	150,000	**150,000**	150,000
- Loan expires 28 February 2023.				
- The loan bears variable interest at 1 month JIBAR plus 2.2%.				
Absa euro loan	**309,760**	-	**309,760**	-
- Loan expires 16 July 2021.				
- Loan bears interest at Euribor (floored at 0%) + 2.72%				
- Facility of 19.4 million Euros (N$309.7 million at year end rate)				
- Refer below for the loan recon which shows the forex gain / (loss) that is included in the balance.				
Refer to note 6 that details the security provided on these loans.				

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
NEDBANK NAMIBIA LIMITED				
Nedbank Namibia Limited revolving credit facility	**204**	16,866	**204**	16,866
- This is a N$30 million facility and is reassessed annually.				
- Loan bearing variable interest at 3 month JIBAR plus 2.35% (2018: Namibian prime less 1.39%).				
Nedbank Namibia Limited revolving credit facility	**31,856**	51,840	**31,856**	51,840
- This is a N$85 million facility and is reassessed annually.				
- Loan bearing variable interest at Namibian prime less 1.39%.				
- Refer below for detail regarding re-financing of the loan.				
5 Year floating interest rate	**140,000**	140,000	**140,000**	140,000
- Loan expires 31 August 2019.				
- Loan bearing interest at a floating interest rate of 3 month JIBAR plus 2.00%.				
- Refer below for detail regarding re-financing of the loan.				
3 Year Floating Interest Rate	**75,000**	50,000	**75,000**	50,000
- Loan facility of N$75 million.				
- Loan bearing variable interest at 3 month JIBAR plus 2.35% (2018: Namibian prime less 1.39%).				
Refer to note 6 that details the security provided on these loans.				
DOMESTIC MEDIUM TERM NOTE PROGRAM (DMTNP)	**128,700**	128,700	**128,700**	128,700
- Facility of N$500 million.				
- The N$128.7million was set to mature 21 November 2018 was successfully rolled for another year, therefore new maturity date being 21 November 2019.				
- Loan bearing variable interest at 3 month JIBAR plus 1.7%.				
- The loan is unsecured.				
OLD MUTUAL INVESTMENT GROUP NAMIBIA (OMIGNAM)				
Promissory Notes	**90,000**	70,000	**90,000**	70,000
- Promissory notes expire 4 September 2021 (2018: 4 September 2018)				
- Promissory notes bear variable interest at 3 month JIBAR plus 2.1% (2018: 3 month JIBAR plus 2.15%)				
Refer to note 6 that details the security provided on these loans.				
Total interest-bearing borrowings	**1,159,686**	950,805	**1,159,686**	950,805
Less: Classified as current liability	**(384,926)**	(521,992)	**(384,926)**	(521,992)
- Absa revolving credit facility	**84,166**	114,586	**84,166**	114,586
- DMTNP	**128,700**	128,700	**128,700**	128,700
- Nedbank Namibia Limited revolving credit facility	**204**	16,866	**204**	16,866
- Nedbank Namibia Limited	**140,000**	140,000	**140,000**	140,000
- Nedbank Namibia Limited revolving credit facility	**31,856**	51,840	**31,856**	51,840
- OMIGNAM	**-**	70,000	**-**	70,000
Total non-current portion of interest-bearing borrowings	**774,760**	428,813	**774,760**	428,813
Total non-current borrowings	**1,519,994**	1,023,331	**1,520,439**	1,023,776

16. BORROWINGS (CONTINUED)

16.2 INTEREST-BEARING BORROWINGS (CONTINUED)

During the year the Group was able to re-finance the Promissory Notes with OMIGNAM that expired 4 September 2018 for a further 3 year period. The facility was increased from N$70 million to N$90 million with the properties provided as security remaining the same (Refer to note 6). The Group further secured the rolling of the DMTNP that matured on 21 November 2018 for another year on the same terms.

The Group entered into negotiations with Nedbank Namibia Limited to re-finance the N$140 million term loan that matured during November 2018. The term was extended for 6 months to 31 May 2019 at the same terms to provide Nedbank sufficient time to conclude the offer to the Group. The Group was further able to secure competitive rates with other Banks. The negotiations were concluded during May 2019 with the respective Banks as follows:

- N$140 million facility and N$85 million facility with Standard Bank Namibia Limited at 3 month JIBAR + 2% for a 5 and 3 year term respectively with Gustav Voigts Centre as security.
- N$75 million term loan and N$30 million revolving credit facility with Nedbank Namibia Limited at 3 month JIBAR + 2.35% with the same maturity dates with Baines and Channel Life provided as security.

All relevant documentation was signed before year end and the transfer of the facilities from Nedbank Namibia to Standard Bank Namibia was concluded in August 2019. The above changes in the facilities will contribute to improving to the average interest rate and the maturity profile of the Group's borrowings.

The company's articles of association limit the Group's borrowing capacity (excluding debentures) to 60% of its consolidated total assets.

	GROUP		COMPANY	
	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
Borrowing capacity (excluding debentures and debenture premium) up to gearing ratio of 60%	**1,993,406**	1,511,072		
Less: borrowings (excluding debentures)	**(1,159,687)**	(835,933)		
Unutilised borrowing capacity	**833,719**	675,139		
Unutilised funding facilities (excluding DMTNP)	**148,773**	386,790		
The prior year facililties included the N$300 million Absa Euro loan that was utilised during the year for the offshore investment.				
Reconciliation of interest bearing borrowings				
Balance at beginning of the year	**950,805**	853,933	**950,805**	835,933
Movement of interest bearing borrowings	**199,090**	96,872	**199,090**	114,872
Non-cash movement: Foreign exchange adjustments	**9,792**	-	**9,792**	-
Balance at year end	**1,159,687**	950,805	**1,159,687**	950,805

17. DERIVATIVE FINANCIAL INSTRUMENTS

GROUP/COMPANY 2019 N$'000			NON-CURRENT ASSETS	NON-CURRENT LIABIILITIES	CURRENT LIABILITIES	TOTAL
Interest rate swap agreements carried at fair value						
Notional value	**Maturity**	**Rate Fixed**				
N$100 million	20-Apr-20	7.50%	-	-	604	604
N$100 million	20-Jun-22	6.86%	-	112	79	191
N$100 million	20-Jan-21	7.11%	-	343	229	572
N$140 million	11-Jun-22	7.79%	-	2,449	1,346	3,795
Balance at end of year			**-**	**2,904**	**2,258**	**5,162**

GROUP/COMPANY 2018 N$'000						
Notional value	**Maturity**	**Rate Fixed**				
N$100 million	20-Apr-20	7.50%	-	349	-	349
N$130 million	29-Jun-19	7.17%	-	11	85	96
N$100 million	20-Jan-21	7.11%	(855)	-	43	(812)
N$140 million	11-Jun-22	7.79%	(396)	-	853	457
Balance at end of year			**(1,251)**	**360**	**981**	**90**

	GROUP		COMPANY	
	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
Reconciliation of interest rate swaps				
Balance at beginning of the year	**90**	1,549	**90**	1,549
Fair value adjustments	**5,072**	(1,459)	**5,072**	(1,459)
Balance at end of the year	**5,162**	90	**5,162**	90

Fair value adjustments on the interest rate swaps are recorded in the statement of comprehensive income, but have impact on unitholder distribution (note 25). The interest rate swaps are settled on a quarterly basis. The floating rate on the interest rate swaps is 3 month JIBAR. The Group will settle the difference between the fixed and floating interest rate swaps on a net basis.

The fair value hierarchy is treated as level 2 reflected in note 37. The interest rate swap derivatives are valued based on the discounted cash flow method. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of the various counterparties.

The following table indicates the periods in which the net undiscounted cash flows are expected to occur:

Not later than 1 year	**2,257**	981	**2,257**	981
Later than 1 year and not later than 5 years	**2,905**	(891)	**2,905**	(891)
More than 5 years	**-**	-	**-**	-
Expected cashflow	**5,162**	90	**5,162**	90

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

18. DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
Deferred Taxation South Africa				
Balance at beginning of the year	8,840	2,162	8,840	2,162
Deferred taxation charged to profit or loss for the year:				
- building allowance	(314)	(740)	(314)	(740)
- investment property revaluations	2,679	8,116	2,679	8,116
- rental straight-line adjustment	1	(552)	1	(552)
- assessed loss	(1,107)	(492)	(1,107)	(492)
- tenant installation costs	(26)	182	(26)	182
- prepaid expenditure	(214)	(70)	(214)	(70)
- deposits received	126	63	126	63
- provisions	296	171	296	171
Balance at end of the year	10,281	8,840	10,281	8,840
Deferred Taxation Namibia				
Balance at beginning of the year	14,248	10,061	(6,414)	(7,994)
Deferred taxation charged to profit or loss for the year:				
- building allowance	19,770	19,013	1,727	1,962
- capital allowances	3	(9)	3	(9)
- rental straight-line adjustment	1,492	2,274	-	352
- derivative liability	(1,623)	467	(1,623)	467
- assessed loss	(18,123)	(17,500)	(1,522)	(1,142)
- tenant installation costs	(1,081)	(999)	(388)	(305)
- prepaid expenditure	(463)	392	(405)	392
- deferred income	35	(11)	(43)	(11)
- deposits received	(831)	554	70	(132)
- provisions	(659)	6	(659)	6
- Allowance for doubtful debt	(56)	-	(240)	-
Balance at end of the year	12,712	14,248	(9,494)	(6,414)
Total balance at year end	22,993	23,088	787	2,426
Comprising temporary differences relative to:				
- building allowances	179,062	159,597	19,714	18,301
- capital allowances	26	22	26	22
- investment property revaluations	8,078	5,400	8,078	5,400
- rental straight-line adjustment	17,954	16,462	5,365	5,408
- derivative liability	(1,652)	(29)	(1,652)	(29)
- tax losses	(183,362)	(164,121)	(30,370)	(27,741)
- tenant installation costs	5,523	6,630	1,019	1,433
- prepaid expenditure	529	1,206	587	1,206
- deferred income	(363)	(399)	(363)	(399)
- deposits received	(1,783)	(1,078)	(413)	(573)
- provisions	(1,019)	(602)	(1,204)	(602)
	22,993	23,088	787	2,426

At the reporting date, the Group has unused tax losses of N$573 million (2018: N$513 million) available for offset against future profits. No deferred tax asset has been recognised as it is not considered probable that there will be future taxable profits available.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

19. TRADE AND OTHER PAYABLES

	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
Trade payables	5,960	12,536	2,290	12,501
Tenant deposits	8,976	6,143	4,082	1,792
Other payables	2,089	1,168	651	781
Provisions	3,783	1,333	3,783	1,333
Accruals	8,835	8,697	6,702	5,400
Value Added Taxation (VAT)	-	-	1,532	-
	29,643	29,876	19,040	21,807

The trade payables comprise amounts outstanding to suppliers and ongoing costs. The Group has cash management policies in place to ensure that all amounts are paid within the credit time frame. The Directors consider that the carrying amount of trade payables approximates their fair value. Other payables consist of stamp duty, lease fees and payroll accruals.

20. DEFERRED INCOME

Rental received in advance	1,159	1,293	1,135	1,246

21. INVESTMENT INCOME

Interest received - cash and bank balances	489	1,137	435	1,042
Interest received - inter company loans	-	-	146,799	127,930
	489	1,137	147,234	128,972

Refer to note 8 for details regarding the interest charged on the inter-company loans.

22. OTHER EXPENSES

Other expenses include the following:				
Directors' emoluments - executive (note 38)	3,365	1,958	3,365	1,958
- non-executive (note 38)	2,635	2,519	2,635	2,519
Auditors' remuneration - external audit				
- current year	1,099	1,092	1,099	1,349
- other audit services	10	10	-	-
Auditors' remuneration - internal audit				
- current year	-	270	-	270
Allowance for doubtful debts	-	2,143	-	175
Release of provision for doubtful debts	(1,616)	-	(3,008)	-
Bad debts written off	3,168	577	1,588	530
Salaries and other employee benefits	7,055	6,206	7,054	6,205
Other	3,513	2,710	3,448	2,480
	19,229	17,485	16,181	15,486

23. FINANCE COSTS

Absa Group Limited	45,677	20,994	45,677	20,994
Bank Windhoek Limited	81	711	81	711
Domestic Medium Term Note Programme	11,261	6,860	11,261	6,860
First National Bank Limited	1,659	940	1,659	940
Nedbank Namibia Limtied	25,687	42,499	25,687	42,499
Old Mutual Investment Group Namibia	7,925	6,458	7,925	6,458
Nedbank Limited South Africa	5,781	1,971	5,781	1,973
Other	35	16	68	15
Less: interest capitalised to investment property, as part of additions	(3,933)	(5,176)	(3,933)	(5,176)
Finance charges	5,466	2,013	5,375	2,012
	99,639	77,286	99,581	77,286

The above finance costs are incurred on financial liabilities excluding debentures at amortised cost. Interest on debentures is separately disclosed in the statement of comprehensive income.

23. FINANCE COSTS (CONTINUED)

Interest was capitalised at an annual rate of 9.11% (2018: annual rates ranging between 9.11% and 9.36%). The capitalised interest is included in the investment property as detailed in note 6.

24. TAXATION

	GROUP		COMPANY	
	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
There was no change to the statutory tax rate in Namibia for the current year. Taxation for other jurisdictions (South Africa) is calculated at the rates prevailing in the respective jurisdiction.				
Exempt income as per the tax rate reconciliation includes dividends received, capital profits on revaluation of listed investments and amortisation of debenture premium.				
Namibian taxation				
Deferred tax - building allowance	**19,770**	19,013	**1,727**	1,962
Deferred tax - capital allowance	**3**	(9)	**3**	(9)
Deferred tax - rental straight-line adjustment	**1,492**	2,274	**-**	352
Deferred tax - derivative liability	**(1,623)**	467	**(1,623)**	467
Deferred tax - assessed loss	**(18,123)**	(17,500)	**(1,522)**	(1,142)
Deferred tax - tenant installation costs	**(1,081)**	(999)	**(388)**	(305)
Deferred tax - prepaid expenditure	**(463)**	392	**(405)**	392
Deferred tax - deferred income	**35**	(11)	**(43)**	(11)
Deferred tax - deposits received	**(831)**	554	**70**	(132)
Deferred tax - provisions	**(659)**	5	**(659)**	6
Prefered tax - doubtful debts	**(56)**	-	**(240)**	-
Normal income taxation	**-**	-	**-**	-
South African taxation				
Deferred tax - building allowance	**(314)**	(740)	**(314)**	(740)
Deferred tax - revaluation of investment property	**2,679**	8,116	**2,679**	8,116
Deferred tax - rental straight-line adjustment	**1**	(552)	**1**	(552)
Deferred tax - assessed loss	**(1,107)**	(492)	**(1,107)**	(492)
Deferred tax - tenant installation costs	**(26)**	182	**(26)**	182
Deferred tax - prepaid expenditure	**(214)**	(70)	**(214)**	(70)
Deferred tax - deferred income	**-**	-	**-**	-
Deferred tax - deposits received	**126**	63	**126**	63
Deferred tax - provisions	**296**	171	**296**	171
Capital gains taxation	**-**	-	**-**	-
Normal income taxation	**-**	-	**-**	-
	(95)	10,864	**(1,639)**	8,258
Tax losses available	**(573,006)**	(512,878)	**(94,906)**	(86,691)
Less: Applied to reduce deferred tax liability	**211,172**	189,317	**34,789**	31,770
Balance unutilised	**(361,834)**	(323,561)	**(60,117)**	(54,921)
	%	%	**%**	%
Reconciliation of effective tax rate:				
Namibian statutory rate				
Statutory rate	**32.0**	32.0	**32.0**	32.0
Capital gains	**(28.9)**	1.2	**(153.9)**	0.5
Exempt income	**(13.2)**	(39.0)	**(220.6)**	(23.9)
Disallowable expenditure	**9.7**	27.9	**324.8**	1.2
	0.0	22.1	**(17.6)**	9.8

	GROUP		COMPANY	
	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
Reconciliation of effective tax rate for South African operations only:				
South African statutory rate	**28.0**	28.0	**28.0**	28.0
Capital gains	**(69.2)**	(91.0)	**(69.2)**	(91.0)
Exempt income	**(63.8)**	(15.1)	**(63.8)**	(15.1)
Disallowable expenditure	**-**	(4.1)	**-**	(4.1)
Statutory rate difference	**174.4**	430.7	**174.4**	430.7
Deemed South African expenditure	**-**	(1.5)	**-**	(1.5)
	69.4	347.03	**69.4**	347.0

Exempt income relates to realised capital profits and losses on sale of properties, foreign exchange gains and straight-lining of rental income.
Disallowable expenditure relates to impairment losses and foreign exchange losses.

25. EARNINGS PER SHARE

	2019 N$ '000	2018 N$ '000	2019 CENTS PER UNIT/ SHARE	2018 CENTS PER UNIT/ SHARE
The reconciliation to undistributed earnings is based on the weighted number of units of 79,138,137 (2018: 77,814,291) in issue at the end of the respective distribution period which has been adjusted for the Vendor Placement and Rights Issue that occurred during the reporting period and is calculated as follows:				
GROUP				
Profit for the year	**303,052**	38,248	**382.94**	49.15
Debenture interest	**118,757**	108,027	**150.06**	138.83
Earnings attributable to linked units	**421,809**	146,275	**533.00**	187.98
Adjustments for:				
Amortisation of debenture premium	**(29,986)**	(25,587)	**(37.89)**	(32.88)
Fair value gain associate investment property	**(8,978)**	-	**(11.35)**	
Capital profits	**(274,146)**	(5,499)	**(346.42)**	(7.07)
- Fair value adjustments on investment property	**(278,831)**	(23,430)	**(352.33)**	(30.11)
- Change in fair value of listed investment	**-**	3,747	**-**	4.82
- Loss on sale of property	**516**	686	**0.65**	0.88
- Deferred tax on fair value adjustment of investment property	**2,677**	8,116	**3.38**	10.42
- Deferred tax straight-line adjustments	**1,492**	-	**1.88**	-
- Rental straight- line adjustment	**(4,662)**	-	**(5.89)**	-
- Rental straight-line adjustment to revaluation	**4,662**	5,382	**5.89**	6.92
Headline earnings attributable to linked units	**108,699**	115,189	**137.34**	148.03
Debenture interest	**(118,757)**	(108,027)	**(150.06)**	(138.83)
Headline (loss) / earnings attributable to shares	**(10,058)**	7,162	**(12.72)**	9.20

Distribution attributable to linked unitholders
The reconciliation to undistributed earnings is based on the actual number of units of 87,378,835 (2018: 77,859,791) in issue at the end of the 6 months ending 30 June 2019 and 78,946,669 units in issue for the 6 months ending 31 December 2018 and is calculated as follows:

Distribution attributable to linked unitholders

Interest - interim for year ending 30 June 2019 of	**61,184**	57,422	**77.50**	73.75
- final for the year ending 30 June 2019 of	**60,946**	50,605	**69.75**	65.00
	122,130	108,027	**147.25**	138.75

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

25. EARNINGS PER SHARE (CONTINUED)

	2019 N$ '000	2018 N$ '000	2019 CENTS PER UNIT/ SHARE	2018 CENTS PER UNIT/ SHARE
Distribution attributable to linked unitholders (continued)				
Headline (loss) / earnings attributable to shares	**(10,058)**	7,162		
Debenture interest	**118,757**	108,027		
Distributable earnings	**108,699**	115,189	**131.05**	147.94
Adjustments for:				
- Elisenheim head lease income	**5,748**	-	**6.58**	-
- Antecedent interest	**3,373**	-	**3.86**	-
- Capital surpluses not included in headline earnings	**16,053**	-	**18.37**	-
Adjusted distributable income	**133,873**	115,189	**159.86**	147.94
1st half distribution	**(61,184)**	(57,422)	**(77.50)**	(73.75)
2nd half distribution	**(60,946)**	(50,605)	**(69.75)**	(65.00)
Undistributed income for the year	**11,743**	7,162	**12.61**	9.19

26. DIVIDEND PAID PER LINKED UNIT

	2019 N$ '000	2018 N$ '000	2019 CENTS PER UNIT/ SHARE	2018 CENTS PER UNIT/ SHARE
GROUP				
Undistributed income transferred to reserves (note 25)	**11,743**	7,162	**12.61**	9.19
Transfer of realised capital reserves to distributable reserves	**-**	12,708	**-**	16.32
Dividend paid for the prior year distribution	**(10,902)**	-	**(14.00)**	-
Dividend paid during the current year distribution	**(2,277)**	(3,310)	**(2.75)**	(4.25)
Undistributed Reserves	**(1,436)**	16,560	**(2.62)**	21.26

27. OPERATING LEASE ARRANGEMENTS

	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
The future minimum lease commitments receivable under non-cancellable operating leases are as follows:				
Not later than 1 year	**215,272**	166,852	**73,868**	84,312
Later than 1 year and not later than 5 years	**504,064**	411,659	**170,730**	191,436
Later than 5 years	**267,861**	33,270	**65,566**	20,057

The Group conducts its rental activities of its investment properties in Namibia and South Africa under operating leases. Contractual rental income earned during the year was N$326 million (2018: N$302 million). The properties were managed and maintained by independent real estate managers at a cost of N$1.7 million (2018: N$3.5 million). The contract expired October 2018 after which the Group insourced this function.

All of the properties held have a weighted average lease period of 3.5 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have the option to purchase the property at the end of the lease period. Refer to the Asset Manager's report on pages 32 to 42 which provides detail around the lessees.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

28. RECONCILIATION OF NET INCOME BEFORE TAX TO CASH

	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
GENERATED FROM OPERATING ACTIVITIES				
Profit before taxation	**302,957**	49,112	**9,296**	84,683
Adjustments:	**(101,030)**	142,465	**192,599**	103,376
Fair value adjustment to investment property	**(278,831)**	(23,430)	**(49,650)**	(24,107)
Fair value adjustment to hedging instruments	**5,072**	(1,460)	**5,072**	(1,460)
Fair value adjustment to listed investment	**2,752**	3,747	**2,752**	3,747
Dividend received	**(2,511)**	(2,496)	**(2,511)**	(39,048)
Investment income	**(489)**	(1,714)	**(435)**	(1,126)
Finance costs	**103,572**	82,462	**103,514**	82,462
Distributions to linked unitholders	**118,757**	108,027	**118,757**	108,027
Straight-line adjustment to revenue	**(4,662)**	(5,382)	**135**	622
Straight-line adjustment to fair value adjustment	**4,662**	5,382	**111**	(1,102)
Exchange differences on loans	**9,852**	-	**9,852**	-
Share of profit from associate after tax	**(26,263)**	-	**(26,263)**	-
Impairment loss on investment in subsidiaries	**-**	-	**64,187**	-
Allowance for doubtful debts	**(1,616)**	2,143	**(1,616)**	175
Amortisation of debenture premium	**(29,986)**	(25,587)	**(29,986)**	(25,587)
(Profit) / Loss on sale of investment property	**(1,457)**	686	**(1,457)**	686
Depreciation	**118**	87	**137**	87
Working capital changes:	**(951)**	4,818	**1,710**	7,445
Movement in trade and other receivables	**(4,179)**	(12,568)	**3,182**	(3,121)
Movement in deferred expenditure	**3,461**	2,552	**1,294**	385
Movement in trade and other payables	**(233)**	14,834	**(2,766)**	10,181
	200,976	196,395	**203,605**	195,504

29. DISTRIBUTION PAID TO LINKED UNITHOLDERS

The Group has historically distributed all of its distributable income to the shareholders. During the year under review, the Group decided that for the long term sustainability of the Group and to improve the liquidity of the Group, to revert to the Trust Deed which only requires payment of minimum of 90% of distributable income. The effect of this is a decrease in the overall distribution for the Group. Refer to note 3.14 for the accounting policy. The distributable income generated in the year was recognised as a liability at year end.

Debenture interest paid is reconciled as follows:				
Amounts unpaid at beginning of the year	**(50,788)**	(62,250)	**(50,788)**	(62,250)
Dividend amounts unpaid at beginning of the year (Refer to note 26)	**-**	(7,202)	**-**	(7,202)
Amounts charged to the income statement	**(118,757)**	(108,027)	**(118,757)**	(108,027)
Dividends paid (Refer to note 26)	**(13,179)**	(3,310)	**(13,179)**	(3,310)
Amounts unpaid at end of the year	**62,079**	50,788	**62,079**	50,788
	(120,645)	(130,001)	**(120,645)**	(130,001)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

30. TAXATION PAID

	GROUP 2019 N$ '000	GROUP 2018 N$ '000	COMPANY 2019 N$ '000	COMPANY 2018 N$ '000
Amounts unpaid at beginning of the year	**736**	(1,058)	**736**	(371)
Taxation charge to the income statement	**-**	-	**-**	-
Amounts unpaid at end of the year	**(736)**	(736)	**(736)**	(736)
	-	(1,794)	**-**	(1,107)

31. OTHER PROPERTY INCOME

Elisenheim rental	**-**	2,687	**-**	2,687
	-	2,687	**-**	2,687

The Group purchased land at a cost of N$45 million during the previous year and entered into a head lease with Trustco Group Holdings Limited. The head lease realised a 11% yield on the cost of the land from date of transfer to year end and is for a period of 10 years. As the head lease rental income is not in the ordinary course of business, the income earned was classified as other property income in the previous financial year. Due to the nature of the Elisenheim head lease, income generated on the property was offset against the investment property and was not included as revenue in the current financial year. This accounting treatment resulted in realised income on the head lease of N$5.7 million, not recorded in the income statement. The income was however added to distributable income as it is cash realised on our property.

32. DIVIDEND RECEIVED

	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
Dividend received is reconciled as follows:				
Amounts receivable at beginning of the year	**(1,282)**	-	**(1,282)**	-
Amounts raised in the statement of comprehensive income- listed investments	**(2,462)**	(3,778)	**(2,462)**	(3,778)
Dividends received from subsidiaries	**-**	-	**-**	(36,552)
Amounts receivable at end of the year	**1,233**	1,282	**1,233**	1,282
	(2,511)	(2,496)	**(2,511)**	(39,048)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

33. SEGMENT INFORMATION

33.1 INFORMATION ON REPORTABLE SEGMENTS

	TOTAL N$'000	RETAIL N$'000	INDUSTRIAL N$'000	OFFICES N$'000	FUND N$'000
GROUP					
2019					
Statement of comprehensive income					
Rental - operating income	320,154	218,843	62,040	39,209	62
Rental - straight-line adjustment	4,662	6,264	53	(1,655)	-
Revenue	324,816	225,107	62,093	37,554	62
Rental expenses	(101,384)	(74,725)	(12,913)	(12,750)	(996)
Net rental income	223,432	150,382	49,180	24,804	(934)
Investment income	489	(149,244)	54	-	149,679
Dividend received	2,462	-	-	-	2,462
Share of profit from associate after tax	26,263	-	-	-	26,263
Amortisation of debenture premium	29,986	-	-	-	29,986
Changes in fair value of derivative instruments	(5,072)	-	-	-	(5,072)
Changes in fair value of listed investments	(2,752)	-	-	-	(2,752)
Portfolio expenses	(19,228)	75,408	1,494	(14,281)	(81,849)
Profit on sale of investment property	1,457	-	1,457	-	-
Net changes in fair value of investment property	274,168	218,146	31,757	24,206	59
Exchange difference on foreign loan	(9,852)	-	-	-	(9,852)
Finance costs	(99,639)	(75)	(6,594)	(23)	(92,947)
Debenture interest	(118,757)	-	-	-	(118,757)
Taxation	95	(2,015)	(1,456)	529	3,037
Profit for the year	303,052	292,601	75,892	35,235	(100,677)
Other comprehensive income - Exchange differences on associate	9,760	-	-	-	9,760
Total comprehensive income for the year	312,812	292,601	75,892	35,235	(90,917)
Statement of financial position					
Properties - at valuation	2,913,942	1,972,033	622,642	319,267	-
Properties - straight-line basis adjustment	(56,108)	(39,833)	(14,836)	(1,439)	-
Other assets	464,509	79,371	17,075	(1,352)	369,415
Total assets	3,322,343	2,011,571	624,881	316,476	369,415
Total liabilities	2,025,956	31,462	24,879	3,480	1,966,135
Acquisitions and improvements	86,559	61,736	22,614	1,895	314

33. SEGMENT INFORMATION (CONTINUED)

33.1 INFORMATION ON REPORTABLE SEGMENTS (CONTINUED)

	TOTAL N$'000	RETAIL N$'000	INDUSTRIAL N$'000	OFFICES N$'000	FUND N$'000
GROUP					
2018					
Statement of comprehensive income					
Rental - cash flow basis	300,088	202,077	58,130	39,934	(53)
Rental - straight-line adjustment	5,382	5,862	(442)	(38)	-
Revenue	305,470	207,939	57,688	39,896	(53)
Rental expenses	(101,824)	(73,452)	(13,755)	(14,203)	(414)
Net rental income	203,646	134,487	43,933	25,693	(467)
Other property income	2,687	2,687			
Investment income	1,137	(131,310)	112	28	132,307
Dividend received	3,778	-	-	-	3,778
Amortisation of debenture premium	25,587	-	-	-	25,587
Profit on sale of investment property	1,460	-	-	-	1,460
Changes in fair value of investment property	(3,747)	-	-	-	(3,747)
Changes in fair value of hedging instruments	(17,485)	(1,616)	(1,336)	(490)	(14,043)
Changes in fair value of listed investments	(686)	-	(686)	-	-
Portfolio expenses	18,048	(18,346)	24,518	11,876	-
Finance costs	(77,286)	(398)	(7,971)	-	(68,917)
Debenture interest	(108,027)	-	-	-	(108,027)
Taxation	(10,864)	(2,559)	(7,088)	12	(1,229)
Comprehensive income for the year	38,248	(17,055)	51,482	37,119	(33,298)
Statement of financial position					
Properties - at valuation*	2,561,400	1,677,044	580,500	303,856	-
Properties - straight-line basis adjustment	(51,445)	(33,358)	(14,783)	(3,304)	-
Other assets	138,411	71,741	19,471	662	46,537
Total assets	2,648,366	1,715,427	585,188	301,214	46,537
Total liabilities	1,651,708	25,071	20,592	3,592	1,602,453
Acquisitions and improvements	173,578	165,974	6,498	1,053	53

Revenue reported above represents revenue, from external tenants, for the entire portfolio. The group does not place reliance on any single tenant. No single tenant contributed 10% or more to the Group's revenue for either 2018 or 2019.

33.2 GEOGRAPHICAL INFORMATION

The Group's revenue from tenants and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) by geographical location are detailed below:

	NAMIBIA N$'000	NON-NAMIBIAN N$'000	TOTAL N$'000
GROUP			
2019			
Rental - operating income	**311,490**	**8,664**	**320,154**
Rental - straight-line adjustment	**4,662**	**-**	**4,662**
Revenue	**316,152**	**8,664**	**324,816**
Share of profit from associate after tax	**-**	**26,263**	**26,263**
Profit for the year	**295,995**	**7,057**	**303,052**
Other information			
Properties	**2,778,351**	**79,483**	**2,857,834**
As per valuations	**2,831,192**	**82,750**	**2,913,942**
Straight-line basis adjustment	**(52,841)**	**(3,267)**	**(56,108)**
Sectoral spread	**97%**	**3%**	**100%**
Total Assets	**2,881,075**	**441,268**	**3,322,343**
Total Liabilities	**(1,655,119)**	**(370,837)**	**(2,025,956)**
GROUP			
2018			
Rental - operating income	289,056	11,032	300,088
Rental - straight-line adjustment	7,105	(1,723)	5,382
Revenue	296,161	9,309	305,470
Profit for the year	81,280	(4,854)	76,426
Other information			
Properties	2,417,821	92,134	2,509,955
As per valuations	2,466,000	95,400	2,561,400
Straight-line basis adjustment	(48,179)	(3,266)	(51,445)
Sectoral spread	96%	4%	100%
Total Assets	2,513,490	134,876	2,648,366
Total Liabilities	(1,568,726)	(82,983)	(1,651,708)

34. GUARANTEES

Guarantees to the amount of N$1,288,713 (2018: N$1,288,713) issued in favour of the City of Windhoek for electricity and water deposits for local companies, N$150,000 (2018: N$150,000) towards Nelson Mandela Bay Municipality, South Africa.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

35. STATEMENT OF FINANCIAL POSITION

35.1 CATEGORIES OF FINANCIAL INSTRUMENTS

	NOTES	AT FAIR VALUE THROUGH PROFIT AND LOSS N$ '000	FINANCIAL ASSETS/ (LIABILITIES) AT AMORTISED COST N$ '000	FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE N$ '000	TOTAL N$ '000
GROUP					
2019					
ASSETS					
Investment properties	6	-	-	2,857,834	2,857,834
Furniture and equipment	7	-	-	219	219
Investment in listed shares	10	23,623	-	-	23,623
Deferred expenditure	11.1	-	-	17,256	17,256
Rental receivable straight-line adjustment		-	-	56,108	56,108
Trade and other receivables	11.2	-	25,929	6,679	32,608
Investment in associate	9	-	-	326,068	326,068
Dividend receivable	32	-	1,233	-	1,233
Taxation receivable		-	-	736	736
Cash and cash equivalents	11.3	-	6,658	-	6,658
Total assets		23,623	33,820	3,264,900	3,322,343
LIABILITIES					
Debentures	16.1	-	(392,127)	-	(392,127)
Debenture premium	16.1	-	(353,107)	-	(353,107)
Interest-bearing borrowings	16.2	-	(1,159,686)	-	(1,159,686)
Derivative liability	17	(5,162)	-	-	(5,162)
Deferred taxation	18	-	-	(22,993)	(22,993)
Trade and other payables	19	-	(25,860)	(3,783)	(29,643)
Deferred income	20	-	-	(1,159)	(1,159)
Linked unitholders for distribution		-	(62,079)	-	(62,079)
Total liabilities		(5,162)	(1,992,859)	(27,935)	(2,025,956)
GROUP					
2018					
ASSETS					
Investment properties	6	-	-	2,509,955	2,509,955
Furniture and equipment	7	-	-	40	40
Investment in listed shares	10	26,379	-	-	26,379
Deferred expenditure	11.1	-	-	20,717	20,717
Rental receivable straight-line adjustment		-	-	51,446	51,446
Derivative asset	17	1,751	-	-	1,751
Trade and other receivables	11.2	-	15,473	11,340	26,813
Dividend receivable	32	-	1,282	-	1,282
Taxation receivable		-	-	736	736
Cash and cash equivalents	11.3	-	9,747	-	9,747
Total assets		28,130	26,502	2,594,234	2,648,866
LIABILITIES					
Debentures	16.1	-	(349,387)	-	(349,387)
Debenture premium	16.1	-	(245,131)	-	(245,131)
Interest-bearing borrowings	16.2	-	(950,805)	-	(950,805)
Derivative liability	17	(1,341)	-	-	(1,341)
Deferred taxation	18	-	-	(23,087)	(23,087)
Trade and other payables	19	-	(28,543)	(1,333)	(29,876)
Taxation payable		-	-	-	-
Deferred income	20	-	-	(1,293)	(1,293)
Linked unitholders for distribution		-	(50,788)	-	(50,788)
Total liabilities		(1,341)	(1,624,654)	(25,714)	(1,651,708)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

	NOTES	AT FAIR VALUE THROUGH PROFIT AND LOSS N$ '000	FINANCIAL ASSETS/ (LIABILITIES) AT AMORTISED COST N$ '000	FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE N$ '000	TOTAL N$ '000
COMPANY					
2019					
ASSETS					
Investment properties	6	-	-	622,905	622,905
Furniture and equipment	7	-	-	219	219
Interest in subsidiaries	8	-	1,379,293	-	1,379,293
Investment in listed shares	10	23,623	-	-	23,623
Deferred expenditure	11.1	-	-	3,187	3,187
Rental receivable straight-line adjustment		-	-	16,765	16,765
Investment in associate	9	-	-	326,068	326,068
Trade and other receivables	11.2	-	12,676	-	12,676
Dividend receivable	32	-	1,233	-	1,233
Taxation receivable		-	-	736	736
Cash and cash equivalents	11.3	-	6,247	-	6,247
Total assets		23,623	1,399,449	969,880	2,392,952
LIABILITIES					
Debentures	16.1	-	(392,330)	-	(392,330)
Debenture premium	16.1	-	(353,349)	-	(353,349)
Interest bearing borrowings	16.2	-	(1,159,686)	-	(1,159,686)
Derivative liability	17	(5,162)	-	-	(5,162)
Deferred taxation	18	-	-	(787)	(787)
Trade and other payables	19	-	(13,725)	(5,315)	(19,040)
Taxation payable		-	-	-	-
Deferred income	20	-	-	(1,135)	(1,135)
Linked unitholders for distribution		-	(62,079)	-	(62,079)
Total liabilities		(5,162)	(1,981,169)	(7,237)	(1,993,568)
COMPANY					
2018					
ASSETS					
Investment properties	6	-	-	557,024	557,024
Furniture and equipment	7	-	-	133	133
Interest in subsidiaries	8	-	1,383,010	-	1,383,010
Investment in listed shares	10	26,379	-	-	26,379
Deferred expenditure	11.1	-	-	4,481	4,481
Rental receivable straight-line adjustment		-	-	16,899	16,899
Derivative asset	17	1,251	-	-	1,251
Deferred taxation	18	-	-	-	-
Trade and other receivables	11.2	-	14,242	-	14,242
Dividend receivable	32	-	1,282	-	1,282
Taxation receivable		-	-	736	736
Cash and cash equivalents	11.3	-	9,711	-	9,711
Total assets		27,630	1,408,245	579,273	2,015,148
LIABILITIES					
Debentures	16.1	-	349,590	-	349,590
Debenture premium	16.1	-	245,373	-	245,373
Interest-bearing borrowings	16.1	-	950,805	-	950,805
Derivative liability	17	1,341	-	-	1,341
Deferred taxation	18	-	-	2,426	2,426
Trade and other payables	19	-	20,473	1,333	21,806
Taxation payable		-	-	-	-
Deferred income	20	-	-	1,246	1,246
Linked unitholders for distribution		-	50,788	-	50,788
Total liabilities		1,341	1,617,029	5,005	1,623,375

36. FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist mainly of deposits with banks, interest-bearing liabilities, derivative instruments, trade and other receivables, trade and other payables, debentures and linked unitholders for distribution. In the normal course of its operations, the Group is inter alia exposed to capital, credit, liquidity and market risk. In order to manage and minimise these risks, the Group may enter into transactions that make use of derivatives.

The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Risk, Audit and Compliance Committee on a continuous basis. The Group does not speculate in or engage in the trading of derivative instruments.

36.1 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as disclosed in note 14 and 16.1 after deducting cash and bank balances) and equity of the Group.

The Group has a business planning process that runs on an annual cycle with regular updates to projections. It is through this process, which includes risk and sensitivity analyses of forecasts, that the Group's capital is managed. The Group has specifically adopted the following capital management policies:

- maintenance, as a minimum, of capital sufficient to meet the statutory requirements and such additional capital as management believes is necessary; and
- maintenance of an appropriate level of liquidity at all times. The Group further ensures that it can meet its expected capital and financing needs at all times, having regard to the business plans, forecasts and any strategic initiatives.

The Group has both qualitative and quantitative risk management procedures to monitor the key risks and sensitivities of the business. This is achieved through scenario analyses and risk assessments. From an understanding of the principal risks, appropriate risk limits and controls are defined.

As part of the reviews performed, the Group embarked on a rights issue process during the reporting period in order to improve the overall liquidity and gearing of the Group. Refer to note 16.1 for more detail. Further to this, the Group performed a Vendor Placement in order to purchase a property as detailed in note 6 rather than using the Group's debt facilities. The Group further evaluated the long term sustainability of the Group and therefore reverted to paying out 90% of distributable income for the final distribution that will add to the overall improvement of liquidity of the Group. The 90% principle will be applied for the next financial year.

As at 30 June 2019 the gearing ratio was 34.9% (2018: 35.9%). The Group has an internal limit of 40% gearing. The gearing ratio at 30 June 2019 is below the target and is mainly attributable to growth in the investment property balance.

36.2 CREDIT RISK MANAGEMENT

Credit risk is the risk of loss associated with a counterparty's failure or inability to fulfil its contractual obligations. The valuation of the relevant financial instrument takes into account the effect of credit risk on fair value by including an appropriate adjustment for the risk taken.

The Group's credit risk is primarily attributable to its trade receivables. In order to minimise credit risk, the Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Management monitors the financial position of its tenants on an ongoing basis. The Group does not have significant credit risk exposure to any single tenant. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Expected Credit Losses (ECL)
Accordingly, for the purpose of impairment assessment for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL. In determining the expected credit losses for these assets, the directors of the Group have taken into account the historical default experience and the financial position of the counterparties. Management has assessed the recoverability of each financial asset, excluding trade receivables, based on historical default experience. An impairment loss was recognised for the investment in United Fitness House (Pty) Ltd in the Company only accounts. Refer to detail regarding the impairment in note 8.

The Group's financial assets that are potentially subject to credit risk include cash resources and trade receivables. The credit risk attached to the Group's cash resources is minimised by its cash resources only being placed with reputable financial institutions, as well as by keeping cash on hand to a relatively low level. Refer to note 11.2 for details on the trade receivable credit risk.

	GROUP		COMPANY	
	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
Total credit exposure				
Interest in subsidiaries (excluding shares) (note 8)	-	-	1,379,293	1,325,004
Investment in listed shares (note 10)	23,623	26,379	23,623	26,379
Trade receivables (less impairment) (note 11.2)	25,929	16,649	12,676	15,524
Investment in associate (note 9)	326,068	-	326,068	-
Derivative asset (note 17)	-	1,251	-	1,251
Dividend receivable (note 32)	1,233		1,233	
Cash and cash equivalents (note 11.3)	6,658	9,747	6,247	9,711
	383,511	54,026	1,749,140	1,377,869

The total credit exposure relates to cash resources and trade and other receivables. Although the Group does not perceive there to be a credit risk relating to cash resources, the exposure to a single counterparty with respect to tenant receivables could be a potential for risk. The top 10 tenants by rental area are disclosed on page 39 of this report and 83.8% (2018: 96.4%) of total floor space is occupied by major Southern African companies or their franchisees and major Namibian tenants.

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36.2 CREDIT RISK MANAGEMENT (CONTINUED)

	SHORT TERM	LONG TERM	OUTLOOK	CREDIT RATING AGENCY
Cash and cash equivalents				
Bank Windhoek Limited	**A1+(NA)**	AA(NA)	**Stable**	Global
Nedbank Namibia Limited (Below)	**Below**	Below	**Below**	Below
Nedbank Limited	**A1+(ZA)**	AA(ZA)	**Stable**	Global
Nedbank Limited	**zaA-1+**	zaAA+	**Stable**	Standard & Poor
Nedbank Limited	**P-1(za)**	Aa1(za)	**Stable**	Moody's

Nedbank Namibia Limited adopts the rating of its holding company Nedbank Limited (based on National scale), which is the same as for Nedbank Limited reflected above.

The management monitors the credit ratings of counterparties regularly and at the reporting date does not expect any losses from non-performance by the counterparties. For all financial assets to which the impairment requirements have not been applied, the carrying amount represents the maximum exposure to credit loss.

36.3 MARKET RISK

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Interest rate movements impact on the value of the Group's short-term cash investments, interest bearing borrowings, accounts receivable and payable. The exposure to interest rate risk is managed through monitoring cash flows and fixing interest rates on borrowings when appropriate, which enables the Group to maximise returns while minimising risks. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite; ensuring the most cost-effective hedging strategies are applied. Currently 65% (2018: 49%) of interest bearing borrowings have a fixed interest rate. Refer to note 17 for more detail on the interest rate swaps.

The Group is exposed to interest rate fluctuations as not all the debts are fixed at year end.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis
The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at reporting date was outstanding for the whole year. The below table illustrates the potential impact that a 1% change in interest rates could have on the profit before debenture interest, assuming the full balance at reporting date attracts interest.

	NOTES	GROUP BALANCE AT REPORTING DATE N$'000	GROUP 1% INTEREST IMPACT N$'000	COMPANY BALANCE AT REPORTING DATE N$'000	COMPANY 1% INTEREST IMPACT N$'000
2019					
ASSETS					
Non-current assets					
Interest in subsidiaries (excluding shares)	8	-	-	1,321,287	13,213
Current assets					
Trade and other receivables	11.2	21,836	218	4,009	40
Cash and cash equivalents	11.3	6,658	67	6,247	62
LIABILITIES					
Non-current liabilities					
Interest bearing borrowings	16.2	(774,760)	(7,748)	(774,760)	(7,748)
Current liabilities					
Interest bearing borrowings	16.2	(384,927)	(3,849)	(384,927)	(3,849)
		(1,131,193)	(11,312)	171,856	1,718
2018					
ASSETS					
Non-current assets					
Interest in subsidiaries (excluding shares)	8	-	-	1,325,004	13,250
Current assets					
Trade and other receivables	11.2	11,695	117	4,025	40
Other investments		5	-	5	-
Cash and cash equivalents	11.3	9,742	97	9,706	97
LIABILITIES					
Non-current liabilities					
Interest-bearing borrowings	16.2	(428,813)	(4,288)	(428,813)	(4,288)
Current liabilities					
Interest-bearing borrowings	16.2	(521,992)	(5,220)	(521,992)	(5,220)
		(929,363)	(9,294)	387,935	3,879

The Group's sensitivity to interest rates has increased during the current year mainly due to the increase in the debt drawn.

36. FINANCIAL RISK MANAGEMENT (CONTINUED)

36.4 LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Group proactively manages its liquidity risk by regularly assessing working capital requirements and monitoring cash flows, whilst ensuring surplus cash is invested in a manner to achieve maximum returns.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the actual settlement amounts of financial liabilities based on the earliest date on which the Group can be required to pay.

	GROUP		COMPANY	
	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
Less than 3 months				
- Trade and other payables	**29,643**	29,876	**19,040**	21,806
- Interest-bearing borrowings	**140,000**	-	**140,000**	-
- Distributions payable	**62,079**	50,788	**62,079**	50,788
- Interest payable *	**11,298**	9,091	**11,298**	9,091
Between 3 months and 1 year				
- Interest payable *	**56,490**	49,863	**56,490**	49,863
- Interest-bearing borrowings	**244,926**	521,992	**244,926**	521,992
Between 1 and 5 years				
- Interest-bearing borrowings	**774,760**	428,813	**774,760**	428,813
- Interest payable *	**77,536**	56,634	**77,536**	56,634
After 5 years				
- Debentures	**392,127**	349,387	**349,387**	349,387
	1,788,859	1,496,444	**1,735,516**	1,488,374

* Includes payments of fixed interest rates inherent in the swap agreements.

At 30 June 2019, the Group had access to financial facilities, of which N$149 million (2018 : N$87 million) is unutilised and has a remaining borrowing capacity in terms of the articles of association of N$834 million (2018: N$638 million). The Group expects to meet its obligations from operating cash flows and long term debt. The interest bearing borrowings and debentures will be re-financed on maturity.

Bank Windhoek Revolving Credit Facilities were in a favourable balance at the reporting date and thus classified under cash and cash equivalents. Absa and Nedbank Namibia Limited Revolving Credit Facilities are classified under current liabilities. An annual review has to be performed on all the Revolving Credit Facilities before it is extended for another 12 month period. Refer to note 16.2 for detail regarding the loans that matured or is due for maturity in the new financial year.

Debentures are required to be discounted in terms of IFRS 7, however due to the nature of a property loan stock company, it is impractical to do so. Returns on debentures are paid in the form of debenture interest, which is calculated based on the profits in the Group at the end of the reporting period. Such profits cannot be reliably estimated to the maturity date of the debentures.

36.5 FOREIGN CURRENCY RISK MANAGEMENT

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved parameters. The Group does not hedge its foreign currency exposure but rather maintains the dividends recieved in Euro in the CFC account to settle the interest on the Euro loan which is also denominated in Euro.

The carrying amounts of the Group's foreign currency denominated assets and liabilities at the end of reporting period are as follows:

	GROUP		COMPANY	
	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
Non-current assets				
Investment in associate	**326,068**	-	**326,068**	-
Current assets				
Nedbank Namibia Limited - CFC account	**2,250**	-	**2,250**	-
Non-current liabilities				
Interest-bearing borrowings	**(309,760)**	-	**(309,760)**	-

The Group is mainly exposed to Euros relating to the assets and liabilities disclosed above as a result of the investment made in Croatia.

The following table details the Group's sensitivity to a 5% increase and decrease in the Namibian Dollar against the Euro. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where currency units strengthens 5% against the relevant currency. For a 5% weakening of currency units against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	GROUP		COMPANY	
	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
Profit or (loss) on financial assets	**16,416**	-	**16,416**	-
Profit or (loss) on financial liabilities	**(15,488)**	-	**(15,488)**	-
Profit or (loss)	928	-	**928**	-

This is the first year that the Group has been exposed to the foreign currency as a result of the conclusion of the investment in associate as disclosed in note 9. Refer to the accounting policy note that details the exchange rate used for the recording of the foreign currency.

37. FAIR VALUE HIERARCHY

An entity is required in terms of IFRS 13 to disclose for each class of asset or liability that is carried at fair value, the level into which the fair value measurement will be classified in the fair value hierarchy.

The fair value hierarchy quantifies the significance and nature of the inputs that were used in measuring the fair value of each class of asset or liability. The lowest level input used that is significant to the fair value measurement will determine the level into which it is categorised.

37. FAIR VALUE HIERARCHY (CONTINUED)

The table below provides an analysis of assets or liabilities that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset and liability, either directly or indirectly; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for asset or liability that are not based on observable market data.

	NOTES	LEVEL 1 N$'000	LEVEL 2 N$'000	LEVEL 3 N$'000	DESIGNATED AT FAIR VALUE N$'000
GROUP					
2019					
ASSETS					
Investment properties - at valuation	6	-	-	2,913,942	2,913,942
Investment in listed shares	10	23,623	-	-	23,623
		23,623	-	2,913,942	2,937,565
LIABILITIES					
Derivative liability	17	-	(5,162)	-	(5,162)
2018					
ASSETS					
Investment properties - at valuation	6	-	2,561,400	-	2,561,400
Investment in listed shares	10	26,379	-	-	26,379
Derivative asset	17	-	1,251	-	1,251
		26,379	2,562,651	-	2,589,030
LIABILITIES					
Derivative liability	17	-	(1,341)	-	(1,341)

	NOTES	LEVEL 1 N$'000	LEVEL 2 N$'000	LEVEL 3 N$'000	DESIGNATED AT FAIR VALUE N$'000
COMPANY					
2019					
ASSETS					
Investment properties - at valuation	6	-	-	636,892	636,892
Investment in listed shares	10	23,623	-	-	23,623
		23,623	-	636,892	660,515
LIABILITIES					
Derivative liability	17	-	(5,162)	-	(5,162)

	NOTES	LEVEL 1 N$'000	LEVEL 2 N$'000	LEVEL 3 N$'000	DESIGNATED AT FAIR VALUE N$'000
COMPANY (CONTINUED)					
2018					
ASSETS					
Investment properties - at valuation	6	-	570,900	-	570,900
Investment in listed shares	10	26,379	-	-	26,379
Derivative asset	17	-	1,251	-	1,251
		26,379	572,151	-	598,530
LIABILITIES					
Derivative liability	17	-	(1,341)	-	(1,341)

During the year the Group transferred the investment property from level 2 to level 3. Management believe that the disclosure is more appropriate given that the valuation technique applies unobservable inputs, namely estimated rental value, discount and capitalisation rates, assumptions regarding vacancy levels and expectations of rentals from future leases into perpetuity. The transfer occurred at year end.

There were no other transfers between level 1, 2 or 3 during the year.

LEVEL 1 ASSET OR LIABILITY - VALUATION TECHNIQUE

The fair value of these asset or liability is based on quoted market prices industry bank or pricing service.

LEVEL 2 ASSET OR LIABILITY - VALUATION TECHNIQUE

LIABILITIES		
Derivative liability	Discounted cash flow model	Discount rates
Trade and other payables	Discounted cash flow model	Discount rates

LEVEL 3 ASSET - VALUATION TECHNIQUE

ASSETS	VALUATION TECHNIQUE	KEY IN PUTS
Investment properties - at valuation	**Discounted cashflow model**	Discount rates, Capitalisation rates, Reversionary capitalisation rates
	Reversionary rate method	Capitalisation rates, Reversionary capitalisation rates
	Perpetuity method	Capitalisation rates

Discount rate: Where discounted cashflow techniques are used, estimates and the discount rate used is a market rate at the reporting date for an instrument with similar terms and conditions.

SENSITIVITY ANALYSIS

Various market conditions may affect the assumptions applied to the key inputs to the valuation model. The below table illustrates the potential impact that a 0.25% change in both the capitalisation and the discount rates could have on the property valuation.

37. FAIR VALUE HIERARCHY (CONTINUED)

SENSITIVITY ANALYSIS (CONTINUED)

	2019		2018	
GROUP	**AVERAGE CAPITALISATION RATE**	**AVERAGE DISCOUNT RATE**	**AVERAGE CAPITALISATION RATE**	**AVERAGE DISCOUNT RATE**
Actual	**8.16%**	**14.04%**	8.62%	12.31%
0.25% increase	**8.41%**	**14.29%**	8.87%	12.56%
0.25% decrease	**7.91%**	**13.79%**	8.37%	12.06%
	PORTFOLIO VALUE	**PORTFOLIO VALUE**	**PORTFOLIO VALUE**	**PORTFOLIO VALUE**
0.25% increase	**2,824,268,032**	**2,859,912,105**	2,486,231,045	2,507,395,061
0.25% decrease	**3,002,891,416**	**2,963,618,724**	2,634,671,843	2,611,314,707
	CHANGE IN VALUE	**CHANGE IN VALUE**	**CHANGE IN VALUE**	**CHANGE IN VALUE**
0.25% increase	**(86,573,968)**	**(50,929,895)**	(72,068,955)	(50,904,939)
0.25% decrease	**92,049,416**	**52,776,724**	76,371,843	53,014,707

	2019		2018	
COMPANY	**AVERAGE CAPITALISATION RATE**	**AVERAGE DISCOUNT RATE**	**AVERAGE CAPITALISATION RATE**	**AVERAGE DISCOUNT RATE**
Actual	**7.44%**	**16.3%**	8.80%	6.32%
0.25% increase	**7.69%**	**16.28%**	9.05%	6.57%
0.25% decrease	**7.19%**	**15.78%**	8.55%	6.07%
	PORTFOLIO VALUE	**PORTFOLIO VALUE**	**PORTFOLIO VALUE**	**PORTFOLIO VALUE**
0.25% increase	**616,180,860**	**627,109,005**	555,128,992	549,167,344
0.25% decrease	**659,043,856**	**646,985,065**	587,593,307	594,423,620
	CHANGE IN VALUE	**CHANGE IN VALUE**	**CHANGE IN VALUE**	**CHANGE IN VALUE**
0.25% increase	**(20,711,140)**	**(9,782,995)**	(15,771,008)	(21,732,656)
0.25% decrease	**22,151,856**	**10,093,065**	16,693,307	23,523,620

The time value of money: The business may use well-accepted and readily observable general interest rates or an appropriate swap rate, as the benchmark rate to derive the present value of a future cashflow.

38. RELATED PARTY TRANSACTIONS

		GROUP		COMPANY	
PARTY CONCERNED	**TRANSACTION**	**2019 N$ '000**	**2018 N$ '000**	**2019 N$ '000**	**2018 N$ '000**
Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:					
Key management personnel	- Executive remuneration	**3,100**	1,958	**3,100**	1,958
	- Sort term incentive bonus	**265**	450	**265**	450
Directors' fees	- Non-executive	**2,635**	2,519	**2,635**	2,519
Trustee fees	- Trustees of Share Incentive Trust	**-**	-	**-**	-
Rental paid	- Spouse of director, A Swanepoel	**-**	51	**-**	51
Vendor placement (note 16.1)	- Acquisition of Steeldale Property for the issue of shares	**20,857**	-	**20,857**	-

The remuneration of directors is determined by the Board, refer to the Remuneration and Nomination Committee report on pages 78 to 79.

Refer to note 8 for disclosure around transactions with subsidiaries.

39. CAPITAL COMMITMENTS

	2019 N$ '000	2018 N$ '000	2019 N$ '000	2018 N$ '000
Authorised and not contracted	**86,700**	17,400	**-**	17,400
Authorised and contracted	**52,000**	380,798	**52,000**	300,000
	138.700	398,198	**52,000**	317,400

40. SUBSEQUENT EVENTS

Subsequent to year end the Group concluded the refinancing of the N$140 million term loan that was set to mature during the 2020 financial year. The loan was refinanced with Standard Bank Namibia Limited (Standard Bank). We have further refinanced our N$85 million Revolving Credit Facility with Standard Bank. Oryx further concluded the acquisition of residential properties consisting of three complexes and will be purchased for an amount of N$86.7 million with a facility secured at Standard Bank Namibia. The residential loan will be priced at 3 month JIBAR + 2%. Ms Roswitha Gomachas was appointed to the Board effective 1 July 2019 and will be representing our largest shareholder, GIPF. There were no other subsequent events noted.

41. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements set out on pages 88 to 159 which have been prepared on a going concern basis, were approved by the Board of directors on 25 September 2019.

UNITHOLDERS' DIARY

Financial year end	30 June 2019
Annual general meeting	20 November 2019

Distribution plan dates in respect of the financial year ending 30 June 2020:

FINANCIAL PERIOD	DECLARATION DATE	LAST DATE TO REGISTER	PAYMENT DATE
1st half to 31st December 2019	Monday 2 March 2020	Friday 20 March 2020	Friday 3 April 2020
2nd half to 30th June 2020*	Friday 28 August 2020	Friday 18 September 2020	Friday 2 October 2020*

*Unitholders are advised that the 2nd half year distributions dates are subject to change as management are in the process of aligning and streamlining the reporting and release of the annual report with the distributions announcement. Unitholders will be advised of any changes to these dates during the release of the half year results for 2020.

	NUMBER OF UNITHOLDERS	% OF UNITHOLDERS	NUMBER OF UNITS HELD	% OF ISSUED UNITS
2019 ANALYSIS OF UNITHOLDERS				
SIZE OF HOLDING				
1 - 99	4	1.0	177	0.0
100 - 499	128	33.0	29,065	0.0
500 - 999	14	3.6	9,071	0.0
1,000 - 1999	41	10.6	51,859	0.1
2,000 - 2999	18	4.6	41,137	0.0
3,000 - 3999	15	3.9	51,043	0.1
4,000 - 4999	12	3.1	50,566	0.1
5,000 - 5999	20	5.2	136,620	0.2
Over 10,000	136	35.1	87,009,297	99.6
	388	**100.0**	**87,378,835**	**100.0**
TYPE OF UNITHOLDERS				
Individuals and Estates	292	75.5	4,750,693	5.4
Trusts	15	3.9	1,116,546	1.3
Nominee Other	5	1.3	2,713,899	3.1
Nominee Private Clients	17	4.4	162,603	0.2
Nominee Corporates & Unit Trusts	16	3.9	11,380,903	12.9
Nominee Pension Fund	31	8.0	50,146,455	57.3
Nominee Trusts	5	1.3	203,590	0.5
Corporate Bodies	7	1.8	16,904,146	19.3
	388	**100.0**	**87,378,835**	**100.0**

	NUMBER OF UNITS HELD	% OF ISSUED UNITS
SIGNIFICANT UNITHOLDERS		
Unitholders invested in 1% or more of the company		
Standard Bank Namibia Nominees (Pty) Ltd*	27,958,725	32.0
TLP Investments One Three Seven (Pty) Ltd*	16,734,626	19.5
CBN Nominees (Pty) Ltd*	5,249,889	6.0
First National Bank Nominees (Pty) Ltd*	31,156,689	35.7
	81,099,929	93.2

* Shares held by nominees consist of units held on behalf of various unit holders

UNITHOLDER SPREAD	NUMBER OF UNITHOLDERS	% OF ISSUED UNITS	NUMBER OF UNITS HELD	% OF ISSUED UNITS
NON-PUBLIC				
Held by Directors: Direct	3	0.8	76,988	0.1
Held by Directors: Indirect	2	0.5	4,709,815	5.4
Held by related trust: Direct	1	0.3	45,500	0.1
Holdings > 10% of issued units	3	0.8	68,088,413	77.9
Public	379	97.6	14,458,119	16.5
TOTAL	388	100.0	87,378,835	100.0

	NUMBER OF UNITHOLDERS	% OF UNITHOLDERS	NUMBER OF UNITS HELD	% OF ISSUED UNITS
2018				
ANALYSIS OF UNITHOLDERS				
SIZE OF HOLDING				
1 - 99	4	1.0	217	0.0
100 - 499	127	32.7	28,944	0.0
500 - 999	15	3.9	10,017	0.0
1,000 - 1,999	38	9.7	47,567	0.1
2,000 - 2,999	19	4.9	43,701	0.1
3,000 - 3,999	12	3.1	40,981	0.0
4,000 - 4,999	13	3.3	55,474	0.1
5,000 - 10,000	24	6.2	158,999	0.2
Over 10,000	137	35.2	77,473,891	99.5
	389	**100.0**	**77,859,791**	**100.0**
TYPE OF UNITHOLDERS				
Individuals and Estates	290	74.55	4,250,488	5.5
Trusts	14	3.6	775,199	1.0
Nominee Other	5	1.3	2,012576	2.6
Nominee Private Clients	17	4.4	116,876	0.1
Nominee Corporates & Unit Trusts	16	4.11	12,188,505	15.7
Nominee Pension Fund	34	8.7	43,244,761	55.5
Nominee Trusts	5	1.3	200,338	0.2
Corporate Bodies	8	2.0	15,071,048	19.4
	389	**100.0**	**77,859,791**	**100.0**

	NUMBER OF UNITS HELD	% OF ISSUED UNITS
SIGNIFICANT UNITHOLDERS		
Unitholders invested in 1% or more of the company		
Standard Bank Namibia Nominees (Pty) Ltd*	22,414,375	28.8
TLP Investments One Three Seven (Pty) Ltd*	14,547,748	18.8
CBN Nominees (Pty) Ltd*	5,149,471	6.6
First National Bank Nominees (Pty) Ltd*	29,951,356	38.5
	72,062,950	92.7

* Shares held by nominees consist of units held on behalf of various unit holders

UNITHOLDER SPREAD	NUMBER OF UNITHOLDERS	% OF ISSUED UNITS	NUMBER OF UNITS HELD	% OF ISSUED UNITS
NON-PUBLIC				
Held by Directors: Direct	2	0.5	46,967	0.1
Held by Directors: Indirect	2	0.5	3,944,769	5.1
Held by related trust: Direct	1	0.3	50,558	0.1
Holdings > 10% of issued units	3	0.8	64,597,190	83.0
PUBLIC	383	98.00	9,220,307	11.7
TOTAL	391	100.0	77,859,791	100.0

	2019	2018
Units traded and issued		
Number of units traded on the NSX	2,614,592	6,854,225
Number of units traded off market	1,086,878	-
Units traded as a weighted percentage of issued capital (%)	4.24	8.80
NSX price history (cents)		
12 month high	2,021	2,072
12 month low	1,950	2,020
Closing price	1,950	2,020

ORYX PROPERTIES LIMITED
REG. NO. 2001/673

NOTICE TO ALL UNITHOLDERS

PLEASE TAKE NOTE
that the Annual General Meeting of the Group will be held
at Am Weinberg conference centre,
13 Jan Jonker Street, Windhoek, Namibia
on 20 November 2019 at 10:00.

1. **Notice convening the Meeting**

2. **Apologies**

3. **Confirmation of the minutes of the Annual General Meeting held on 21 November 2018**

4. **Report of the Chairperson of Oryx Properties Limited**

To consider and, if deemed fit, to pass, with or without modification, the following Ordinary Resolutions: Unitholders are advised that in order for all Ordinary Resolutions to be passed, votes in favour must represent at least 50% + 1 (fifty percent plus one) of all votes cast and/or exercised at the meeting in respect of these resolutions.

5. **ANNUAL FINANCIAL STATEMENTS**
Ordinary Resolution Number 1:
RESOLVED THAT the audited financial statements for the Company for the year ended 30 June 2019, including the directors' report and the report of the independent auditors, be adopted.

6. **NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR ENDED 30 JUNE 2019**
Ordinary Resolution Number 2:
TO RATIFY the remuneration of the non-executive directors for the financial year ended 30 June 2019 as set out on page 78 of the Integrated Annual Report of which this notice of the general meeting forms part.

7. **EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR ENDED 30 JUNE 2019**
Ordinary Resolution Number 3:
TO RATIFY the remuneration of the executive directors for the financial year ended 30 June 2019 as set out on page 79 of the Integrated Annual Report of which this notice of the general meeting forms part.

8. **NON-EXECUTIVE DIRECTORS' REMUNERATION FOR THE YEAR ENDED 30 JUNE 2020**
Ordinary Resolution Number 4:
RESOLVED THAT, in accordance with section 304 of the Companies Act, fees to be paid by the company to the non-executive directors for their services as directors be and are hereby approved as follows:

	FEES FOR THE 2019 FINANCIAL YEAR PAID		PROPOSED FEES FOR THE 2020 FINANCIAL YEAR	
FEES PER MEETING ATTENDED	CHAIRPERSON N$	DIRECTOR/ COMMITTEE MEMBER N$	CHAIRPERSON 2020 N$	DIRECTOR/ COMMITTEE MEMBER N$
Board	317,790	176,550	336,857	187,143
Risk, Audit and Compliance Committee	180,322	120,215	191,141	127,427
Remuneration and Nomination Committee	120,215	80,143	127,427	84,952
Investment Committee	120,215	80,143	127,427	84,952

Deputy Chairperson proposed fee for the 2020 financial year is N$254,855 per annum.

9. **NON-EXECUTIVE DIRECTORS FEE STRUCTURE**
Ordinary Resolution Number 5:
TO APPROVE the fee structure of the non-executive directors for the ensuing year which conforms with Principle C2.25.10 of the NamCode.

Non-executive directors' fees are benchmarked against:
- The annual PWC South Africa report on non-executive directors' fee trends for similar companies on the JSE; and
- Norms of directors' fees paid in Namibia per the annual PWC report.

Non-executive directors' fees are structured as follows:
- Board
  Fixed fee based on four meetings per annum, paid quarterly;
  Fixed fee for chairperson based on four meetings per annum, paid quarterly; and
  Attendance of additional meetings at an hourly rate but capped on a daily basis.
- Risk, Audit and Compliance Committee
  Fixed fee based on three meetings per annum, paid quarterly;
  Fixed fee for chairperson based on three meetings per annum, paid quarterly; and
  Attendance of additional meetings at an hourly rate but capped on a daily basis.
- Remuneration and Nomination Committee
  Fixed fee based on two meetings per annum, paid quarterly;
  Fixed fee for the chairperson based on two meetings per annum, paid quarterly; and
  Attendance of additional meetings at an hourly rate but capped on a daily basis.
- Investment Committee
  Fixed fee based on two formal meetings per annum and ad hoc conference call meetings, paid quarterly;
  Fixed fee for chairperson based on two formal meetings per annum, paid quarterly; and
  Attendance of additional meetings at an hourly rate but capped on a daily basis.

10. UNISSUED LINKED UNITS

Ordinary Resolution Number 6:

RESOLVED THAT the authorised, but unissued ordinary and preference shares, in the capital of the Company be and are hereby placed under the control of the directors of the Company until the next annual general meeting, who are authorised to allot, issue and otherwise dispose of such shares and linked units at their discretion, subject at all times to the provisions of the Companies Act, 2004 (Act 28 of 2004), as amended, the Company's Articles of Association and the Listing Requirements of the NSX, provided that each ordinary share of one (1) cent each be issued together with an unsecured variable-rate debenture of 449 cents each as a linked unit.

The number of units issued per financial year may not exceed 10% of the total number of shares in issue determined immediately prior to each issue of new units. The issue of such units is subject to a maximum discount of 5% of the weighted average traded price on the NSX of these units over the 10 (ten) days prior to the date the price of issue is agreed between the Group and the party subscribing for the units.

11. VENDOR PLACEMENTS

Ordinary Resolution Number 7:

RESOLVED THAT the directors be and are hereby authorised by way of a general authority, to issue shares in the Company for the purpose of Vendor Placements for the acquisition of property assets, and further provided that such issue may only be made after registration of transfer of any property assets to be acquired as and when they in their discretion deem fit, subject at all times to the provisions of the Companies Act, 2004 (Act 28 of 2004), as amended, the Company's Articles of Association and the Listing Requirements of the NSX, provided that each ordinary share of one (1) cent each be issued together with an unsecured variable-rate debenture of 449 cents each as a linked unit.

The number of units issued per financial year may not exceed 10% of the total number of shares in issue determined immediately prior to each issue of new units. The issue of such units is subject to a maximum discount of 5% of the weighted average traded price on the NSX of these units over the 10 (ten) days prior to the date the price of issue is agreed between the Group and the party subscribing for the units and should include an antecedent interest.

12. APPOINTMENT OF AUDITORS

In terms of section 278(1) of the Companies Act 28 of 2004, the auditors of a public company are required to be appointed at the Company's Annual General Meeting. The purpose of ordinary resolution number 8 is to confirm the re-appointment of Deloitte & Touche as independent auditors to the Company, as nominated by the Risk, Audit and Compliance Committee as required under section 278(1) of the Companies Act, for the ensuing year, and to authorise the directors to determine their remuneration.

Ordinary Resolution Number 8:

RESOLVED THAT the re-appointment of Deloitte & Touche as independent auditors to the Company for the ensuing year be confirmed and to authorise the directors to determine their remuneration be confirmed."

13. BOARD COMPOSITION

Ordinary Resolution Number 9:

TO RATIFY the appointment of any new directors and the re-election of any existing directors in accordance with the Articles of Association. Motions for ratification will be moved individually.

In terms of the Company's Articles of Association, all non-executive directors are subject to retirement by rotation after a period not exceeding three years but are eligible for re-election. Accordingly, Ms A Angula, Ms JJ Comalie and Mr PM Kazmaier retire by rotation, but being eligible, offer themselves for re-election.

TO RATIFY the appointment of Ms RMM Gomachas who was appointed as non- executive director of the Company with effect from 1 July 2019.

In accordance with the board charter of the Company, a director should retire at the age of 70, but an appointment may be extended on a year-to-year basis.

- To ratify the re-appointment of Mr NBS Harris as a non-executive director of the Company for the year 1 July 2019 to 30 June 2020.

Abridged curricula vitae of these directors are available on pages 56 to 58 of this Integrated Annual Report.

14. AUTHORITY TO ACTION ALL ORDINARY RESOLUTIONS

Ordinary Resolution Number 10:

RESOLVED THAT any director of the Company, and the Company Secretary be and is hereby authorised to do all such things as are necessary and to sign all such documents issued by the Company and take all actions as may be necessary to implement the above ordinary resolutions and special resolutions with or without amendment.

15. ARTICLES OF ASSOCIATION AND MEMORANDUM OF ASSOCIATION

Special Resolution Number 1:

The current Memorandum and Articles of Association were last updated during 2001 and there is therefore a risk that some of those changes may be overlooked. Copies of the current and proposed documents are loaded on our website for perusal before the AGM. It is therefore proposed that the current Memorandum and Articles of Association that incorporates all the special resolutions passed since incorporation of the Company, be replaced.

RESOLVED THAT the current Memorandum and Articles of Association be replaced with the updated Memorandum and Articles of Association.

16. AMENDMENT TO DEBENTURE TRUST DEED

Special Resolution Number 2:

The existing clause reads as follows:

"Subject to clause 23 of the Principal Deed, the interest entitlement on each debenture shall not be less than 90% of the net earnings of the company before providing for debenture interest, depreciation, amortisation and taxes (other than deferred taxation charges) and before taking into account any revaluation surpluses and income which is to be transferred to any non distributable reserves but after provision for funding costs, whether interest or dividend in nature, and also after transfers to non-distributable reserves."

The current definition therefore requires the Company to distribute deferred tax which has not been realised.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

16. AMENDMENT TO DEBENTURE TRUST DEED (CONTINUED)

Special Resolution Number 2: (continued)

RESOLVED to amend the provisions of clause 3.1 of the Addendum to the 5th Supplemental Trust dated 29 January 2008 by amending the reference to the tax that should be adjusted for in distributable income from "taxes (other than deferred taxes)" to read "deferred taxes (other than income tax)."

The effect of the amendment is to allow Oryx to distribute earnings realised net of income taxes and not take into account the effect of accounting for deferred taxes which will never be realised. This allows Oryx to only distribute cash that is received.

17. AUTHORITY TO ACTION ALL SPECIAL RESOLUTIONS

Special Resolution Number 3:

It is further RESOLVED that any Director of the Company, and the Company Secretary be and is hereby authorised to do all such things as are necessary and to sign all such documents issued by the Company and take all actions as may be nesessary to implement the above special resolutions with or without amendment.

TO TRANSACT ANY OTHER BUSINESS WHICH, UNDER THE ARTICLES OF ASSOCIATION, MAY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

BY ORDER OF THE BOARD

NOTE:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend, speak, vote, and on a poll, vote in his/her stead, and such proxy need not also be a member of the Company.
2. The Proxy Form must be deposited at the registered office of the Company not less than 48 (FORTY-EIGHT) hours before the time of holding the meeting.

Dated at WINDHOEK on 25 September 2019.

REGISTERED OFFICE

Maerua Mall Office Tower
2nd Floor
Corner of Robert Mugabe
& Jan Jonker
Windhoek

P O Box 97723
Maerua Park
Windhoek

Tel: +264 61 423 201
Fax: +264 61 423 211

PROXY FORM

ORYX PROPERTIES LIMITED
('ORYX')
REG. NO. 2001/673

I/We _____
(Name/s in block letters and holder number)

being the registered holder/s of _____ units in ORYX, as at the close of business on 20 November 2019

hereby appoint _____ of _____

or failing him/her _____ of _____

or failing him/her THE Chairperson OF THE MEETING as my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of ORYX to be held on the

20 NOVEMBER 2019 AT 10:00

and at any adjournment thereof and to vote for or against the resolutions or to abstain from voting in respect of the units registered in my/our name/s, in accordance with the following instructions:

RESOLUTION	IN FAVOUR	AGAINST	ABSTAIN
Ordinary Resolution Number 1 - To adopt the annual financial statements			
Ordinary Resolution Number 2 - To ratify non-executive directors' remuneration for the year ending June 2019			
Ordinary Resolution Number 3 - To ratify executive directors' remuneration for the year ending June 2019			
Ordinary Resolution Number 4 - To approve non-executive directors' remuneration for the year ending 30 June 2020			
Ordinary Resolution Number 5 - To approve the non-executive directors' fee structure for the year ending 30 June 2020			
Ordinary Resolution Number 6 - Placing of unissued linked units under the control of directors			
Ordinary Resolution Number 7 - Vendor Placements			
Ordinary Resolution Number 8 - Appointment of Auditors			
Ordinary Resolution Number 9			
- Re-election of Ms A Angula			
- Re-election of Ms JJ Comalie			
- Re-election of Mr P Kazmaier			
- Ratify the appointment of Ms RMM Gomachas			
- Ratify the re-appointment of Mr NBS Harris			
Ordinary Resolution Number 10 - Implementation of resolutions			
Special Resolution Number 1 - Amend Articles And Memorandum Of Association			
Special Resolution Number 2 - Amendment To Debenture Trust Deed			
Special Resolution Number 3 - Implementation of special resolutions			

4. UNITHOLDER INFORMATION

PROXY FORM

Signed at _____ on this _____ day of _____ 2019

Full names
(in block letters) _____

Signature(s) _____

Assisted by (Guardian): _____ Date: _____ 2019

A member entitled to attend and vote is entitled to appoint a Proxy to attend, speak, vote, and on a poll, vote in his/her stead, and such Proxy need not also be a member of Oryx.

Registered Office

Maerua Mall Office Tower	P O Box 97723	Tel. +264 61 423 201
2nd Floor	Maerua Park	Fax. +264 61 423 211
Corner of Robert Mugabe	Windhoek	
and Jan Jonker Avenue		
Windhoek		

INSTRUCTIONS ON SIGNING AND LODGING THE PROXY FORM

1. The Proxy Form must be deposited at the registered office of ORYX not less than 48 (FORTY-EIGHT) hours before the time of holding the meeting.

2. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled. Any alteration must be signed, not initialled.

3. The Chairperson of the meeting shall be entitled to decline / to accept the authority of the signatory:
   (a) under a power of attorney; or
   (b) on behalf of a Company or any other entity unless the power of attorney or authority is deposited at the registered office of the Company not less than 48 (FORTY-EIGHT) hours before the time scheduled for the meeting.

4. The authority of a person signing a Proxy in a representative capacity must be attached to the Proxy form unless the authority has already been recorded by the Secretaries.

5. The signatory may insert the name of any person(s) whom the signatory wishes to appoint as his/her Proxy in the blank space(s) provided for that purpose.

6. When there are joint holders of units and if more than one such joint holder be present or represented, then the person whose name stands first in the register in respect of such units or his/her Proxy, as the case may be, shall alone be entitled to vote in respect thereof.

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

8. The Chairperson of the meeting may reject or accept any Proxy form that is completed and/or submitted other than in accordance with these instructions, provided that he/she is satisfied as to the manner in which a member wishes to vote.

9. If the unitholding is not indicated on the Proxy form, the Proxy will be deemed to be authorised to vote on behalf of the total unitholding.

4. GLOSSARY OF TERMS

AGM	Annual General Meeting
Baines	Baines Centre
BoN	Bank of Namibia
bps	basis points
CBD	Central Business District
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIC	Commercial Investment Company
CPI	Consumer Price Index
CSR	Corporate Social Responsibility
DMTNP	Domestice Medium Term Note Programme
€	Euro
ECL	Expected Credit Losses
FVTOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FEC	Family Entertainment Centre
GCR	Global Credit Rating
GIPF	Government Institution Pension Fund
GDP	Gross Domestic Product
GLA	Gross Lettable Area
GVC	Gustav Voigts Centre
IT	Information Technology
ICAN	Institute of Chartered Accountants Namibia
IFRS	International Financial Reporting Standards
ISA	International Standards on Auditing
IC	Investment Committee
IE	Investment Entity
KPIs	Key Performance Indicators
Ltd	Limited
LTIP	Long Term Incentive Plan
N$	Namibia Dollar
NAMRA	Namibia Revenue Agency
NSX	Namibian Stock Exchange
CAFO	Namibia's Church Alliance for Orphans and Vulnerable Children
NAV	Net Asset Value
OMIGNAM	OLD MUTUAL INVESTMENT GROUP NAMIBIA
LTIT /Trust	Oryx Long Term Share Incentive Trust
OTC	Over the counter
PVs	Photovoltaics
Pty	Proprietary
REITs	Real Estate Investment Trusts
RNC	Remuneration and Nomincation Committee
RCF	Revolving Credit Facility
RACC	Risk, Audit and Compliance Committee
STI	Short Term Incentive
SARS	South African Revenue Services
TLP	TLP Investments 137 (Pty) Ltd
TGP	Total Guaranteed Package
Tower	Tower Property Fund Limited
TIL	TPF International Limited
VAT	Value Added Tax
WALE	Weighted Average Lease Expiry

CORPORATE INFORMATION 4.

AS AT DATE OF THIS REPORT

Company registration number: 2001/673
Web: www.oryxprop.com

REGISTERED OFFICE
Maerua Mall Office Tower
2nd Floor
Corner of Jan Jonker &
Robert Mugabe Avenue
Windhoek
P O Box 97723
Maerua Park, Windhoek,
Namibia

COMPANY SECRETARY
Bonsai Secretarial Compliance Services
Tel: +264 61 305072
Fax: +264 61 305073
Email: annelie@bscs.com.na

CHIEF EXECUTIVE OFFICER
Ben Jooste
Tel: +264 61 423201
Fax: +264 61 423211
Email: ben@oryxprop.com.na

CHIEF FINANCIAL OFFICER
Lizette Smit
Tel: +264 61 423201
Fax: +264 61 423211
Email: lizette@oryxprop.com.na

ASSET MANAGER
Conrad van der Westhuizen
Tel: +264 61 423201
Fax: +264 61 423211
Email: conrad@oryxprop.com.na

TRUSTEE
Christiaan Johan Gouws as nominee of Fisher Quarmby & Pfeifer
Corner of Robert Mugabe &
Thorer Street
(entrance in Burg Street)
Windhoek
P O Box 37
Windhoek, Namibia

TRANSFER SECRETARIES
Transfer Secretaries (Proprietary) Limited
4 Robert Mugabe Avenue
(entrance in Dr Theo Ben
Gurirab Street)
Windhoek
P O Box 2401
Windhoek, Namibia

AUDITORS
Deloitte & Touche Chartered Accountants (Namibia)
ICAN Practice Number: 9407
Deloitte Building
Maerua Mall Complex
Corner of Jan Jonker &
Robert Mugabe Avenue
Windhoek
P O Box 47
Windhoek, Namibia

COMMERCIAL BANKS
Absa Bank Limited
7th Floor
Barclays Towers West
15 Troye Street
Johannesburg, South Africa,
2001

Bank Windhoek Limited
Maerua Mall Branch
Maerua Park - Shop 0036
Corner of Jan Jonker &
Robert Mugabe Avenue
Windhoek
P O Box 15
Windhoek, Namibia

Nedbank Namibia Limited
Corporate Branch
Business Centre
55 Rehobother Road
Ausspannplatz
P O Box 15
Windhoek, Namibia

Standard Bank Namibia LImited
2nd Floor, Town Square
Windhoek

OTHER FINANCIERS
Old Mutual Investment Group (Namibia) Limited
Mutual Tower
10th Floor, Windhoek
P O Box 165
Windhoek, Namibia

SPONSOR
Simonis Storm Securities
(Proprietary) Limited
4 Koch Street,
Klein Windhoek
P O Box 3970
Windhoek, Namibia

DOMESTIC MEDIUM TERM NOTE PROGRAMME SPONSOR
IJG Securities (Proprietary) Limited
4th Floor, 1 @ Steps,
Corner of the Grove & Chasie
Street, Kleine Kuppe
P O Box 186
Windhoek, Namibia

LEGAL ADVISORS
H D Bossau & Co
49 Feld Street
Windhoek
P O Box 1975
Windhoek, Namibia

Joubert Galpin & Searle Inc
173 Cape Road
Mill Park
P O Box 59
Port Elizabeth, South Africa,
6000

Dr Weder Kauta & Hoveka Inc
WKH House
Jan Jonker Road, Windhoek
P O Box 864 / 822
Windhoek, Namibia

Koep & Partners
33 Schanzen Road, Windhoek
P O Box 3516
Windhoek, Namibia

Michelle Saaiman Inc
Unit 5, Trift Place, Corner of Trift
& Schinz Street
P O Box 997104 Maerua Mall
Windhoek, Namibia

PHONE
+264 61 423 201

FAX
+264 61 423 211

OFFICE
Maerua Mall Office Tower
2nd Floor, Unit 402

WEBSITE
www.oryx.com