

# CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

for the quarter ended 31 December 2016 and further cautionary announcement

(previously Green Flash Properties Ltd)

Incorporated in the Republic of Mauritius Reg No C124756 C1/GBL ISIN MU0461N00007

Primary listing SEM (SEM share code: GFP.N0000) and secondary listing AltX JSE (JSE share code: GRP) ("Greenbay" or "the company" or "the group")

## DIRECTORS' COMMENTARY

### STRUCTURE AND LISTING

Greenbay is a Category One Global Business Licence company incorporated in Mauritius. The company has a primary listing on the official market of the Stock Exchange of Mauritius Ltd ("SEM") and a secondary listing on the Alternative Exchange ("AltX") of the Johannesburg Stock Exchange Ltd ("JSE"). Greenbay invests globally in direct property as well as in listed real estate and infrastructure companies.

### COMMENTARY ON RESULTS

In an environment characterised by macro-economic headwinds such as the relative weakness of our reporting currency (the British Pound) and higher rates at the long end of the yield curve, the diversified listed portfolio of Greenbay performed well during the quarter ended December 2016.

The share prices of quality retail REITs such as Simon Property Group and General Growth are trading at widening discounts to net asset value. The company's strategy of investing in infrastructure assets provided substantial protection from market volatility during the quarter. The net asset value per share was 6,60 GBP pence at quarter end.

The board has not declared a dividend for the quarter ended December 2016. The company's policy is to consider and declare dividends on a semi-annual basis in March and September.

### DIRECT REAL ESTATE

Planning on the improvement of the mall layout and tenant mix of Planet Koper, situated in Koper, Slovenia has commenced. CBRE was appointed as centre manager and strong demand from retailers not currently represented will enhance the attractiveness and yield of the centre.

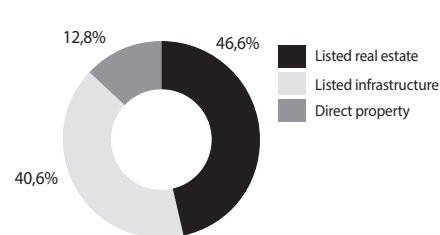
Plans were submitted for the Tivoli Projekt d.o.o., situated in Ljubljana, Slovenia. The development comprises 127 premium apartments, 3 257m<sup>2</sup> of high street retail and 3 864m<sup>2</sup> of A-grade offices. The completed project is estimated to cost approximately EUR70 million with an estimated internal rate of return of 15%.

Greenbay is evaluating a number of direct property opportunities, however, the returns and growth prospects provided by infrastructure investments are difficult to match. Assets are selected on a risk-adjusted return basis as, in the instance of the Tivoli Projekt, higher return developments are combined with a defensive portfolio to enable the company to outperform.

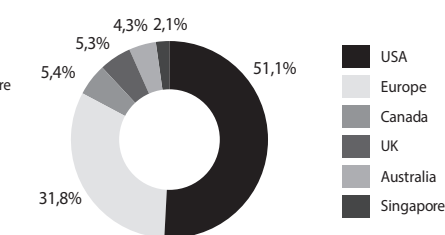
### LISTED INVESTMENTS

The listed portfolio is well diversified across the real estate and infrastructure sectors. The infrastructure investments continued its outperformance following strong results and guidance reported post quarter end.

Sectoral profile based on fair value of assets



Geographical profile based on fair value of assets



Greenbay had no gearing at year end enabling it to take advantage of attractive opportunities during the quarter whilst retaining the focus on sustainable earnings growth. Greenbay sold several of its listed investments where the share prices ran ahead of the perceived intrinsic values of the underlying businesses.

During the period, the company established a prime broking relationship with Morgan Stanley.

### SUMMARY OF FINANCIAL PERFORMANCE

	Dec 2016	Sep 2016	Dec 2015
Dividend per share (GBP pence)	-	0,0999	-
Shares in issue	4 977 795 757	4 920 833 333	25 000 000
Net asset value per share (GBP pence)	6,60	6,76	5,48
Loan-to-value ratio*	32,5%	-	13,9%

\*The loan-to-value ratio is calculated by dividing interest-bearing borrowings adjusted for cash on hand by the total of investments in property, listed securities and loans advanced. The calculation furthermore includes the equity derivative positions on a gross basis.

The board's policy is not to exceed a loan-to-value ratio of 35%.

### JSE MAIN BOARD LISTING

Greenbay has commenced the process of migrating its AltX listing to the Main Board of the JSE, subject to regulatory approvals.

### FURTHER CAUTIONARY ANNOUNCEMENT

Shareholders are referred to the company's cautionary announcement released on the website of the SEM and Stock Exchange News Services of the JSE on 9 January 2017 and are advised that Greenbay continues its negotiations to acquire potentially material retail properties in Europe. Accordingly, shareholders should continue to exercise caution in dealing in Greenbay securities.

### OUTLOOK

The board remains confident that the company will achieve distributable income of approximately 0,40 GBP pence per share for the year ended September 2017.

The foregoing forecast statement, and the forecasts underlying such statement, are the responsibility of the board and have not been reviewed or reported on by the company's external auditors. The forecast is based on the assumptions that a stable global macro-economic environment will prevail and no failures of listed REITs or infrastructure companies, in which Greenbay is invested, will occur.

By order of the board  
Intercontinental Trust Limited

Company secretary  
Mauritius – 10 February 2017

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited Dec 2016 GBP	Audited Sep 2016 GBP	Restated* Dec 2015 GBP
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment property	48 423 458	49 150 653	1 175 000
Straight-lining of rental revenue adjustment	1 244	1 281	-
Greenbay management incentive loans	880 690	2 208 060	-
Investments	3 095 472	2 681 076	423 729
Investment property under development	11 550 242	11 509 097	-
<b>Current assets</b>	<b>289 405 461</b>	<b>268 535 063</b>	<b>621 364</b>
Equity derivative margin	124 297 981	74 679 340	-
Trade and other receivables	14 284 383	6 525 350	16 183
Cash and cash equivalents	150 823 097	187 330 373	605 181
<b>Total assets</b>	<b>353 356 567</b>	<b>334 085 230</b>	<b>2 220 093</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Total equity attributable to equity holders</b>			
Stated capital	302 650 922	297 973 130	1 562 410
Non-distributable reserve	17 777 946	17 590 747	22 215
Currency translation reserve	(7 563)	2 695	-
Retained earnings	8 247 579	16 926 546	(215 175)
<b>TOTAL LIABILITIES</b>	<b>24 687 683</b>	<b>1 592 112</b>	<b>850 643</b>
<b>Non-current liabilities</b>			
Interest-bearing borrowings	22 338 776	-	828 062
<b>Current liabilities</b>	<b>2 348 907</b>	<b>1 592 112</b>	<b>22 581</b>
Interest-bearing borrowings	1 173 587	-	-
Trade and other payables	899 455	1 477 809	22 564
Income tax payable	275 865	114 303	-
Bank overdraft	-	-	17
<b>Total equity and liabilities</b>	<b>353 356 567</b>	<b>334 085 230</b>	<b>2 220 093</b>
Total number of shares in issue	4 977 795 757	4 920 833 333	25 000 000
Net asset value per share (GBP pence)	6,60	6,76	5,48

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited for the three months ended Dec 2016 GBP	Restated for the three months ended Dec 2015* GBP
<b>Net rental and related revenue</b>		
Recoveries and contractual rental revenue	1 004 389	20 630
Straight-lining of rental revenue adjustment	1 297 481	46 800
Rental revenue	1 264	-
Property operating expenses	1 298 745	46 800
Income from equity derivatives	(294 356)	(26 170)
Fair value loss on investment property, investments and equity derivatives	3 864 483	-
Adjustment resulting from straight-lining of rental revenue	(8 486 964)	-
Fair value gain on investments	(1 264)	-
Fair value loss on equity derivatives	236 003	-
Operating expenses	(8 721 703)	-
Operating expenses	(272 438)	(262 225)
Foreign exchange gain	187 199	3 573
<b>Operating loss</b>	<b>(3 703 331)</b>	<b>(238 022)</b>
<b>Net finance income/(costs)</b>	<b>301 969</b>	<b>(9 178)</b>
Finance income	348 709	2 977
Interest on Greenbay management incentive loans	24 614	-
Interest received	324 095	2 977
Finance costs	(46 740)	(12 155)
Interest on borrowings	(46 740)	(12 155)
<b>Loss before income tax</b>	<b>(3 401 362)</b>	<b>(247 200)</b>
Income tax	(174 494)	-
<b>Loss for the period attributable to equity holders of the company</b>	<b>(3 575 856)</b>	<b>(247 200)</b>
<b>Other comprehensive income net of tax</b>		
<b>Items that may subsequently be reclassified to profit or loss</b>		
Exchange differences on translation of foreign operations	(10 258)	-
Listed security investments fair value adjustment	-	(34 464)
	(10 258)	(34 464)
<b>Total comprehensive income for the period attributable to equity holders of the company</b>	<b>(3 586 114)</b>	<b>(281 664)</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital GBP	Non-distributable reserve GBP	Currency translation reserve GBP	Retained earnings GBP	Total equity GBP
<b>Audited for the year ended Sep 2015</b>					
<b>Balance at Sep 2015</b>	<b>882 457</b>	<b>22 215</b>	<b>-</b>	<b>66 489</b>	<b>971 161</b>
Issue of shares:					
- 9 765 210 shares on 27 Nov 2015	679 953	-	-	-	679 953
- 3 333 333 333 shares on 8 Jun 2016	173 089 006	-	-	-	173 089 006
- 1 562 500 000 shares on 29 Sep 2016	123 321 714	-	-	-	123 321 714
Exchange differences on translation of foreign operations	-	-	2 695	-	2 695
Profit for the year	-	-	-	34 428 589	34 428 589
Transfer to non-distributable reserve	-	17 590 747	-	(17 590 747)	-
Other comprehensive income realised through profit or loss	-	(22 215)	-	22 215	-
<b>Balance at Sep 2016</b>	<b>297 973 130</b>	<b>17 590 747</b>	<b>2 695</b>	<b>16 926 546</b>	<b>332 493 118</b>
<b>Unaudited for the three months ended Dec 2016</b>					
<b>Balance at Sep 2016</b>	<b>297 973 130</b>	<b>17 590 747</b>	<b>2 695</b>	<b>16 926 546</b>	<b>332 493 118</b>
Exchange differences on translation of foreign operations	-	-	(10 258)	-	(10 258)
Loss for the period	-	-	-	(3 575 856)	(3 575 856)
Dividend declared	4 677 792	-	-	(4 915 912)	(238 120)
Transfer to non-distributable reserves	-	187 199	-	(187 199)	-
<b>Balance at Dec 2016</b>	<b>302 650 922</b>	<b>17 777 946</b>	<b>(7 563)</b>	<b>8 247 579</b>	<b>328 668 884</b>
<b>Restated for the three months ended Dec 2015</b>					
<b>Balance at Sep 2015</b>	<b>882 457</b>	<b>22 215</b>	<b>-</b>	<b>66 489</b>	<b>971 161</b>
Issue of shares – 9 765 210 shares on 27 Nov 2015	679 953	-	-	-	679 953
Listed security investments fair value adjustment	-	-	-	(34 464)	(34 464)
Loss for the period	-	-	-	(247 200)	(247 200)
<b>Balance at Dec 2015</b>	<b>1 562 410</b>	<b>22 215</b>	<b>-</b>	<b>(215 175)</b>	<b>1 369 450</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited for the three months ended Dec 2016 GBP	Restated for the three months ended Dec 2015* GBP
Cash outflow from operating activities	(2 516 624)	(326 898)
Cash outflow from investing activities	(33 752 532)	-
Cash (outflow)/inflow from financing activities	(238 120)	657 160
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(36 507 276)</b>	<b>330 262</b>
Cash and cash equivalents at beginning of the period	187 330 373	274 902
<b>Cash and cash equivalents at end of the period</b>	<b>150 823 097</b>	<b>605 164</b>

## NOTES

### 1. PREPARATION AND ACCOUNTING POLICIES

The condensed unaudited consolidated financial statements for the quarter ended 31 December 2016 ("financial statements") have been prepared in accordance with the measurement and recognition requirements of IFRS, the requirements of IAS 34: Interim Financial Reporting, the JSE Listings Requirements, the SEM Listing Rules and the Securities Act of Mauritius 2005.

The company is required to publish financial results for the quarter ended 31 December 2016 in terms of Listing Rule 12.19 of the SEM. Accordingly, this announcement presents the financial results of the group in respect of the period from 1 October 2016 to 31 December 2016 as well as the comparative results.

This report was compiled under the supervision of Paul May CA(SA), the chief financial officer.

On 17 March 2016, the company announced that it had changed its reporting and functional currency from Euro ("EUR") to Pounds Sterling ("GBP") as approved by the Mauritian Registrar of Companies effective from 16 March 2016. As per IAS 21, the financial results of the company will subsequently be presented in GBP.

In order to satisfy the requirement of IAS 21 with respect to a change in presentation currency, the comparative financial information has been restated from EUR to GBP and the following exchange rate was used:

	Dec 2015
<b>EUR/GBP exchange rate</b>	
Closing rate	0,7371

The financial statements have not been reviewed or reported on by the group's external auditors.

These financial statements were approved by the board on 9 February 2017.

This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.20 and section 88 of the Securities Act of Mauritius 2005. The board accepts full responsibility for the accuracy of the information contained in these financial statements. The directors are not aware of any matters or circumstances arising subsequent to 31 December 2016 that require any additional disclosure or adjustment to the financial statements.

Copies of the financial statements and the statement of direct and indirect interests of each officer of the company, pursuant to rule 8(2)(m) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, are available free of charge, upon request at Greenbay's registered address.

Contact person: Ms Smitha Algoo.

## 2. EQUITY DERIVATIVE POSITIONS

Greenbay utilises equity derivatives to obtain exposure to listed real estate and infrastructure companies. The equity derivative margin of GBP124 297 981 included in current assets provided the group with exposure to investments of GBP403 685 927 at December 2016. The fair value loss on equity derivatives of GBP8 721 703 includes interest of GBP968 849 on the implied interest-bearing borrowings of GBP279 387 929.

## 3. SEGMENTAL ANALYSIS

	Unaudited Dec 2016 GBP	Restated Dec 2015* GBP
<b>Total assets</b>		
UK	111 096 135	2 219 563
USA	102 537 681	-
Canada	471 623	-
Singapore	(333 469)	-
Europe	136 380 952	-
Australia	980 747	-
Corporate	2 222 898	530
	<b>353 356 567</b>	<b>2 220 093</b>
<b>Loss for the period</b>		
UK	(22 663)	5 450
USA	313 442	-
Canada	(146 851)	-
Singapore	(1 147 348)	-
Europe	(3 229 627)	-
Australia	668 153	-
Corporate	(10 962)	(252 650)
	<b>(3 575 856)</b>	<b>(247 200)</b>

## RECONCILIATION OF LOSS FOR THE PERIOD TO HEADLINE LOSS

	Unaudited for the three months ended Dec 2016 GBP	Restated for the three months ended Dec 2015* GBP
<b>Basic earnings – loss for the period attributable to equity holders</b>	<b>(3 575 856)</b>	<b>(247 200)</b>
<b>Headline loss</b>	<b>(3 575 856)</b>	<b>(247 200)</b>
Weighted average shares in issue	4 936 931 409	18 949 816
Basic loss per share (GBP pence)	(0,07)	(1,30)
Headline loss per share (GBP pence)	(0,07)	(1,30)

Greenbay has no dilutionary instruments in issue.

**Directors** Terry Warren (chairman); Stephen Delport (CEO)\*; Paul May\*; Jan Wandrag\*; Karen Bodenstern; Teddy Lo Seen Chong; Ronnie Porter; Mark Olivier (\*executive director)  
**Company secretary** Intercontinental Trust Limited  
**Registered address** c/o Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene, 72201, Mauritius  
**Transfer secretary in South Africa** Link Market Services South Africa Proprietary Limited  
**JSE sponsor** Java Capital  
**SEM authorised representative and sponsor** Perigeum Capital Ltd