Integrated Report 2013

ROCKCASTLE

GLOBAL REAL ESTATE COMPANY LIMITED

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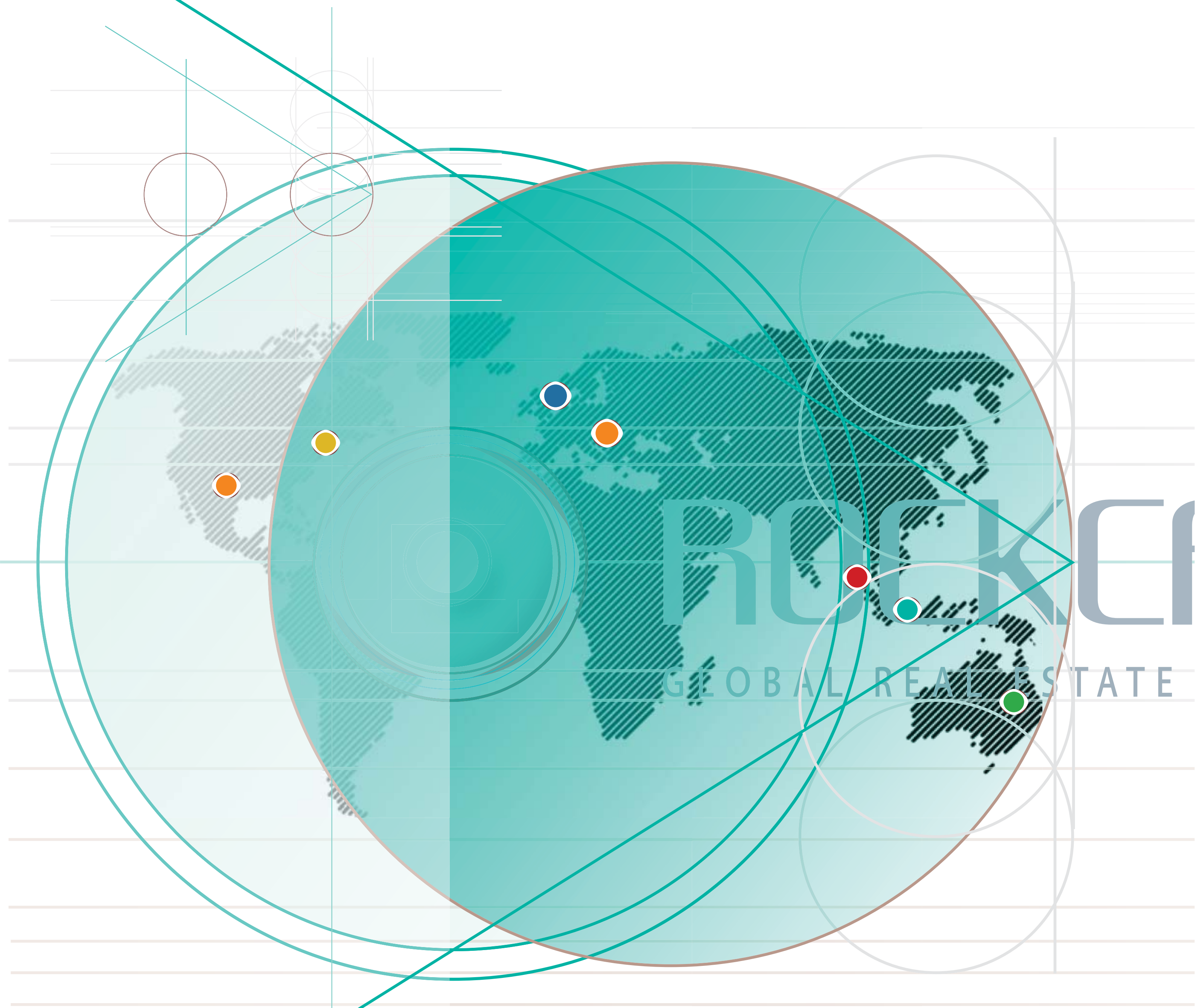


GLOBAL DIVERSIFICATION	
USA	36,0%
Europe	19,7%
Canada	13,0%
Singapore	10,6%
UK	8,4%
Australia	7,5%
Hong Kong	4,8%

CONTENTS

ASTLE
COMPANY LIMITED

ROCKCASTLE
GLOBAL REAL ESTATE COMPANY LIMITED

FINANCIAL RESULTS FOR THE 15 MONTH PERIOD FROM 30 MARCH 2012 (DATE OF INCORPORATION) TO 30 JUNE 2013

Artist's impression: Mukuba Mall, Kitwe, Zambia

Proposed GLA of
22 500m²
anchored by Shoprite

Proposed ownership
50%

Tenants include:

Foschini
Woolworths
Pick n Pay
Mr Price

Rockcastle is a global real estate company that has its primary listing on the Stock Exchange of Mauritius and a secondary listing on the Alternative Exchange of the Johannesburg Stock Exchange.

Rockcastle's investment portfolio is managed with the goal of delivering consistent distribution income and capital appreciation potential over time.

HYBRID REAL ESTATE COMPANY

DUAL LISTED

DIVERSIFIED PORTFOLIO

SUCCESFULLY RAISED USD 409,8 MILLION OF CAPITAL

MARK CYRIL OLIVIER

Dear shareholders

This is the first Integrated Report for the 15 months ended 30 June 2013 for Rockcastle Global Real Estate Company Limited ("Rockcastle" or "the company").

I want to begin by thanking you for choosing to invest in Rockcastle. We understand you have placed your trust in the team and that you expect us to increase the value of your investment over time and to pay out a premium dividend yield. This is what we intend to do.

At the time of listing in Mauritius on 5 June 2012, we targeted an initial dividend yield of over 7% and explained that the business would invest in listed real estate securities in developed countries and over time in direct property assets globally. Since the establishment of Rockcastle your board of directors ("board") has achieved the following key outcomes:

- the founding of an operational office in Mauritius including the appointment of a strongly independent and experienced board and skilled senior management team;
- the implementation of a culture of corporate governance through trustworthy relations between the company and its stakeholders and a clear separation of management rights (taking initiative and implementation) and governance rights (guidance, approval and oversight);
- the formation of a robust investment process to ensure that your company's resources are efficiently utilised, that we minimise the cost of investigating projects that do not complete and effectively manage investment risks;
- the establishment of an incentive plan for senior management that aligns management rewards to long-term shareholder returns;
- the listing of Rockcastle on two stock exchanges and successfully raising USD 409,8 million of capital during the course of the period by means of various private placings that were substantially oversubscribed;
- the execution of prime broker arrangements including funding facilities with multiple global investment banks;
- the identification of a number of retail sites in three African countries for development and investment; and
- the achievement of financial targets by executing the strategies set by the business. The drivers of return and the effects of the macro-economy on the operations of Rockcastle are covered in more detail in the directors' report.

Going forward we anticipate increasing the scale of the business and broadening the investor base of Rockcastle. In addition, we will be reviewing the appropriateness of the exchanges on which Rockcastle is listed to ensure that the growth aspirations of the company are facilitated.

Assuming a stable global economy, consensus is that African growth prospects are relatively good and investment in retail properties in Africa will benefit from an emerging middle class and growing urbanisation in Africa. In this respect, an increased proportion of Rockcastle's capital will be invested in direct retail properties in Africa to satisfy one of our strategic aims of capital growth.

Notwithstanding, we must be mindful that a large majority of African economies are relatively small, undeveloped, fragile and government is generally the largest allocator of resources. Rockcastle will mitigate the risks of investing in Africa through a robust investment process and by:

- prioritising investment in African countries that protect property rights and where the rule of law in general is being upheld; and
- "partnering" and working with retailers and property developers expanding into Africa and with whom Rockcastle has long established relationships.

Global markets are evolving at a pace and your board constantly needs to challenge itself and management on the effects of these changes on the business.

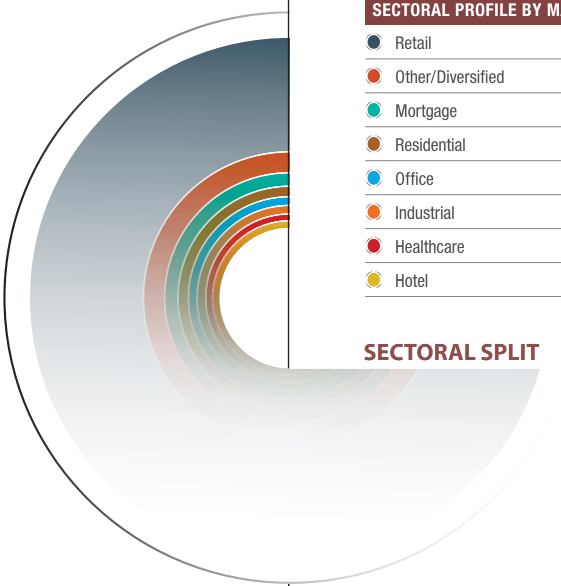
I am delighted to have taken on the role of chairman and I and the rest of the board look forward to working with an impressive and entrepreneurial management team in executing the investment strategy to deliver the shareholder returns being targeted.

Yours sincerely

Mark Olivier

Independent non-executive chairman

14 August 2013



SECTORAL PROFILE BY MARKET VALUE	
Retail	59,7%
Other/Diversified	11,4%
Mortgage	7,0%
Residential	5,5%
Office	4,7%
Industrial	4,5%
Healthcare	3,6%
Hotel	3,6%

SECTORAL SPLIT

BOARD OF DIRECTORS

MARK OLIVIER (44)
(BRITISH – RESIDING IN MAURITIUS)

INDEPENDENT NON-EXECUTIVE CHAIRMAN

CA(SA)

DATE OF APPOINTMENT: 30 MARCH 2012

LISTED COMPANY DIRECTORSHIPS: 1

Mark has over 15 years' experience in managing assets and providing corporate finance and strategic advice, predominantly to public companies in the United Kingdom. Prior to founding Hibridge Capital (a London-based, boutique private equity and advisory business) in 2003, Mark was a shareholder and employee of Hawkpoint Partners, which orchestrated the management buy-out of Natwest Markets' corporate finance business.

Mark worked for BoE Limited where he served on the executive committee of the Group's international business. Mark also worked at KPMG (London) as a manager. Mark is the chairman of Trellidor, the largest physical barrier security business in South Africa, and is a non-executive director of the Dynasty Group of companies, which is managed by Macquarie and was the first-ever wholesale international vehicle established to invest in retail properties in China.

CRAIG HALLOWES (44)
(SOUTH AFRICAN)

CHIEF EXECUTIVE OFFICER

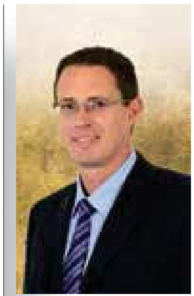
BA, LLB, ILPA-CPF (UOFS), LLM (TAXATION), MBA (WITH DISTINCTION)

DATE OF APPOINTMENT: 11 APRIL 2012

LISTED COMPANY DIRECTORSHIPS: 2

Prior to joining Rockcastle, Craig was an executive director of Pangbourne Properties Limited ("Pangbourne") and Property Fund Managers Limited ("PFM"), the management company of Capital Property Fund ("Capital") and was actively involved in the turnaround of both Capital and Pangbourne. Craig is currently a director of Property Index Tracker Managers Proprietary Limited.

Craig worked at Bowman Gilfillan Attorneys, qualified as an attorney and practiced for a number of years, concentrating on the fields of commerce and litigation. He then joined Investec and Investec Asset Management where he held various managerial positions.



ANDRIES DE LANGE (40)
(SOUTH AFRICAN)

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

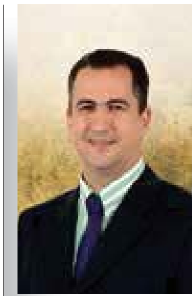
CA(SA), CFA

DATE OF APPOINTMENT: 8 MAY 2013

LISTED COMPANY DIRECTORSHIPS: 3

After completing his articles, Andries joined the Industrial Development Corporation of South Africa Limited and then Nedbank Limited where he gained experience in debt finance, debt and equity restructurings and private equity.

He then joined the Resilient Group in 2004 and is a director of PFM and Resilient Property Income Fund Limited ("Resilient").



STEPHEN DELPORT (32)
(SOUTH AFRICAN)

FINANCIAL DIRECTOR

BSc (HONS) MATHEMATICS

DATE OF APPOINTMENT: 11 APRIL 2012

LISTED COMPANY DIRECTORSHIPS: 1

Stephen has a BSc with financial orientation, majoring in mathematics, mathematical statistics and economics; and BSc (Hons) Mathematics from the University of Johannesburg. Stephen started his career in 2003 in the asset management industry as a research analyst.

He has gained a thorough insight into the global listed real estate industry, having managed several types of portfolios to date including collective investment schemes, exchange traded funds and hedge funds. Stephen joined the Resilient Group in 2007 and has been part of a successful and consistent property investment philosophy and process.

INDEPENDENT NON-EXECUTIVE
Mark Olivier (chairman), Rory Kirk, Alexandru Morar

NON-INDEPENDENT NON-EXECUTIVE
Andries de Lange, Yan Ng

EXECUTIVE
Stephen Delport, Craig Hallowes, Paul Pretorius

RORY KIRK (57)

(MAURITIAN)

INDEPENDENT NON-EXECUTIVE DIRECTOR

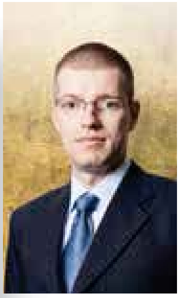
BACHELOR OF SOCIAL SCIENCE AND DIPLOMA IN BUSINESS MANAGEMENT

DATE OF APPOINTMENT: 30 MARCH 2012

LISTED COMPANY DIRECTORSHIPS: 1

Rory is the founder and managing director of Frontière Finance, a Mauritian financial services business.

Rory has many years of financial service, insurance and banking experience having been in this field since the early 1980s in a number of roles at a variety of institutions.



ALEXANDRU MORAR (29)

(ROMANIAN)

INDEPENDENT NON-EXECUTIVE DIRECTOR

BSc FINANCE AND INFORMATION SYSTEMS

DATE OF APPOINTMENT: 17 AUGUST 2012

LISTED COMPANY DIRECTORSHIPS: 1

Alexandru graduated with a major in finance from New York University's Stern School of Business and started his career at Julius Baer Investment Bank.

Alexandru spent two years with the Financial Advisory practice of Deloitte Romania prior to joining New Europe Property Investments plc ("NEPI"), a real estate company invested in retail properties in Romania, where he has fulfilled many functions within the company. Alexandru is currently focused on the investments and acquisitions programme at NEPI.

YAN NG (38)

(MAURITIAN)

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

BSc (HONS), MSC, ACA, TEP

DATE OF APPOINTMENT: 30 MARCH 2012

LISTED COMPANY DIRECTORSHIPS: 2

Yan is an executive director of Intercontinental Trust Limited. He oversees the Fund Administration operations and advises clients on all fund related aspects including tax, regulatory matters, structuring, listings and their establishment in Mauritius. He is a board member of a number of Mauritian funds. He was previously employed by Baker Tilly Mauritius and Deloitte Luxembourg. He trained as a chartered accountant in London.

Yan graduated from the University of Mauritius with a degree in Management and achieved a master's degree in finance (MSc) from Lancaster University. He is a member of the Institute of Chartered Accountants in England and Wales, and of the Society of Trust and Estate Practitioners. He is the treasurer of the International Fiscal Association (Mauritius branch) and an executive committee member of the Association of Trust and Management companies of Mauritius.

PAUL PRETORIUS (47)

(SOUTH AFRICAN – RESIDING IN MAURITIUS)

CHIEF OPERATING OFFICER

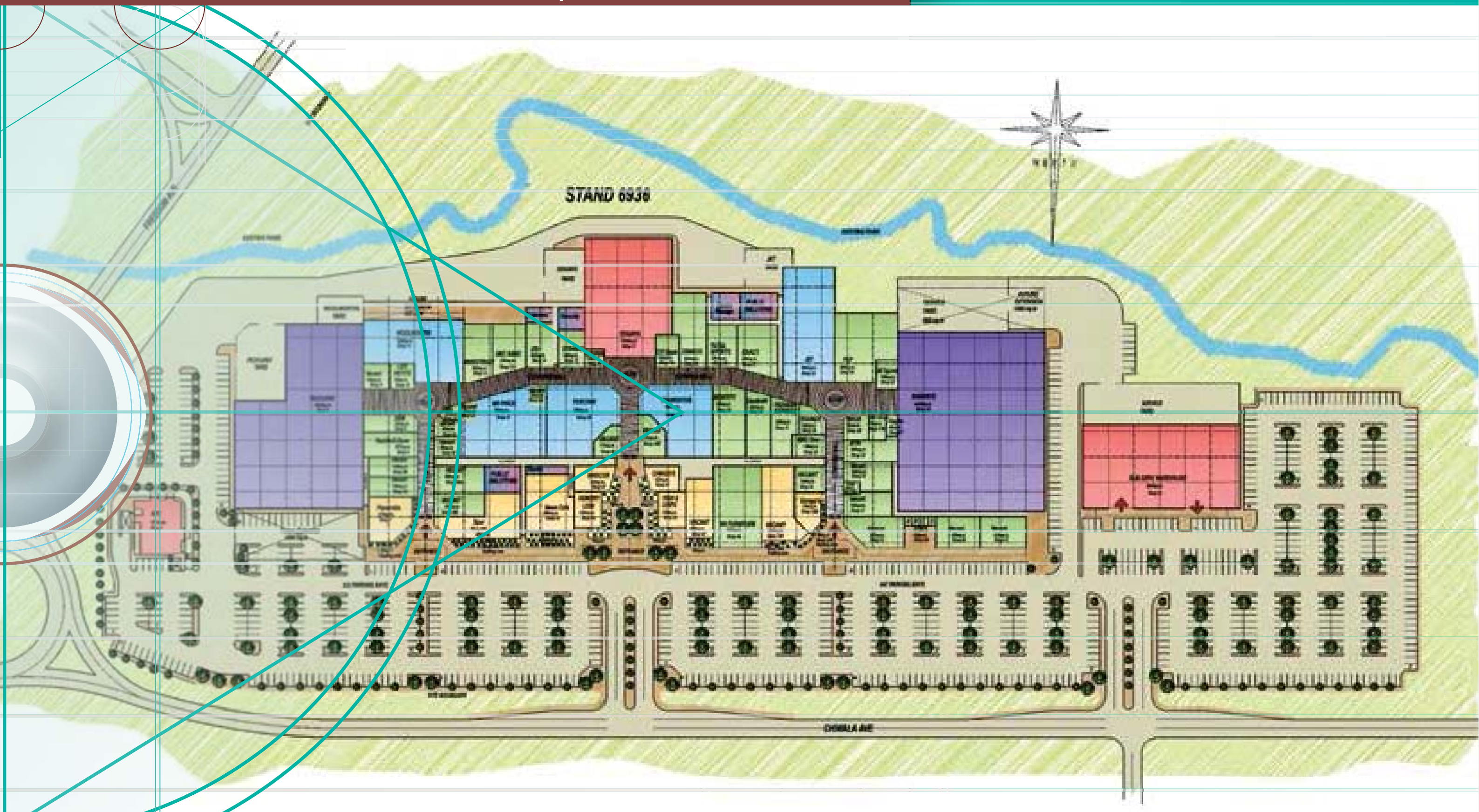
BSc (QS)

DATE OF APPOINTMENT: 8 MAY 2013

LISTED COMPANY DIRECTORSHIPS: 1

Paul has over 15 years' experience in direct property having worked as an asset manager as well as a property manager for various JSE listed property funds. Along with Craig, Paul was involved with the turnaround processes at Capital and Pangbourne. Paul was previously a professional quantity surveyor for Macintosh Latilla Carrier and Lang, one of the large South African practices, as well as for his own company.

Artist's impression: Mukuba Mall, Kitwe, Zambia



ATTENDANCE AT BOARD AND SUBCOMMITTEE MEETINGS

Director	Board	Investment committee	Audit committee	Risk committee	Nomination committee	Remuneration committee	Social and ethics committee
Mark Olivier (1)	7/7	5/5	4/4	1/1	3/3	3/3	1/1
Andries de Lange (2)	1/1						
Stephen Delport (3)	6/6	5/5		1/1			1/1
Craig Hallowes (4)	6/6						
Rory Kirk (5)	7/7	5/5	4/4	1/1	3/3	3/3	1/1
Alexandru Morar (6)	3/3	3/3	3/3				
Yan Ng (7)	7/7				3/3	3/3	
Paul Pretorius (8)	1/1						

(1) Mark Olivier was appointed to the board on 30 March 2012. He was appointed as a member of the investment, audit, risk, nomination, remuneration and social and ethics committees on 4 June 2012 and is the chairman of the board, risk and investment committees.

(2) Andries de Lange was appointed to the board on 8 May 2013.

(3) Stephen Delport was appointed to the board on 11 April 2012. He was appointed as a member of the investment, risk and social and ethics committees on 4 June 2012.

(4) Craig Hallowes was appointed to the board on 11 April 2012.

(5) Rory Kirk was appointed to the board on 30 March 2012. He was appointed as a member of the investment, audit, risk, nomination, remuneration and social and ethics committees on 4 June 2012 and is the chairman of the remuneration and social and ethics committees. Rory stepped down as chairman of the audit committee on 13 February 2013.

(6) Alexandru Morar was appointed to the board on 17 August 2012. He was appointed as a member of both the investment committee and the audit committee on 9 November 2012 and was appointed as the chairman of the audit committee on 13 February 2013.

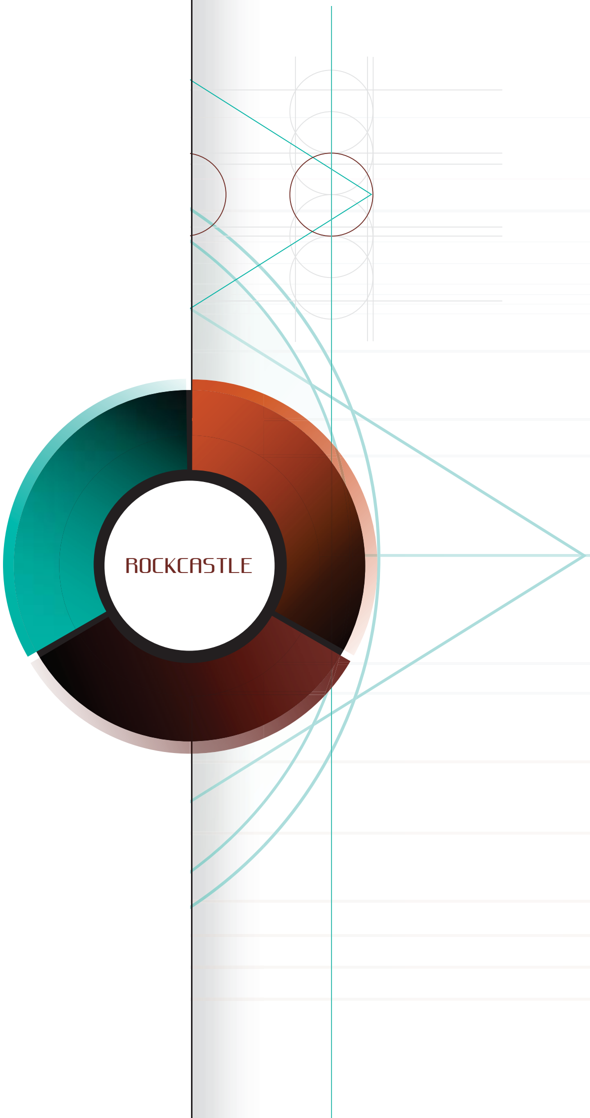
(7) Yan Ng was appointed to the board on 30 March 2012. He was appointed as a member of the nomination and remuneration committees on 4 June 2012 and is the chairman of the nomination committee.

(8) Paul Pretorius was appointed to the board on 8 May 2013.

BENEFICIAL SHAREHOLDING OF DIRECTORS AND OFFICERS

At 30 June 2013	Direct holding	Indirect holding	Total shares held	Percentage of issued shares
Mark Olivier	–	**190 000**	**190 000**	**0,05%**
Alexandru Morar	–	**125 000**	**125 000**	**0,04%**
Rory Kirk	**1 000**	–	**1 000**	–
Craig Hallowes	**1 750 000**	**812 500**	**2 562 500**	**0,73%**
Stephen Delport	**1 250 000**	–	**1 250 000**	**0,36%**
Paul Pretorius	**650 000**	–	**650 000**	**0,19%**
Andries de Lange	–	**2 723 000**	**2 723 000**	**0,78%**
	3 651 000	**3 850 500**	**7 501 500**	**2,15%**

STAKEHOLDER PROFILE



ORGANISATIONAL STAKEHOLDERS

- Employees
- Investors

SOCIETAL STAKEHOLDERS

- Government
- Regulatory bodies

ECONOMIC STAKEHOLDERS

- Suppliers
- Financiers

SCOPE OF THE INTEGRATED REPORT AND STRATEGY

Rockcastle is pleased to present its first integrated report to stakeholders in accordance with the Code of Corporate Governance for Mauritius ("the Code"). Rockcastle's integrated report aims to provide stakeholders with an understanding of the company's strategic objectives, challenges to which Rockcastle is exposed as well as its governance framework.

The information included in the integrated report has been provided in accordance with International Financial Reporting Standards ("IFRS"), the Mauritian Companies Act, 2001, the Mauritian Securities Act, 2005, the SEM Listing Rules, the JSE Listings Requirements and the Code.

This integrated report covers the financial and non-financial performance of Rockcastle. Rockcastle's operations are based in Mauritius.

In determining what disclosure should be made in the integrated report, the board considered what stakeholders would consider material. The sustainability reporting guidelines issued by the Global Reporting Initiative define materiality as *"information in a report that should cover topics and indicators that reflect the organisation's significant economic, environmental, and social impacts or that would substantively influence the assessments and decisions of stakeholders."* The board has applied this definition in determining the contents of this integrated report.

STRATEGY

OUR SHAREHOLDERS

We strive to deliver both capital and distribution growth to our shareholders by investing in global real estate assets and companies that are high yielding with the prospect of capital appreciation.

OUR INVESTMENTS

Our management team employs opportunistic and proactive asset management strategies to enable it to investigate potential investments in global real estate securities, unlisted and over-the-counter real estate securities, other instruments derived from such real estate securities and direct property assets. Management is constantly investigating potential investments that will provide sustainable, long-term growth that exceeds industry norms.

Our aim is to build a global company with exposure to international property companies across the globe, and to invest in direct property with sustainable growth prospects. Our board has set mandates for investments in specific markets where potential growth is considered to be highest. We balance our investment decisions by considering the risks and returns of the underlying properties, whether directly or through an individual real estate company, as well as the macro-economic conditions in the specific markets in which the properties are located.

FUNDING OUR BUSINESS

We manage our financing costs and concentration risk by utilising more than one major source of financing and by utilising instruments that facilitate hedging of our exposure to interest rate risk. In addition, we ensure that the currencies of our investments largely match those of the currencies of the underlying finances.

OUR BUSINESS PARTNERS

We have relationships with global financial institutions with best-of-breed operating platforms reducing both our operational and counterparty credit risk.

We enter into developments with reputable partners with whom we share values and goals, and who are well-established in the markets in which they operate.

1 STRUCTURE AND LISTING OF ROCKCASTLE

Rockcastle was incorporated on 30 March 2012 in Mauritius as a Category One Global Business License Company with the primary objective of investing globally in listed real estate assets and direct property in developed and developing markets. Rockcastle has been listed on the Stock Exchange of Mauritius Limited ("SEM") since 5 June 2012 and also listed on the Alternative Exchange of the Johannesburg Stock Exchange ("JSE") on 26 July 2012. During the 15 month period since incorporation, the company has successfully raised USD 409,8 million of capital through the issue of 350 million shares.

2 DISTRIBUTABLE EARNINGS

The company's portfolio performed in line with guidance and achieved an annualised yield of 7,9% based on the initial listing price of USD 1,00 per share. The board has proposed a distribution of 4,00 USD cents per share for the six months ended June 2013. This distribution will require approval by way of a special resolution at the general meeting of the shareholders due to be held on 13 September 2013. The distribution per share paid for the period ended 31 December 2012 was 4,56 USD cents, and, accordingly the cumulative distribution for the 15 month period ended June 2013 will be 8,56 USD cents per share.

3 COMMENTARY

Rockcastle invested in the developed markets of the United States of America ("USA"), United Kingdom ("UK"), Canada, Europe, Singapore, Hong Kong and Australia. The investments were made through a combination of direct holdings in shares or, where there were significant gearing and withholding tax benefits, through equity derivative instruments. Gearing, which is earnings enhancing, has been employed since listing. Rockcastle's gearing ratio (defined as total interest-bearing borrowings divided by the total assets) was 42,4% as at June 2013.

Rockcastle focused on investments in quality Real Estate Investment Trusts ("REITs") offering growth in distributions with well-covered payout ratios. In addition, to ensure that the yield target was achieved, the portfolio included investments in mortgage REITs. The holding of mortgage REITs comprised 7,0% of the market value of the portfolio at the end of the financial period and has since been reduced to 3,5% of the portfolio's market value. The portfolio remains well-diversified by property type and jurisdiction. The portfolio is focused on retail properties which constituted 59,7% of investments at 30 June 2013.

Geographical profile by market value	
USA	**36,0%**
Europe	**19,7%**
Canada	**13,0%**
Singapore	**10,6%**
UK	**8,4%**
Australia	**7,5%**
Hong Kong	**4,8%**

Sectoral profile by market value	
Retail	**59,7%**
Other/Diversified	**11,4%**
Mortgage	**7,0%**
Residential	**5,5%**
Office	**4,7%**
Industrial	**4,5%**
Healthcare	**3,6%**
Hotel	**3,6%**

The following table indicates the company's top 10 investment holdings by market value as at 30 June 2013:

Name	Sector	Jurisdiction	Market value June 2013 USD Million
Unibail Rodamco	Retail	Europe	**50,0**
Simon Property Group	Retail	USA	**48,2**
CapitaMall Trust	Retail	Singapore	**44,0**
Avalonbay Communities	Residential	USA	**37,8**
The Link REIT	Retail	Hong Kong	**33,4**
Hammerson plc	Retail	UK	**29,7**
Ascendas REIT	Industrial	Singapore	**28,9**
The British Land Company plc	Other/Diversified	UK	**28,4**
Corio	Retail	Europe	**28,0**
RioCan REIT	Retail	Canada	**27,6**

In line with Rockcastle's strategy of acquiring direct property assets, the board has agreed to acquire a 50% interest in Kafubu Mall on completion. This 12 500m^2 retail property is located in Ndola, Zambia, and is anchored by Shoprite and includes Foschini, Jet, Pep and a number of other South African retailers. The developer will retain a 50% interest in the development and will also provide property management services. The Kafubu Mall is scheduled to open in April 2014. Rockcastle has in principle agreed to acquire interests in two further retail developments in Zambia, details of which will be announced once the agreements have been finalised.

4 CAPITAL STRUCTURE

In addition to equity raisings, the company has obtained debt funding from Morgan Stanley and Bank of America Merrill Lynch. Subsequent to the financial period, interest rate risk has been hedged by way of interest rate swaps. To further provide a capital and interest rate hedge, the company has utilised short selling of government bonds of approximately USD 67 million for periods of between four and ten years. Bond shorts also provide gearing and the position has been increased to approximately USD 141 million after June 2013. The company has not hedged its currency positions.

5 SUMMARY OF FINANCIAL PERFORMANCE

	June 2013	December 2012 (9 months from date of incorporation)
Distribution per share (USD cents)	**4,00**^	4,56
Shares in issue	**350 000 000**	140 000 000
Net asset value per share (USD)	**1,15**	1,09
Gearing ratio*	**42,4%**	35,9%

**The gearing ratio is calculated by dividing the total interest-bearing borrowings by the total assets.*

^The proposed distribution relates to the six month period from 1 January 2013 to 30 June 2013.

6 OUTLOOK

The company is actively pursuing additional direct property acquisitions in Africa in partnership with established South African property developers. Rockcastle has negotiated lower spreads on its facilities due to its increased size. In addition, Rockcastle has increased focus on assets which are expected to achieve long-term growth in distributions. Annualised distributions are forecast to increase by approximately 5% for the 2014 financial year. The aforegoing 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 macro-economic environment will prevail and that no major currency fluctuations or failures of listed REITs will occur.

The remuneration committee determines the remuneration policy of Rockcastle and is mandated by the board to set the remuneration and incentivisation of all employees, including executive directors. In addition, the remuneration committee approves directors' fees payable to non-executive directors. As at the end of the financial period, the remuneration committee comprised: Rory Kirk (chairman), Yan Ng and Mark Olivier. Attendance of directors at the various board and subcommittee meetings is disclosed on page 9.

The remuneration policy is aligned with the strategic objectives of the company to create long-term, sustainable value for stakeholders. Remuneration is a combination of salary, short-term incentivisation and long-term incentivisation in order to attract and retain motivated, high-calibre executives whose interests are aligned with the interests of shareholders.

Executive salaries are competitive relative to the market and increases are determined with reference to individual performance, inflation and market-related factors on a total cost-to-company basis. Annual increases are effective 1 January each year. Executive directors do not receive directors' or subcommittee fees. There is no retirement fund for employees or executive directors.

Bonuses based on individual and company performance is an effective means of short-term incentivisation. These are awarded based on the performance of the individual and the company taking into account market conditions.

The aim of long-term incentivisation is to promote sustainable growth in distributions. Long-term incentivisation is achieved through the allocation of shares to employees through the Rockcastle Management Incentive Loan ("MIL"). The remuneration committee decides on the number of shares to be allocated based on individual performance. Rockcastle issues shares to employees by way of the MIL. On acceptance of the shares by the individual, Rockcastle provides loan financing to acquire the shares.

Remuneration for the top three earning employees has not been disclosed as the board does not consider it appropriate for privacy reasons.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

Non-executive directors' remuneration consists of an annual fee. The non-executive directors' remuneration is approved by the remuneration committee. Ordinarily the annual fee represents remuneration for services rendered for a twelve month period. Accordingly, the annual fee is adjusted to reflect a fifteen month period for those non-executive directors who were appointed upon the company's incorporation.

	For services as a director for the 15 month period ended June 2013 (paid by the company) USD
Mark Olivier (chairman of the board, risk committee and the investment committee) (1)$&^#@*	**25 000**
Rory Kirk (chairman of the remuneration committee and the social and ethics committee) (2)$&^#@*	**25 000**
Andries de Lange (3)	**2 904**
Alexandru Morar (chairman of the audit committee) (4)$#	**17 500**
Yan Ng (chairman of the nomination committee) (5)&@	**–**

(1) Mark Olivier was appointed to the board on 30 March 2012 and to the audit, investment, nomination, remuneration, risk and social and ethics committees on 4 June 2012.
(2) Rory Kirk was appointed to the board on 30 March 2012 and to the audit, investment, nomination, remuneration, risk and social and ethics committees on 4 June 2012.
(3) Andries de Lange was appointed to the board on 8 May 2013.
(4) Alexandru Morar was appointed to the board on 17 August 2012 and to the audit committee and the investment committee on 9 November 2012.
(5) Yan Ng was appointed to the board on 30 March 2012 and to the nomination committee and the remuneration committee on 4 June 2012. Yan's remuneration is incorporated into the fees paid by the company to Intercontinental Trust Limited ("ITL"), the company's company secretary.

$Member of the audit committee
^Member of the risk committee
#Member of the investment committee
@Member of the remuneration committee
&Member of the nomination committee
**Member of the social and ethics committee*

REMUNERATION OF EXECUTIVE DIRECTORS

	Remuneration (paid by the company) 2013 USD
Craig Hallowes (1)	**141 000**
Stephen Delport (2)	**86 000**
Paul Pretorius (3)	**41 995**

(1) Craig Hallowes was appointed to the board on 11 April 2012.
(2) Stephen Delport was appointed to the board on 11 April 2012.
(3) Paul Pretorius was appointed to the board on 8 May 2013.

The company did not pay any fees or benefits to directors other than the remuneration as disclosed in the tables above.

SHARE PERFORMANCE

The board is committed to creating sustainable shareholder value by managing the portfolio and by investing opportunistically.

The graphs below indicate the share price performance of Rockcastle as well as the performance on both a price return and total return basis. The performance of the Rockcastle shares are indexed using a base of 100 on 5 June 2012.

VOLUME TRADED	(million shares)
2013	34,8

VALUE TRADED	(USD million)
2013	45,2

SHAREHOLDER SPREAD AT 30 JUNE 2013 IN TERMS OF THE JSE LISTINGS REQUIREMENTS

	Number of shareholders	Number of shares held	Percentage of issued shares
Public	787	119 223 648	34,1%
Non-public	4	223 059 852	63,7%
Directors and employees	9	7 716 500	2,2%
	800	**350 000 000**	**100,0%**

Size of holding	Number of shareholders	Number of shares held	Percentage of issued shares
1 to 2 500 shares	199	256 408	0,1%
2 501 to 5 000 shares	148	604 160	0,2%
5 001 to 10 000 shares	130	1 068 812	0,3%
10 001 to 50 000 shares	159	4 116 153	1,2%
50 001 to 100 000 shares	59	4 564 656	1,3%
100 001 to 1 000 000 shares	71	27 547 916	7,9%
1 000 001 to 3 500 000 shares	20	33 527 262	9,6%
More than 3 500 000 shares	14	278 314 633	79,4%
	800	**350 000 000**	**100,0%**

Registered shareholders owning 5% or more of issued shares	Number of shares held	Percentage of issued shares
Fortress Income Fund Limited	65 769 000	18,8%
Capital Property Fund	65 670 000	18,7%
Resilient Property Income Fund Limited	60 774 852	17,4%
New Europe Property Investments Plc	30 846 000	8,8%
	223 059 852	**63,7%**

Control of more than 5% of issued shares	Number of shares controlled	Percentage of issued shares
Fortress Income Fund Limited	65 769 000	18,8%
Capital Property Fund	65 670 000	18,7%
Resilient Property Income Fund Limited	60 774 852	17,4%
New Europe Property Investments Plc	30 846 000	8,8%
	223 059 852	**63,7%**

Risk is the volatility of unexpected outcomes. Within the Rockcastle framework, this would specifically relate to the adverse impact on the value of its assets, equity or earnings. Risk management is the discipline by which these risks are identified, assessed and prioritised. It is essential to understand the multiple dimensions of risk in order to manage these effectively, with the aim of increasing shareholder value.

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

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

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

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

The risk management framework is presented to the risk committee on an annual basis. The key risks include:

Key risk	Business impact	Mitigation of the risk
Risk of losses due to currency fluctuations.	Income for the period is reduced due to foreign exchange fluctuations.	Rockcastle hedges its exposure to currency risk to a reasonable extent by aiming to fund the purchase of counters in the currency in which that counter is denominated.
Risk of underperformance of investments, specifically forecasted distributions not being received.	Distributable income is reduced due to the reduction of distributions received from investments.	Management monitors the performance of listed counters on a daily basis. All investments are made in accordance with the investment mandate and the board monitors compliance with such mandates on a quarterly basis.
Risk of losses owing to movements in the level or volatility of market prices.	Net asset value is reduced due to losses incurred, which in turn reduces the Rockcastle share price.	Management monitors the performance of the counters on a daily basis. All investments are made in accordance with the investment mandate and the board monitors compliance with such mandates on a quarterly basis.

Key risk	Business impact	Mitigation of the risk
Rockcastle is built on the expertise of the management team. Executive management is critical in the day-to-day operations of the business through their expertise and experience in the analysis of the market and the identification of suitable investment opportunities.	Skilled and experienced staff may not be retained.	The remuneration of key staff is aligned with the interests of shareholders.
Deterioration in the company's credit profile, a decline in debt market conditions or a general rise in interest rates could impact the cost and availability of funding.	The cost of financing increases substantially reducing distributable income.	The company monitors its key financial ratios. Interest rate risk is mitigated through the use of bond shorts and interest rate swaps in multiple currencies and jurisdictions.
Inability to refinance debt at acceptable rates and overexposure to a single financial institution.	Higher finance costs result in lower distributable income.	Concentration exposure to one financial institution is avoided.
Business continuity risk.	Business interruption may have a severe impact on the operations of Rockcastle and may reduce distributable income.	Rockcastle has a business continuity plan which includes the daily backup of data which is tested regularly.
Investing on international markets increases operational, regulatory and other risks.	Non-compliance with regulatory requirements could lead to fines, penalties and censures.	This risk is mitigated through the collaboration of the risk committee, the executives, and Rockcastle's legal advisers and service providers in identifying and ensuring compliance with regulatory requirements.

OPPORTUNITIES

Given the current global economic recession, a number of property investments are trading at a discount to net asset value or at attractive yields. Rockcastle will assess these opportunities in line with guidance from the investment committee.

Artist's impression: Mukuba Mall, Kitwe, Zambia

The board endorses the code of corporate practices and conduct as set out in the Code of Corporate Governance for Mauritius. The disclosures included in this review are consistent with the requirements of the Code. Independent consultants have been made available to members of the board to ensure that all directors are fully conversant with best practice and current thinking with regard to corporate governance.

HOLDING STRUCTURE

Rockcastle is the ultimate holding company entity and has no subsidiaries. An analysis of Rockcastle's shareholder spread is provided on page 17.

COMPOSITION OF THE BOARD OF DIRECTORS

The board comprises three executive directors, three independent non-executive directors and two non-independent non-executive directors. All directors serve for a maximum period of one year and are subject to retirement by rotation and re-election by members in general meeting. Board appointments are made in terms of the policy on nominations and appointments, and such appointments are transparent and a matter for the board as a whole.

There are no fixed-term contracts for executive directors and the notice period for termination or resignation is one calendar month. There is no restraint of trade period for executive directors. Individual board members and their respective profiles are disclosed on pages 6 and 7. Directors' remuneration is disclosed on page 15.

ROLE OF THE DIRECTORS

Ultimate control of the company rests with the board, while the executive management is responsible for the proper management of the company. To achieve this, the board is responsible for establishing the objectives of the company and setting a philosophy for investments, performance and ethical standards. Although quarterly board meetings are arranged every year, additional meetings are called should circumstances require it. Seven board meetings were called during the period since incorporation.

In 2013, the chairman with the assistance of the company secretary, led a formal review of the effectiveness of the board and its committees. Each director completed a detailed evaluation questionnaire and an analysis of the findings was presented to the board. There was agreement that the board was operating effectively. The results were positive and action plans were agreed upon where required.

BOARD CHARTER

In order to fully fulfill its duties, the board has adopted a charter setting out its responsibilities.

The board acknowledges that it is responsible for ensuring the following functions as set out in the board charter:

- good corporate governance and implementation of the code of corporate practices and conduct as set out in the Code;
- that the company performs at an acceptable level and that its affairs are conducted in a responsible and professional manner; and
- the board recognises its responsibilities to all stakeholders.

RESPONSIBILITIES OF THE BOARD

Although certain responsibilities are delegated to committees or management executives, the board acknowledges that it is not discharged from its obligations in regard to these matters.

The board acknowledges its responsibilities as set out in the board charter in the following areas:

- the adoption of strategic plans and ensuring that these plans are carried out by management;
- monitoring of the operational performance of the business against predetermined budgets;
- monitoring the performance of management at both operational and executive level;
- ensuring that the company complies with all laws, regulations and codes of business practice; and
- ensuring a clear division of responsibilities at board level to ensure a balance of power and authority in terms of company policies.

INDEPENDENCE OF THE DIRECTORS

The board's independence from the executive management team is ensured by the following:

- separation of the roles of chairman and chief executive officer, with the chairman being independent;
- the board being dominated by non-executive directors;
- the audit, investment, nomination, risk, remuneration and social and ethics committees having a majority of non-executive directors;
- non-executive directors not holding service contracts;
- all directors having access to the advice and services of the company secretary; and
- with prior agreement from the chairman, all directors are entitled to seek independent professional advice concerning the affairs of the company at the company's expense.

Artist's impression: Kafubu Mall, Ndola, Zambia

The following non-executive directors chair the various subcommittees of the board:

- Alexandru Morar (independent): Audit
- Mark Olivier (independent): Investment
- Yan Ng (non-independent): Nomination
- Mark Olivier (independent): Risk
- Rory Kirk (independent): Remuneration
- Rory Kirk (independent): Social and ethics

The independence of the non-executive directors was assessed and three are considered to be independent in terms of the requirements of the Code. Independence evaluations are done annually.

The criteria used to assess the independence of the directors were as follows:

- whether the director is a representative of a shareholder who has the ability to control or significantly influence management or the board;
- whether the director has a direct or indirect interest in the company which exceeds 5% of the company's total number of shares in issue;
- whether the director has a direct or indirect interest in the company which is less than 5% of the company's total number of shares in issue, but is material to the director's personal wealth;
- whether the director has been employed by the company in any executive capacity, or appointed as the designated auditor or partner in the company's external audit firm, or senior legal adviser for the preceding financial year;
- whether the director is a member of the immediate family of an individual who is or has during the preceding financial year been employed by the company in an executive capacity;
- whether the director is a professional adviser to the company other than in the capacity as a director;
- whether the director is free from any business or other relationship (contractual or statutory) which could be seen by an objective outsider to interfere materially with the director's capacity to act in an independent manner, such as being a director of a material customer or supplier to the company; and
- whether the director receives remuneration contingent upon the performance of the company.

DIRECTORS' INTERESTS

A full list of directors' interests is maintained and directors certify that the list is correct at each board meeting.

Directors recuse themselves from any discussion and decision on matters in which they have a material financial interest.

AUDIT COMMITTEE

The primary role of the audit committee is to ensure the integrity of financial reporting and the audit process. In pursuing these objectives, the audit committee oversees relations with the external auditors. The committee also assists the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and internal control processes, overseeing the preparation of accurate financial reports and statements in compliance with all applicable legal requirements and accounting standards, ensuring compliance with good governance practices and nomination of external auditors. The role of the audit committee has been codified in the audit committee charter which has been approved by the board. This charter has been aligned with the requirements of the Code and the Companies Act.

As at the end of the financial period, the audit committee comprised: Alexandru Morar (chairman), Rory Kirk and Mark Olivier, all of whom are independent non-executive directors. The chief executive officer, financial director and company secretary attend the committee meetings as invitees. The committee members have unlimited access to all information, documents and explanations required in the discharge of their duties, as do the external auditors.

The board, in consultation with the nomination committee, makes appointments to the committee to fill vacancies. The board has determined that the committee members have the skills and experience necessary to contribute meaningfully to the committee's deliberations. In addition, the chairman has requisite experience in accounting and financial management.

The committee met four times during the financial period.

The audit committee has satisfied itself that no breakdown in accounting controls, procedures and systems has occurred during the period under review. In fulfilling its responsibility of monitoring the integrity of financial reports to shareholders, the audit committee has reviewed accounting principles, policies and practices adopted in the preparation of financial information and has examined documentation relating to the annual integrated report and quarterly financial reports. The clarity of disclosures included in the financial statements was reviewed by the audit committee, as was the basis for significant estimates and judgements.

Photo: Kafubu Mall, Ndola, Zambia

The audit committee is further satisfied that the financial director, Stephen Delport, is sufficiently competent and that the finance function has adequate resources and sufficient expertise.

It is the function of the committee to review and make recommendations to the board regarding quarterly financial results and the integrated report prior to approval by the board. The audit committee has complied with its legal, regulatory and other responsibilities. The audit committee recommended the integrated report to the board for approval.

EXTERNAL AUDIT

A key factor that may impair auditors' independence is a lack of control over non-audit services provided by the external auditors. In essence, the external auditors' independence is deemed to be impaired if the auditors provide a service which:

- results in auditing of own work by the auditors;
- results in the auditors acting as a manager or employee of the company;
- puts the auditors in the role of advocate for the company; or
- creates a mutuality of interest between the auditors and the company.

The company addresses this issue through three primary measures, namely:

- disclosure of the extent and nature of non-audit services;
- the prohibition of selected services; and
- prior approval by the audit committee of non-audit services.

Other safeguards encapsulated in the policy include:

- the external auditors are required to assess periodically, in their professional judgement, whether they are independent of the company;
- the audit committee ensures that the scope of the auditors' work is sufficient and that the auditors are fairly remunerated; and
- the audit committee has primary responsibility for making recommendations to the board on the appointment, reappointment and removal of the external auditors.

The committee reviews audit plans for external audits and the outcome of the work performed in executing these plans. They further ensure that items identified for action are followed up. The external auditors report annually to the audit committee to confirm that they are and have remained independent from the company during the period.

The audit committee considered information pertaining to the balance between fees for audit and non-audit work for the company since inception and concluded that the nature and extent of non-audit fees do not present a threat to the external auditors' independence. Furthermore, after reviewing a report from the external auditors on all their relationships with the company that might reasonably have a bearing on the external auditors' independence and the audit engagement partner and staff's objectivity, and the related safeguards and procedures, the committee has concluded that the external auditors' independence was not impaired. The audit committee approved the external auditors' terms of engagement, scope of work, the annual audit and the applicable levels of materiality. Based on written reports submitted, the committee reviewed, with the external auditors, the findings of their work and confirmed that all significant matters had been satisfactorily resolved. The committee determined that the 2013 audit was completed without any restriction on its scope.

The audit committee has satisfied itself as to the suitability of the external auditors for reappointment for the ensuing year.

INTERNAL AUDIT

The company does not have a formalised internal audit department. The audit committee continually examines the appropriateness of utilising independent internal auditors to periodically review activities of the company.

ETHICAL PERFORMANCE

The board of directors forms the core of the values and ethics subscribed to by the company through its various committees. These values and ethics are sustained by the directors' standing and reputation in the business community and their belief in free and fair dealings in utmost good faith and respect for laws and regulations.

Rockcastle has a code of ethics communicated to all staff. The code of ethics stipulates, among other things, that all stakeholders are expected to act in good faith, that bribery in any form is not tolerated, all conflicts of interest need to be declared and that compliance with all legislation is of utmost importance. The code of ethics is reviewed by the social and ethics committee on an annual basis.

The board is not aware of any transgressions of the code of ethics during the period.

No issues of non-compliance, fines or prosecutions have been levied against Rockcastle.

INTERNAL FINANCIAL AND OPERATING CONTROLS

A framework of financial reporting, internal and operating controls has been established by the board to ensure reasonable assurance as to accurate and timely reporting of business information, safeguarding of company assets, compliance with laws and regulations, financial information and general operation. The board reviewed and was satisfied with the effectiveness of the internal financial and operating controls, the process of risk management and the monitoring of legal governance compliance within the company.

INVESTMENT COMMITTEE

All acquisitions, disposals and capital expenditure are considered by the investment committee. The investment committee approves acquisitions, disposals and capital expenditure up to preset limits.

As at the end of the financial period, the investment committee comprised: Mark Olivier (chairman), Stephen Delport, Rory Kirk and Alexandru Morar.

The investment committee's responsibilities and duties are governed by a charter that was approved by the board during the reporting period.

NOMINATION COMMITTEE

The nomination committee is mandated by the board to identify suitable candidates to be appointed to the board, identify suitable board candidates in order to fill vacancies, ensure there is a succession plan in place for key management, assess the independence of non-executive directors and assess the composition of the board subcommittees. The nomination committee recommends the individuals to the board for appointment.

As at the end of the financial period, the nomination committee comprised: Yan Ng (chairman), Mark Olivier and Rory Kirk.

The nomination committee's responsibilities and duties are governed by a charter that was approved by the board during the reporting period.

REMUNERATION COMMITTEE

The remuneration committee is mandated by the board to set the remuneration and incentivisation of all employees, including executive directors. In addition, the remuneration committee recommends directors' fees payable to non-executive directors and members of board subcommittees. Further details are provided in the remuneration report on pages 14 to 15.

As at the end of the financial period, the remuneration committee comprised: Rory Kirk (chairman), Yan Ng and Mark Olivier.

The remuneration committee's responsibilities and duties are governed by a charter that was approved by the board during the reporting period.

RISK COMMITTEE

The risk committee is mandated by the board to ensure that a sound risk management system is maintained, to assist the board in discharging its duties relating to the safeguarding of assets, ensuring that the sustainability reporting is comprehensive, timely and relevant, and to ensure that the company has implemented an effective plan for risk management that will enhance the company's ability to achieve its strategic objectives.

As at the end of the financial period, the risk committee comprised: Mark Olivier (chairman), Stephen Delport and Rory Kirk.

The risk committee's responsibilities and duties are governed by a charter that was reviewed by the board during the reporting period.

SOCIAL AND ETHICS COMMITTEE

The social and ethics committee is a statutory committee whose focus is to monitor compliance with labour legislation as well as corporate social responsibilities and corporate citizenship.

The committee was constituted during the current financial period and met once. As at the end of the financial period, the social and ethics committee comprised: Rory Kirk (chairman), Mark Olivier and Stephen Delport.

The social and ethics committee's responsibilities and duties are governed by a charter adopted by the board during the reporting period.

COMPANY SECRETARY

The board considered the competence, qualifications and experience of the company secretary, ITL, and is deemed fit to continue in the role as company secretary for Rockcastle. ITL is independent of Rockcastle and the relationship with the board has been assessed and is considered to be at arm's length.

INFORMATION TECHNOLOGY ("IT") GOVERNANCE

The board is ultimately responsible for IT governance. The Rockcastle IT function is outsourced to a third-party service provider and is governed by a service level agreement.

The risks and controls over IT assets and data are considered by the risk committee.

DEALING IN SECURITIES BY THE DIRECTORS

Dealing in the company's securities by directors and company officials is regulated and monitored as required by the SEM Listing Rules. With regard to directors' dealings in the shares of their own company, the directors confirm that they have followed the absolute prohibition principles and notification requirements of the model code for securities transactions by directors as detailed in Appendix 6 of the SEM Listing Rules. All directors' trading must take place exclusively outside the closed periods prescribed by the Stock Exchange Regulations and require written authorisation from the board of directors. Rockcastle maintains a closed period from the end of a financial period to the date of publication of the financial results.

MATERIAL CLAUSES OF THE CONSTITUTION

There are no clauses of the constitution deemed material enough for special disclosure.

SHAREHOLDERS' AGREEMENT

There is currently no shareholders' agreement affecting the governance of Rockcastle by the board.

PROMOTION OF ACCESS TO INFORMATION ACT

There were no requests for information lodged with the company in terms of the Promotion of Access to Information Act, No 2 of 2000.

SPECIAL RESOLUTIONS PASSED

Three special resolutions were passed during the financial period:

1 It was noted that the company was making an application for 10 001 000 securities to be admitted to the Official List of the Stock Exchange of Mauritius subject to the Listing Rules. It was resolved that the company issue 10 001 000 securities for which listing was sought.

2 It was resolved that the company adopt its constitution dated 25 May 2012 with immediate effect and that the constitution be certified by any director of the company and accompanied by a legal certificate issued by a law practitioner in accordance with section 42(3) of the Companies Act, 2001, and that it be lodged with the relevant Mauritian authorities.

3 It was resolved that, for purposes of the South African private placing, 10 000 000 Rockcastle shares be issued at a subscription price equal to the Rand equivalent of USD 1,00 per share, determined at the prevailing USD/ZAR exchange rate on or about 20 July 2013. It was further resolved that the company apply for the listing of the shares on the JSE Limited on or about 26 July 2012. In addition, the issue of up to 100 000 000 shares subject to the Mauritian Companies Act, 2001, the rules of the SEM and the rules of the JSE, at a minimum price equal to the 30-day volume weighted average traded price of Rockcastle shares prior to the placing on the relevant exchange, which authority will be valid until the company's first annual general meeting.

COMMUNICATIONS WITH STAKEHOLDERS

Rockcastle is committed to ensuring timely, effective and transparent communication with shareholders and other stakeholders through annual integrated and quarterly financial reports, presentations to analysts and press releases. Rockcastle's major stakeholders are presented on page 10.

SUSTAINABILITY

Rockcastle considers the sustainability policies of its underlying investments including those dealing with social, ethical, safety, health and environmental issues. Rockcastle will develop detailed sustainability policies dealing with these issues when it holds direct property investments.

DISTRIBUTION POLICY

The company has a semi-annual distribution policy as set out in the initial listing particulars.

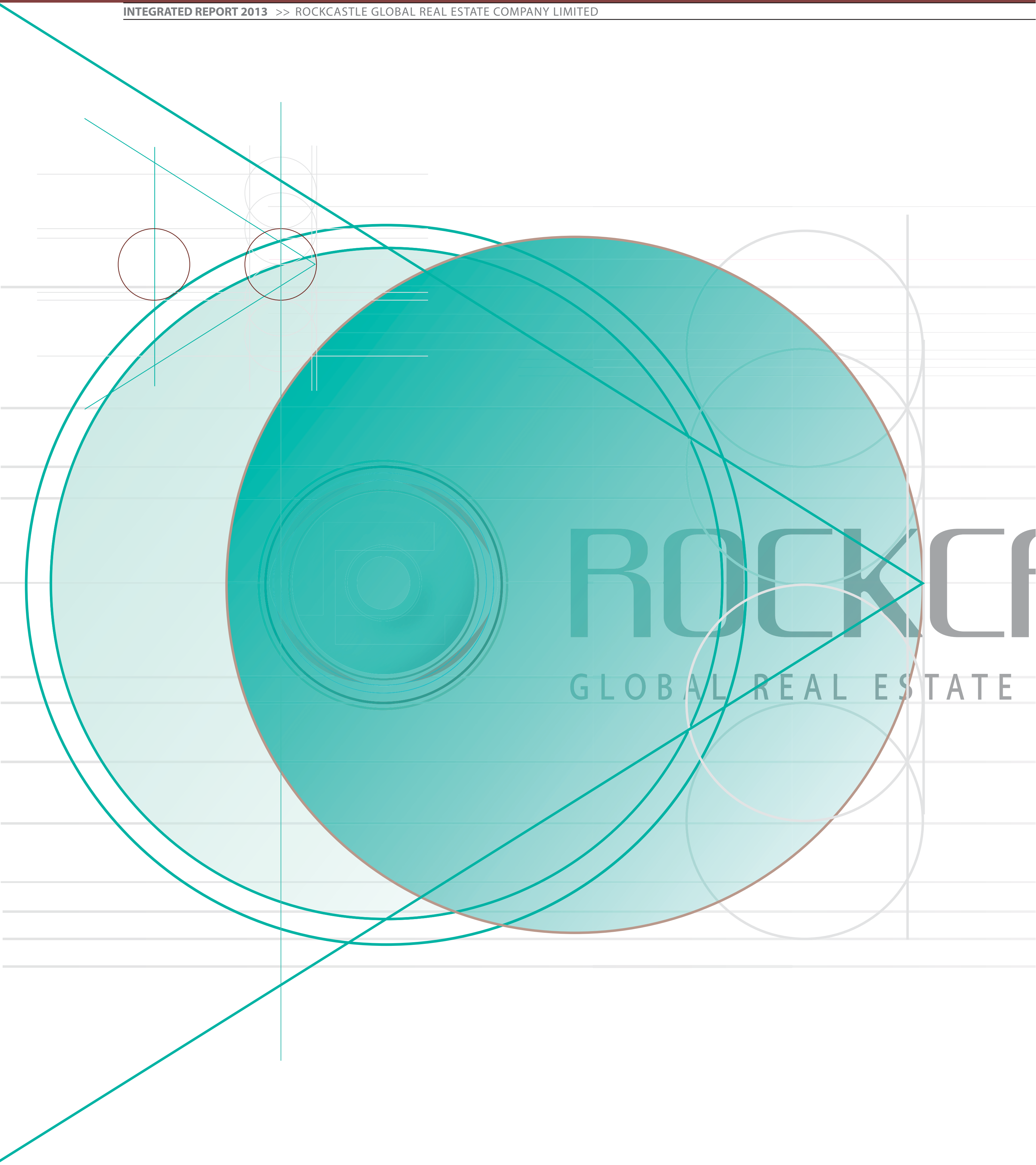
MISCELLANEOUS ITEMS

The company does not have an employee share option.

The company made no charitable or political donations during the period.

Related party transactions are disclosed in note 21 to the annual financial statements.

There is no third party management agreement between third parties and the company in the period under review.


GLOBAL REAL ESTATE

ASTLE
COMPANY LIMITED

CONTENTS

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

FOR THE 15 MONTH PERIOD FROM 30 MARCH 2012 (DATE OF INCORPORATION) TO 30 JUNE 2013

The directors acknowledge their responsibilities for:

(i) adequate accounting records and maintenance of effective internal control systems;
(ii) the preparation of financial statements which fairly present the state of affairs of the company as at the end of the financial period and the results of its operations and cash flows for that period and which comply with IFRS;
(iii) the selection of appropriate accounting policies supported by reasonable and prudent judgements.

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

The directors report that:

(i) adequate accounting records and an effective system of internal controls and risk management have been maintained;
(ii) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
(iii) International Financial Reporting Standards have been adhered to. Any departure in the interest of fair presentation has been disclosed, explained and quantified;
(iv) the Code of Corporate Governance has been adhered to.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY

The annual financial statements of the company were approved by the board of directors on 14 August 2013 and signed on its behalf by:

Mark Olivier
Chairman

Craig Hallowes
Chief executive officer

STATEMENT OF COMPLIANCE

We, the directors of Rockcastle, confirm that to the best of our knowledge and belief, the company has complied with all of its obligations and requirements under the Code of Corporate Governance.

Mark Olivier
Chairman

Craig Hallowes
Chief executive officer

COMPANY SECRETARY'S CERTIFICATE

FOR THE 15 MONTH PERIOD FROM 30 MARCH 2012 (DATE OF INCORPORATION) TO 30 JUNE 2013

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

Intercontinental Trust Ltd
Company secretary

14 August 2013

BDO

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BDO & Co Ltd
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Port Louis, Mauritius
PO Box 799

This report is made solely to the shareholders of Rockcastle Global Real Estate Company Limited, as a body, in accordance with Section 205 of the Companies Act, 2001. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other tha n the company and the company's members as a body, for our audit work, for this report or for the opinions we have formed.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Rockcastle Global Real Estate Company Limited on pages 32 to 52 which comprise the statement of financial position at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows, for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements on pages 32 to 52 give a true and fair view of the financial position of the company at 30 June 2013, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Companies Act, 2001.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act, 2001

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

We have obtained all information and explanations we have required.

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

Financial Reporting Act, 2004

The directors are responsible for preparing the Corporate Governance Report and making the disclosures required by Section 8.4 of the Code. Our responsibility is to report on these disclosures.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

BDO & Co
Chartered Accountants

Per Georges Chung Ming Kan F.C.C.A
Licensed by FRC

Port Louis, Mauritius
14 August 2013

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STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2013

	Note	2013 USD
ASSETS		
Non-current assets		**693 644 844**
Listed security investments	3	**689 257 356**
Rockcastle management incentive loans	4	**4 387 488**
Current assets		**3 321 011**
Investment income receivable	8	**3 126 104**
Cash and cash equivalents	5	**194 907**
Total assets		**696 965 855**
EQUITY AND LIABILITIES		
Total equity attributable to equity holders		**401 361 060**
Stated capital	6	**409 771 358**
Retained loss		**(8 410 298)**
Total liabilities		**295 604 795**
Non-current liabilities		**66 970 123**
Interest-bearing borrowings	7	**66 970 123**
Current liabilities		**228 634 672**
Trade and other payables	9	**51 444**
Interest-bearing borrowings	7	**228 384 876**
Income tax payable		**198 352**
Total equity and liabilities		**696 965 855**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE 15 MONTH PERIOD FROM 30 MARCH 2012 (DATE OF INCORPORATION) TO 30 JUNE 2013

	Note	2013 USD
Dividends received from listed security investments	10	17 736 162
Fair value loss on listed security investments		(11 055 611)
Foreign exchange loss		(8 102 911)
Operating expenses		(552 532)
Listing expenses		(524 562)
Loss before net finance income		(2 499 454)
Net finance income		671 508
Finance income		2 637 481
Interest on Rockcastle management incentive loans		21 565
Unrealised fair value gain on bond shorts		2 615 916
Finance costs		(1 965 973)
Interest on borrowings		(1 965 973)
Loss before income tax expense	11	(1 827 946)
Income tax expense	12	(198 352)
Loss for the period attributable to equity holders		(2 026 298)
Total comprehensive loss for the period		(2 026 298)
Weighted average number of shares in issue	16	113 956 558
Basic loss per share from continuing operations (USD cents)	16	(1,78)
Headline loss per share from continuing operations (USD cents)	17	(1,78)

STATEMENT OF CHANGES IN EQUITY

FOR THE 15 MONTH PERIOD FROM 30 MARCH 2012 (DATE OF INCORPORATION) TO 30 JUNE 2013

Audited	Note	Stated capital USD	Retained loss USD	Total USD
Balance at 30 March 2012*		–	–	–
Transactions with equity holders		409 771 358	(6 384 000)	403 387 358
– Issue of 1 000 shares on 30 March 2012		1 000		1 000
– Issue of 6 200 000 shares on 5 June 2012		6 200 000		6 200 000
– Issue of 10 000 000 shares on 26 July 2012		9 916 450		9 916 450
– Issue of 101 799 000 shares on 24 August 2012		104 852 970		104 852 970
– Issue of 22 000 000 shares on 6 December 2012		23 859 859		23 859 859
– Issue of 80 000 000 shares on 11 March 2013		95 972 819		95 972 819
– Issue of 130 000 000 shares on 20 June 2013		168 968 260		168 968 260
– Dividend declared (interim)	13.2		(6 384 000)	(6 384 000)
Total comprehensive loss for the period			(2 026 298)	(2 026 298)
Total loss for the period			(2 026 298)	(2 026 298)
Total other comprehensive income for the period			–	
Balance at 30 June 2013		**409 771 358**	**(8 410 298)**	**401 361 060**

**As Rockcastle was incorporated on 30 March 2012, there are no opening balances reflected in the statement of changes in equity.*

STATEMENT OF CASH FLOWS

FOR THE 15 MONTH PERIOD FROM 30 MARCH 2012 (DATE OF INCORPORATION) TO 30 JUNE 2013

	Note	2013 USD
Operating activities		
Cash generated from operations	13.1	13 584 408
Interest received on management incentive loans advanced		21 565
Interest paid on borrowings		(1 965 973)
Income tax paid	13.3	–
Cash inflow from operating activities		11 640 000
Investing activities		
Rockcastle management incentive loans advanced		(4 387 488)
Acquisition of investments		(708 415 878)
Cash outflow from investing activities		(712 803 366)
Financing activities		
Proceeds from interest-bearing borrowings		297 970 915
Proceeds from share issuances		409 771 358
Dividends paid to shareholders	13.2	(6 384 000)
Cash inflow from financing activities		701 358 273
Increase in cash and cash equivalents		194 907
Cash and cash equivalents at the beginning of the period		–
Cash and cash equivalents at the end of the period		194 907
Cash and cash equivalents consist of:		
Current accounts	5	194 907

REPORTING ENTITY

Rockcastle Global Real Estate Company Limited is a public company limited by shares incorporated in Mauritius on 30 March 2012. The company holds a Category One Global Business Licence issued by the Financial Services Commission. The company is listed on the the Stock Exchange of Mauritius and the AltX of the JSE Limited.

The company's main activity is to invest globally in listed real estate assets and direct property in developed and developing markets. Its registered office is Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius. These financial statements will be submitted for consideration and approval at the forthcoming annual general meeting of shareholders of the company.

BASIS OF PREPARATION

Basis of measurement

The financial statements are prepared on the historical cost basis, except for derivative financial instruments and financial instruments designated as financial instruments at fair value through profit or loss, which are measured at fair value or carried at amortised cost, as appropriate.

Statement of compliance

The statutory financial statements of the company are prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the International Accounting Standards Board ("IASB"), the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and with the Mauritian Companies Act, 2001.

This report was compiled under the supervision of Stephen Delport, the financial director.

FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of Rockcastle is the United States Dollar ("USD"), and the company has elected to present its financial statements in USD, being the denomination of the issued stated capital of the company.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. 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 the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are set out in note 20.

1 ACCOUNTING POLICIES

The accounting policies set out below have been applied in preparing the financial statements for the period ended 30 June 2013.

1.1 Financial instruments

Financial assets and liabilities are recognised in the company's statement of financial position when the company has become party to the contractual provisions of the instrument.

Financial instruments acquired for trading purposes and derivative instruments are stated at fair value. Resulting gains or losses are recognised directly in profit or loss.

Financial instruments presented in the financial statements include cash and cash equivalents, investments in listed property securities, derivatives, loans, trade and other receivables, trade and other payables, and interest-bearing borrowings. Financial instruments are initially recognised at fair value including transaction costs. Subsequent to initial recognition, these instruments are measured as follows:

Financial assets

The classification of financial assets depends on their nature and purpose and is determined at the time of initial recognition.

Financial investments at fair value through profit or loss – Financial investments at fair value through profit or loss are financial assets held-for-trading and those designated at fair value through profit or loss at inception. These assets are carried at fair value being the quoted bid price at the statement of financial position date. Realised and unrealised gains and losses arising from changes in the fair value of these investments are recognised in profit or loss in the period in which they arise. Attributable transaction costs are recognised in the statement of comprehensive income as incurred.

Trade receivables – Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents – Cash and cash equivalents comprise cash balances and call deposits. 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 value. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purposes of the statement of cash flows. Cash and cash equivalents are carried at amortised cost.

Impairment of financial assets – Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively impacted.

For trade receivables and investment income receivable, receivables that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

Objective evidence of impairment for a portfolio of receivables could include the company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised and the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss initially been recognised

Derecognition of financial assets – A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where the contractual rights to receive cash flows from the asset have expired, the company retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement or the company has transferred its rights to receive cash flows from the asset and either:
(a) has transferred substantially all the risks and rewards from the asset; or
(b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the company has transferred its rights to receive cash flow from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

1.2 Financial liabilities

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 arrangement.

Trade and other payables – Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest rate method.

Other financial liabilities – All other financial liabilities, with the exception of derivatives, are accounted for at amortised cost using the effective interest rate method.

Financial liabilities (or a portion thereof) are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Where an existing liability from a lender is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amount is recognised in profit or loss.

On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and the amount paid for it is recognised directly in profit or loss.

Effective interest method – The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset, or, where appropriate, a shorter period.

Offset – Where a legally enforceable right of set-off exists for recognised financial assets and financial liabilities, and there is an intention to settle the liability and realise the assets simultaneously, all related financial effects are offset.

1.3 Derivative financial instruments

The company enters into a variety of derivative financial instruments to gain exposure to property securities and to manage interest rate risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to the fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship. The company designates certain derivatives as either hedges of the fair value of recognised assets and liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges) or hedges of net investments in foreign operations.

The fair value of hedging derivatives is classified as a non-current asset or a non-current liability if the remaining maturity of the hedge relationship is more than twelve months and as a current asset or current liability if the remaining maturity of the hedge relationship is less than twelve months.

Derivatives not designated into an effective hedge relationship or that do not qualify in terms of hedge accounting rules, are classified as a current asset or current liability. The fair value of derivatives is the estimated amount that the company would receive or pay to terminate the derivative at the reporting date, taking into account current interest and exchange rates and the current creditworthiness of the swap counterparties.

1.4 Provisions and contingent liabilities

Provisions are recognised when a present legal or constructive obligation exists as a result of past events, for which it is probable that an outflow of economic benefits will occur and where a reliable estimate of the amount of the obligation can be made. Where the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

The company discloses a contingent liability when it has a possible obligation arising from past events, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

1.5 Stated capital

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

When stated capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

1.6 Employee benefits

Short term employee benefits

The cost of all short term employee benefits is recognised during the period in which the employee renders the related service.

1.7 Revenue and investment income

Revenue is recognised when it can be reliably measured and it is probable that the economic benefits will flow to the entity. Revenue is recognised at the fair value of the consideration received or receivable.

Revenues earned by the company are recognised on the following bases:
- Dividend income – when the shareholder's right to receive payment is established;
- Interest income – on a time-proportion basis using the effective interest method.

1.8 Finance income and finance costs

Finance income comprises interest receivable and is recognised as it accrues, taking into account the effective yield on the asset. Finance costs comprise interest payable on borrowings calculated using the effective interest rate method.

1.9 Tax

Current tax comprises tax payable calculated on the basis of the expected taxable income for the period, using the tax rates and laws enacted or substantively enacted at the reporting date, and any adjustment of tax payable in respect of previous years. Deferred tax is recognised for all taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, except to the extent that the deferred tax liability arises from:
(a) the initial recognition of goodwill; or
(b) the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax is charged to profit or loss except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred tax of any changes in tax rates is recognised in the statement of comprehensive income, except to the extent that it relates to items previously charged or credited directly to equity.

1.10 Translation of foreign currencies

The functional currency of Rockcastle is USD. Accordingly, transactions denominated in currencies other than USD are translated at the average rate of exchange during the month in which the transaction occurs. The prevailing rate of exchange on the date of a significant transaction is however utilised where significant fluctuations in the rate of exchange occur during the month in which the transaction occurs.

Monetary assets and liabilities denominated in foreign currencies (other than monetary items that form part of the net investment in a foreign operation) are translated at the rates of exchange ruling at the reporting date, with gains and losses recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost, are translated using the rates of exchange ruling at the date of the transaction.

1.11 Distributions to shareholders

A distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the distribution is declared.

1.12 Operating segments

A segment is a distinguishable component of the company that is engaged in providing services (business segment) or in providing services within a particular economic environment (geographic segment), which is subject to risks and returns that are different from those of other segments. The company's primary segment is based on geographic segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the board.

The board reviews the company's internal reporting in order to assess performance. Management has determined the operating segments based on these reports.

Segment results include revenue and expenses directly attributable to a segment and the relevant portion of company revenue and expenses that can be allocated on a reasonable basis to a segment. Segmental assets comprise those assets that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

1.13 Significant judgements and areas of estimation

The preparation of the financial statements in conformity with IFRS requires the use of estimates, assumptions and judgements that affect the amounts reported in the statement of financial position and statement of comprehensive income of the company. Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Although the estimates are based on management's best knowledge and judgements of current facts as at the reporting date, the actual outcome may differ from those estimates.

These 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 and any future periods.

1.14 Related parties

Related parties in the case of the company include any shareholder who is able to exert a significant influence on the operating policies of the company. Directors, their close family members and any employee who is able to exert significant influence on the operating policies of the company are also considered to be related parties.

1.15 Earnings per share

The company presents basic and diluted earnings per share. It also presents headline and diluted headline earnings per share.

Basic earnings or loss per share is calculated by dividing profit or loss for the period attributable to equity holders by the weighted average number of shares in issue during the period.

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

Diluted earnings or loss per share is calculated by dividing profit or loss for the period attributable to equity holders by the weighted average number of shares in issue, adjusted for the potential dilutive impact of outstanding share options.

Diluted headline earnings or loss per share is calculated by dividing headline earnings or loss by the weighted average number of shares in issue, adjusted for the potential dilutive impact of outstanding share options acquired.

2 FINANCIAL RISK MANAGEMENT

The company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (including currency risk, interest rate risk and price risk).

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included throughout these financial statements (refer to notes 19.1 to 19.3).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has delegated the responsibility for developing and monitoring the company's risk management policies to the risk committee. The committee reports to the board of directors on its activities. The risk committee oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Credit risk

Credit risk is the risk of financial loss to the company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's investment securities, loans, receivables and cash and cash equivalents.

Investments

The company invests in listed securities by means of direct investments and by utilising equity swaps with recognised financial institutions.

The company limits its exposure to credit risk in its direct investments by only investing in liquid securities listed on a recognised stock exchange. The company has policies and procedures in place to mitigate the credit risk associated with equity swaps. The company ensures that more than one reputable counterparty is used and that new investments are split on an equitable basis between counterparties in order to spread the credit exposure. In addition, counterparty credit risk is monitored and any changes thereto are analysed and policies are in place to mitigate any risks associated with increased counterparty credit risk.

Trade and other receivables and investment income receivable

Trade and other receivables relate mainly to dividends from investments accrued by the company as at the end of the period but which have not yet been received. The credit risk associated with these receivables is monitored as part of the company's greater investment strategy. The company ensures that the companies in which it invests are listed on a recognised stock exchange, are liquid and solvent, and appear to be trading as a going concern for the foreseeable future.

Rockcastle management incentive loans

The company's exposure to credit risk is influenced by the security provided for the loan and also the characteristics of all borrowers who are employees of the company.

The company establishes an allowance for impairment that represents its estimate of specific losses to be incurred in the event of the borrowers' inability to meet their commitments.

Cash and cash equivalents

The company's exposure to credit risk is limited through the use of financial institutions of good standing for investment and cash handling purposes.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations, comprising interest-bearing borrowings and trade and other payables, as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. In this respect, the company prepares cash flow analyses and forecasts which enable the directors to assess the level of financing required in future periods.

The interest-bearing borrowings relate to the borrowings associated with the equity swaps utilised by the company. The board of directors agree on gearing parameters for the company and the gearing levels are consistently monitored, taking into account the fluctuations in the underlying investments.

Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. The company generates a significant amount of cash from dividends received from listed security investments. Management is able to accurately budget the respective cash inflows as the dividend policies of the underlying investments are published in advance. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The company buys derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the audit committee.

Currency risk

The company is exposed to foreign currency risk on investments denominated in Euro, Great British Pound, Singapore Dollar, Hong Kong Dollar, Australian Dollar and the Canadian Dollar.

The company mitigates a portion of the risk associated with exposure to foreign currency fluctuations by borrowing in the same currency as the underlying investment.

Interest rate risk

The company is exposed to interest rate risk on its interest-bearing borrowings and cash and cash equivalents.

Interest-bearing borrowings and cash and cash equivalents bear interest at rates linked to the base lending rate in the jurisdiction to which they relate. However, the company does utilise short selling of government bonds to hedge a portion of the interest rate risk.

Equity price risk

The company is exposed to equity price risk on its investments. It limits its exposure to equity price risk by only investing in liquid securities that are listed on a recognised stock exchange and where the directors are in agreement with the business strategy implemented by such companies.

The company also makes use of short selling of government bonds which provides a form of natural hedge against equity price fluctuations.

Fair values

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

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

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

Specific valuation techniques used to value financial instruments include:
- quoted market prices or dealer quotes for similar instruments; and
- other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

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

Capital management

The company considers the equity attributable to equity holders as the permanent capital of the company.

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board also monitors the level of distributions to shareholders. The board seeks to maintain a balance between the higher returns that may be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The board's objectives when managing capital are:
- to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

3 LISTED SECURITY INVESTMENTS

Listed security investments are categorised as financial assets measured at fair value through profit or loss. The fair values of the listed security investments are determined based on quoted prices in active markets. The list of investments is provided in the Schedule of Investments on page 54 of this report.

	Total 2013 USD
Cumulative historical cost	700 312 967
Decrease in fair value	(11 055 611)
Total investment balance	689 257 356
Non-current (level 1)	689 257 356

The currency profile of listed security investments is disclosed in note 15 – segmental reporting. Changes in fair values are recorded in the statement of comprehensive income and none of the financial assets are impaired.

4 ROCKCASTLE MANAGEMENT INCENTIVE LOANS

The Rockcastle management incentive loans were approved by the board during the financial period. The purpose of the incentive is to provide employees with an incentive linked to the growth of the company's long-term value as measured by the share price. This form of long-term incentivisation is designed to provide an incentive programme that will contribute to the achievement of the company's objectives and enhance shareholder value. Directors and employees are provided with a 10-year loan to facilitate the purchase of Rockcastle shares which are pledged as security for the aforesaid loan.

	2013		
	% of issued shares	Number of shares	Loan balance USD
Shares issued to directors and employees in terms of the MIL	1,03%	3 600 000	4 387 488

The participants in the MIL carry the risk associated with the shares issued to them.

This disclosure includes all shares issued since incorporation.

The MIL bear interest at the weighted average cost of funding of the company for the period ended 30 June 2013. The loans are secured by 3 600 000 shares in Rockcastle with a fair value of USD 4,86 million. The value of security held for each individual loan exceeds the amount of the related loan.

The loans are payble on the tenth anniversary of the loans being granted.

Details of the shares issued to directors in terms of the Rockcastle MIL as at 30 June 2013 are as follows:

	Number of shares issued	Date of issue	Issue price – USD per share	Employee asset as recorded in the financials USD
Craig Hallowes	750 000	24 Aug 12	1,05	787 500
	1 000 000	14 Jun 13	1,35	1 350 000
Stephen Delport	750 000	24 Aug 12	1,05	787 500
	500 000	14 Jun 13	1,35	675 000
Paul Pretorius	500 000	14 Jun 13	1,35	675 000

5 CASH AND CASH EQUIVALENTS

	2013 USD
Cash and cash equivalents comprise the following:	
Cash at bank – current accounts	194 907

	2013 USD
6 STATED CAPITAL	
Authorised	
440 001 000 ordinary shares of no par value	
Issued and fully paid	
350 000 000 ordinary shares at an average of approximately USD 1,17 per share	409 771 358

	2013 Shares
Reconciliation of movement in issued shares	
Balance at the beginning of the period	–
Shares issued for cash consideration during the period	350 000 000
	350 000 000

7 INTEREST-BEARING BORROWINGS

The company's interest-bearing borrowings comprise short selling of government bonds as well as short term interest-bearing borrowings.

The borrowing facilities, together with shareholder stated capital, are used to fund the company's investment activities.

The company's investment mandate allows the group to have borrowings of up to 65% of the total asset value.

Short term interest-bearing borrowings are measured at amortised cost. Interest-bearing borrowings pertaining to bond shorts are measured at fair value which is calculated using quoted market prices at the reporting period. The company's exposure to interest rate, foreign currency and liquidity risk is discussed in note 19.

	2013			
Bond shorts	**Yield to maturity**	**Date of maturity**	**Fair value USD**	**Carrying amount USD**
USA	1,90%	November 2022	18 656 251	18 656 251
USA	0,84%	November 2017	4 871 875	4 871 875
Europe	1,33%	February 2023	12 798 308	12 798 308
Europe	0,36%	October 2017	6 480 481	6 480 481
UK	2,00%	September 2022	14 353 317	14 353 317
Canada	1,94%	June 2022	9 809 891	9 809 891
			66 970 123	66 970 123
Interest-bearing borrowings – short term	**Nominal interest rate**	**Maturity**	**Fair value USD**	**Carrying amount USD**
Australia	1-month Australia Bank Bill + 0,65%	Less than one year	70 064	70 064
Europe	1-month EURIBOR + 0,35%	Less than one year	29 536 813	29 536 813
UK	1-month LIBOR + 0,35%	Less than one year	16 082 810	16 082 810
Singapore	1-month Association of Banks in Singapore Swap + 0,5%	Less than one year	16 557 788	16 557 788
Canada	1-month CDOR + 0,65%	Less than one year	18 166 171	18 166 171
USA	Federal Funds Effective Rate + 0,575%	Less than one year	36 064 061	36 064 061
Europe	EONIA + 0,675%	Less than one year	58 695 923	58 695 923
UK	Overnight SONIA + 0,675%	Less than one year	20 672 165	20 672 165
Singapore	1-month SIBOR + 0,675%	Less than one year	32 102 043	32 102 043
Canada	CABROVER + 0,3%	Less than one year	437 038	437 038
			228 384 876	228 384 876

	Fair value USD	Carrying amount USD
7 INTEREST-BEARING BORROWINGS (continued)		
Interest-bearing borrowings – short term	228 384 876	228 384 876
Bond shorts	66 970 123	66 970 123
Total interest-bearing borrowings	295 354 999	295 354 999
Portion included in current liabilities	228 384 876	228 384 876
Total interest-bearing borrowings	295 354 999	295 354 999

Interest-bearing borrowings are secured by the following:

2013	Investments USD	Total USD
Listed security investments	689 257 356	689 257 356
	689 257 356	689 257 356

Short term interest-bearing borrowings are repayable on the settlement of the respective equity swap position.

8 INVESTMENT INCOME RECEIVABLE

Investment income receivable pertains to income which has met the revenue recognition requirements of IAS 18 as set out in note 1.7 and has accordingly been recognised as income during the current financial period but has not yet been received as at the end of the financial period. The geographical breakdown of this receivable is disclosed in the segmental reporting in note 15.

As of 30 June 2013, none of the receivables were past due or impaired. In addition, no provision for impairment has been made as of 30 June 2013. The maximum exposure to credit risk at the reporting date pertaining to these receivables is the fair value of the receivables. The company does not hold any collateral as security.

9 TRADE AND OTHER PAYABLES

Trade and other payables relate to expenses incurred in the ordinary course of trade which have not been settled as at 30 June 2013. None are long-outstanding payables.

	2013 USD
Trade and other payables include the following:	
Accrued expenses	51 444
	51 444

10 DIVIDENDS RECEIVED FROM LISTED SECURITY INVESTMENTS

Dividends received from listed security investments relate to dividend income recognised by the company during the period in accordance with the recognition and measurement criteria in IAS 18 and the accounting policy in note 1.7. The geographical spread of this amount is provided in the segmental reporting provided in note 15.

	2013 USD
11 LOSS BEFORE INCOME TAX EXPENSE	
Loss before income tax expense is stated after charging:	
Auditors' remuneration	
– audit fee	(6 000)
– other services*	(5 175)
Directors' remuneration	
– services as director (non-executive)	(70 404)
– other services (executive)	(268 995)
Travel and accommodation	(40 684)

**Other services performed by the auditors during the period include a once-off engagement pertaining to the review of the Rockcastle business plan on initial listing as included in the Listing Particulars.*

12 INCOME TAX EXPENSE

	2013 USD
Mauritian normal tax	**(198 352)**
– Current tax current period	**(198 352)**

Reconciliation of tax rate

The tax on the company's loss before taxation differs from the theoretical amount that would arise using the basic rate of tax for the company as follows:

	2013
Standard tax rate	**15,00%**
Foreign tax credit*	**(12,00%)**
Permanent differences	**(13,85%)**
Effective tax rate	**(10,85%)**

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

13 NOTES TO THE STATEMENT OF CASH FLOWS

13.1 Cash generated from operations

	2013 USD
Loss before income tax expense	**(1 827 946)**
Adjusted for:	
Fair value loss on listed security investments	**11 055 611**
Unrealised fair value gain on bond shorts	**(2 615 916)**
Interest received on the Rockcastle management incentive loans	**(21 565)**
Interest paid on borrowings	**1 965 973**
Foreign exchange loss	**8 102 911**
	16 659 068
Changes in working capital:	
Increase in trade and other receivables	**(3 126 104)**
Increase in trade and other payables	**51 444**
	13 584 408

13.2 Dividends paid to shareholders

	2013 USD
Dividends payable at the beginning of the period	**–**
Dividends paid during the period*	**(6 384 000)**
Dividends payable at the end of the period	**–**
	(6 384 000)

**The dividend paid during the period relates to an interim dividend of 4,56 USD cents per share paid in March 2013. There were 140 000 000 shares in issue that received the dividend.*

13.3 Income tax paid

	2013 USD
Income tax payable at the beginning of the period	**–**
Charged to the statement of comprehensive income during the period	**(198 352)**
Income tax payable at the end of the period	**198 352**
	–

14 CONTINGENT LIABILITIES

There are no contingent liabilities.

15 SEGMENTAL REPORTING

Segmental statement of financial position as at 30 June 2013

Geographical segment	Listed security investments USD	Rockcastle management incentive loans USD	Investment income receivable USD	Cash and cash equivalents USD	Total USD
Australia	51 897 522	–	925 712	–	52 823 234
Canada	89 593 629	–	531 388	–	90 125 017
Europe	135 866 378	–	–	2 557	135 868 935
UK	58 104 840	–	–	1 605	58 106 445
Hong Kong	33 361 269	–	505 404	–	33 866 673
Singapore	72 900 220	–	–	–	72 900 220
USA	247 533 498	–	1 163 600	190 745	248 887 843
Corporate	–	4 387 488	–	–	4 387 488
Total assets	689 257 356	4 387 488	3 126 104	194 907	696 965 855

Geographical segment	Interest-bearing borrowings USD	Trade and other payables USD	Income tax payable USD	Total USD
Australia	70 064	–	–	70 064
Canada	28 413 100	–	–	28 413 100
Europe	107 511 525	–	–	107 511 525
UK	51 108 292	–	–	51 108 292
Hong Kong	–	–	–	–
Singapore	48 659 831	–	–	48 659 831
USA	59 592 187	–	–	59 592 187
Corporate	–	51 444	198 352	249 796
Total liabilities	295 354 999	51 444	198 352	295 604 795

Segmental statement of comprehensive income for the 15 month period from 30 March 2012 (date of incorporation) to 30 June 2013

Geographical segment	Dividends received from listed security investments USD	Fair value loss on listed security investments USD	Foreign exchange loss USD	Operating expenses and listing expenses USD	Net finance income USD	Total USD
Australia	1 810 451	2 233 650	–	–	(52 461)	3 991 640
Canada	2 042 929	(5 792 588)	–	–	140 851	(3 608 808)
Europe	4 481 130	(2 462 875)	–	–	196 627	2 214 882
UK	589 702	157 513	–	–	469 891	1 217 106
Hong Kong	736 945	(408 980)	–	–	–	327 965
Singapore	1 102 050	(1 713 382)	–	–	(244 635)	(855 967)
USA	6 972 955	(3 068 949)	–	–	139 670	4 043 676
Corporate	–	–	(8 102 911)	(1 077 094)	21 565	(9 158 440)
Total segment result	17 736 162	(11 055 611)	(8 102 911)	(1 077 094)	671 508	(1 827 946)

16 LOSS PER SHARE

The calculation of basic loss per share for the period ended 30 June 2013 was based on the loss attributable to ordinary equity holders of USD 2 026 298 and the weighted average of 113 956 558 ordinary shares in issue during the period. The company has no dilutionary instruments in issue.

The weighted average number of shares for basic and diluted earnings per share purposes is presented below:

2013	Event	Number of shares	% of period	Weighted average number of shares
30 March 2012	Company incorporation	**1 000**	**100,00**	**1 000**
5 June 2012	Private placement	**6 200 000**	**85,34**	**5 291 028**
26 July 2012	Private placement	**10 000 000**	**74,18**	**7 417 943**
24 August 2012	Private placement	**101 799 000**	**67,83**	**69 054 026**
6 December 2012	Private placement	**22 000 000**	**45,08**	**9 916 849**
11 March 2013	Private placement	**80 000 000**	**24,29**	**19 431 072**
20 June 2013	Private placement	**130 000 000**	**2,19**	**2 844 640**
30 June 2013	Period end	**350 000 000**		**113 956 558**

17 HEADLINE LOSS PER SHARE

The calculation of headline earnings per share for the period ended 30 June 2013 was based on a headline loss of USD 2 026 298 and the weighted average of 113 956 558 ordinary shares in issue during the period. There were no reconciling items to the loss for the period attributable to equity holders to reach the headline loss.

The company has no dilutionary instruments in issue.

18 SUBSEQUENT EVENTS

At the board meeting of 14 August 2013, the board resolved to reduce the company's stated capital by an amount not exceeding USD 14,0 million in accordance with the provisions of section 62 of the Companies Act, 2001, and subject to satisfying the solvency test and the approval by way of a special resolution at the general meeting of shareholders due to be held on 13 September 2013.

19 FINANCIAL INSTRUMENTS

19.1 Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2013 USD
Listed security investments	**689 257 356**
Rockcastle management incentive loans	**4 387 488**
Trade and other receivables	**3 126 104**
Cash and cash equivalents	**194 907**
	696 965 855

The maximum exposure to credit risk for loans at the reporting date was:

	2013 USD
Rockcastle management incentive loans	**4 387 488**
Shares pledged as security	**(4 860 000)**
Net exposure	**–**

None of the borrowers to whom loans were granted were in breach of their obligations.

No impairment allowance is necessary in respect of loans as the fair value of the security provided exceeds the value of the loans.

The maximum exposure to credit risk for investment income receivable at the reporting date by segment was:

	2013 USD
Australia	**925 712**
Canada	**531 388**
Europe	**–**
UK	**–**
Hong Kong	**505 404**
Singapore	**–**
USA	**1 163 600**
	3 126 104

The aging of all receivables at the reporting date was less than 90 days.

The company believes that no impairment allowance is necessary in respect of trade receivables as a comprehensive analysis of outstanding amounts is performed on a regular basis and impairment losses are accounted for timeously. The company believes that the respective companies to which these amounts relate are liquid and solvent and will be able to pay the distribution declared on the prescribed payment date.

There are no significant concentrations of credit risk.

Gross receivables:

	2013 USD
Not past due	**3 126 104**
Past due not impaired	**–**
	3 126 104

19.2 Liquidity risk

The following are the contractual maturities of financial liabilities, excluding interest payments:

2013	Carrying value USD	Contractual outflows USD	1–12 months USD	2–5 years USD	More than 5 years USD
Interest-bearing borrowings	295 354 999	295 354 999	228 384 876	11 352 356	55 617 767
Trade and other payables	51 444	51 444	51 444	–	–

Cash flows are monitored on a regular basis to ensure that cash resources are adequate to meet funding requirements.

	2013 USD
Permitted borrowings for the company	
Total assets	696 965 855
65% of total assets	453 027 806
Total borrowings	(295 354 999)
Unutilised borrowing capacity	157 672 807

19.3 Market risk

19.3.1 Interest rate risk

	2013 USD
Interest-bearing instruments comprise:	
Variable rate instruments	
Cash and cash equivalents	194 907
Interest-bearing borrowings	(295 354 999)
	(295 160 092)

The exposure of the company's borrowings to interest-rate changes and the contractual repricing dates are as follows:

2013	1–12 months USD	2–5 years USD	More than 5 years USD	Total USD
Total borrowings	228 384 876	11 352 356	55 617 767	295 354 999

Cash flow sensitivity analysis for variable rate instruments

Interest

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) the profit or loss before income tax by the amounts shown below.

This analysis assumes that all other variables remain constant.

	Profit or loss before income tax	
2013	Increase USD	Decrease USD
Cash and cash equivalents	1 949	(1 949)
Interest-bearing borrowings	(2 953 550)	2 953 550
Cash flow sensitivity (net)	(2 951 601)	2 951 601

19.3 Market risk (continued)

19.3.2 Equity price risk

The carrying amount of financial assets represents the maximum equity price risk exposure. The maximum exposure to equity price risk at the reporting date was:

	2013 USD
Listed security investments	689 257 356

A 1% change in the market value of investments would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or loss before income tax	
2013	1% increase USD	1% decrease USD
Listed security investments	6 892 574	(6 892 574)

19.3.3 Currency risk

The company has assets and liabilities in currencies other than the USD, its reporting currency.

The company is mainly exposed to foreign exchange risk arising due to fluctuations of the USD *vis-à-vis* other currencies. The company does not have any currency hedging transactions.

At 30 June 2013, if the USD had weakened/strengthened by 1% against the other currencies with all variables constant, profit or loss before income tax for the period would have been impacted as follows:

	Profit or loss before income tax	
	USD weakened 1% USD	USD strengthened 1% USD
Listed security investments	4 417 239	(4 417 239)
Receivables	19 625	(19 625)
Cash and cash equivalents	42	(42)
	4 436 906	(4 436 906)

The currency profile of the company's assets and liabilities is disclosed in note 15 – segmental reporting.

19.4 Fair values

The fair values of all financial instruments are substantially the same as the carrying amounts reflected on the statement of financial position.

2013	Designated at fair value USD	Loans and receivables USD	Amortised cost USD	Total carrying amount USD	Fair value USD
Listed security investments	689 257 356			689 257 356	689 257 356
Rockcastle management incentive loans		4 387 488		4 387 488	4 387 488
Investment income receivable		3 126 104		3 126 104	3 126 104
Cash and cash equivalents			194 907	194 907	194 907
Interest-bearing borrowings	(66 970 123)		(228 384 876)	(295 354 999)	(295 354 999)
Trade and other payables			(249 796)	(249 796)	(249 796)
	622 287 233	7 513 592	(228 439 765)	401 361 060	401 361 060

Level 1 financial instruments are investments in listed securities and bond shorts.

20 ACCOUNTING ESTIMATES AND JUDGEMENTS

Management discusses with the audit committee the development, selection and disclosure of the company's critical accounting policies and estimates and the application of these policies and estimates. Estimates and judgements are continously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that 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.

20.1 Limitation of sensitivity analysis

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

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

21 RELATED PARTY TRANSACTIONS

Identity of related parties with whom material transactions have occurred

The directors are related parties. The directors are set out on pages 6 and 7.

Material related party transactions

Remuneration paid to directors is set out on page 15 and in note 11.

Rockcastle management incentive loans to directors are set out in note 4.

Interest due and paid by directors in relation to the Rockcastle management incentive loans amounts to USD 21 565.

22 STANDARDS AND INTERPRETATIONS

Statement of compliance with IFRS.

The company applies all applicable IFRS as issued by the International Accounting Standards Board in preparation of the financial statements.

22.1 Standards, Amendments to published Standards and Interpretations effective in the reporting period

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12), introduces a presumption that investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property are recovered entirely through sale for the purposes of measuring deferred taxes. This presumption is rebutted if the investment property 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. This amendment is unlikely to have an impact on the company's financial statements.

Amendment to IAS 1, '*Financial statement presentation*' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in "other comprehensive income" on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). This amendment is unlikely to have an impact on the company's financial statements.

22.2 Standards, Amendments to published Standards and Interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective.

Certain Standards, Amendments to published Standards and Interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2013 or later periods, but which the company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:
- IFRS 9: Financial instruments;
- IAS 27: Separate financial statements;
- IAS 28: Investments in associates and joint ventures;
- IFRS 10: Consolidated financial statements;
- IFRS 11: Joint arrangements;
- IFRS 12: Disclosure of interests in other entities;
- IFRS 13: Fair value measurement;
- IAS 19: Employee benefits (Revised 2011);
- IFRIC 20: Stripping costs in the production phase of a surface mine;
- Disclosures – Offsetting financial assets and financial liabilities (Amendments to IFRS 7);
- IAS 32: Offsetting financial assets and financial liabilities (Amendments to IAS 32);
- Amendment to IFRS 1 (Government loans);
- Annual improvements to IFRS 2009–2011 Cycle;
- Consolidated financial statements, joint arrangements and disclosure of interests in other entities: transition guidance;
- Investment entities (Amendments to IFRS 10, IFRS 12 and IAS 27);
- IFRIC 21: Levies;
- Recoverable amount disclosures for non-financial assets (Amendments to IAS 36); and
- Novation of derivatives and continuation of hedge accounting (Amendments to IAS 39).

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 20.

The calculation of distributable earnings per share was based on the loss after tax, adjusted as shown in the table below, to arrive at the distributable earnings and the number of shares in issue at 30 June 2013.

	2013
Loss for the period attributable to equity holders	**(2 026 298)**
Basic loss for the period	**(2 026 298)**
Foreign exchange loss	**8 102 911**
Unrealised fair value gain on bond shorts	**(2 615 916)**
Fair value loss on listed security investments	**11 055 611**
Dividends received from listed security investments	**(17 736 162)**
Accrued income from listed security investments	**15 453 098**
Adjustment to taxation for accrued income	**95 292**
Shares issued *cum* distribution	**8 996 242**
Listing expenses	**524 562**
Distributable earnings for the period	**21 849 340**
Less:	**(20 384 000)**
Interim dividend declared	**(6 384 000)**
Final distribution proposed	**(14 000 000)**
Earnings not distributed	**1 465 340**
Number of shares entitled to distribution	**350 000 000**
Distributable earnings per share (USD cents)	**8,98**
Less (USD cents per share):	**(8,56)**
Interim dividend per share (USD cents) – declared*	**(4,56)**
Final distribution per share (USD cents) – proposed	**(4,00)**
Distributable earnings per share not distributed (USD cents)	**0,42**

**Based on 140 000 000 shares in issue at 31 December 2012.*

The distributable earnings figure is arrived at by adjusting the accounting loss of USD 2 026 298 as follows:

a. Reversing the non-cash flow items recognised in the statement of comprehensive income below:
   - A foreign exchange loss of USD 8 102 911, which resulted from the conversion of the assets and liabilities in foreign currency during the course of the financial period at the prevailing closing spot rate at the end of the period.
   - A positive net fair value adjustment of USD 2 615 916 indicating the movement in the market value of the company's bond shorts.
   - A negative fair value adjustment of USD 11 055 611 to reflect a net reduction in the fair value of listed security investments at fair value through profit or loss.
   - A positive impact of USD 17 736 162 representing dividends actually received from listed security investments. Distributable earnings is calculated with reference to dividends accrued on a daily basis from investments.
   - A negative impact of the expenses associated with listing of USD 524 562 incurred by the company during the financial period.

b. Recognising:
   - Accrued dividends from equity investments of USD 15 453 098.
   - An amount of USD 8 996 242 in respect of the shares that were issued *cum* distribution during the financial period.
   - An adjustment to the tax expense of USD 95 292 as a result of the difference between the tax impact of the actual dividends received and the dividends accrued.

SCHEDULE OF INVESTMENTS

AT 30 JUNE 2013

Listed security investment	Primary sector	Market value at 30 June 2013 USD
United States of America		
Simon Property Group	Retail	**48 186 950**
Avalonbay Communities	Residential	**37 791 600**
Digital Realty Trust	Other/Diversified	**25 315 000**
Senior Housing Properties Trust	Healthcare	**25 142 399**
Hospitality Properties Trust	Hotel	**24 975 500**
MFA Financial	Mortgage	**24 476 000**
Annaly Capital Management	Mortgage	**23 883 000**
Kimco Realty Corporation	Retail	**20 894 250**
Boston Properties	Office	**16 868 799**
		247 533 498
Europe		
Unibail-Rodamco	Retail	**50 036 110**
Corio	Retail	**28 039 461**
Eurocommercial Properties	Retail	**25 029 018**
Klepierre	Retail	**19 109 695**
Mercialys	Retail	**11 568 607**
Warehouses de Pauw	Industrial	**2 083 487**
		135 866 378
Canada		
RioCan Real Estate Investment Trust	Retail	**27 637 185**
First Capital Realty Incorporated	Retail	**24 463 148**
H & R Real Estate Investment Trust	Other/Diversified	**17 125 249**
Dundee Real Estate Investment Trust	Office	**15 477 890**
Calloway Real Estate Investment Trust	Retail	**4 890 157**
		89 593 629
Singapore		
CapitaMall Trust	Retail	**43 984 843**
Ascendas Real Estate Investment Trust	Industrial	**28 915 377**
		72 900 220
United Kingdom		
Hammerson plc	Retail	**29 659 161**
The British Land Company plc	Other/Diversified	**28 445 679**
		58 104 840
Australia		
Westfield Group	Retail	**23 615 557**
CFS Retail Property Trust Group	Retail	**20 772 362**
Growthpoint Properties Australia Limited	Other/Diversified	**7 509 603**
		51 897 522
Hong Kong		
The Link Real Estate Investment Trust	Retail	**33 361 269**
		33 361 269
Total listed security investment balance		**689 257 356**

COMPANY DETAILS

Rockcastle Global Real Estate Company Limited
(Registration number: 108869 C1/GBL)
SEM code: Rock.N0000
JSE code: ROC
ISIN: MU0364N00003
Level 3
Alexander House
35 Cybercity
Ebene
Mauritius

BANKERS

The Standard Bank (Mauritius) Limited
Level 9
Tower A
1 Cybercity
Ebene
Mauritius

Afrasia Bank Limited
Bowen Square
10 Dr Ferriere Street
Port Louis
Mauritius

COMPANY SECRETARY

Intercontinental Trust Limited
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Alexander House
35 Cybercity
Ebene
Mauritius

MAURITIAN MANAGEMENT COMPANY

Intercontinental Trust Limited
Level 3
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Ebene
Mauritius

TRANSFER SECRETARY IN SOUTH AFRICA

Link Market Services South Africa Proprietary Limited
(Registration number: 2000/007239/07)
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19 Ameshoff Street
Braamfontein
2001
(PO Box 4844, Johannesburg, 2000)

AUDITORS

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DCDM Building
10 Frère Fèlix de Valois Street
Port Louis
Mauritius

SEM SPONSOR

Capital Market Brokers Limited
Suite 1004
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Ebene
Mauritius

JSE SPONSOR

Java Capital
(Registration number: 2006/005780/07)
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2196
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CORPORATE ADVISER AND LEGAL ADVISER AS TO MAURITIAN LAW

C&A Law
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Mauritius

CORPORATE DIARY

FINAL 2013

Financial year-end		Sunday	30 June 2013
Publication of abridged results	SENS	Wednesday	14 August 2013
	Press	Thursday	15 August 2013
Special general meeting to approve proposed distribution		Friday	13 September 2013
Last day to trade units inclusive of distribution (*cum* distribution) – JSE		Friday	4 October 2013
Last day to trade units inclusive of distribution (*cum* distribution) – SEM		Tuesday	8 October 2013
Shares trade *ex* distribution – JSE		Monday	7 October 2013
Shares trade *ex* distribution – SEM		Wednesday	9 October 2013
Record date – JSE and SEM		Friday	11 October 2013
Distribution payment date		Monday	14 October 2013
Notice of annual general meeting posted on		Friday	30 August 2013
Integrated report posted on		Friday	6 September 2013
Annual general meeting		Monday	30 September 2013

Q1 2014

Quarter ends	Monday	30 September 2013
Announcement of quarterly results	Wednesday	13 November 2013

Company name	Rockcastle Global Real Estate Company Limited (Registration number: 108869 C1/GBL)	
Registered address	Level 3, Alexander House 35 Cybercity Ebene, Mauritius	
Website address	www.rockcastleglobalre.mu	
Period end	30 June 2013	
Chairman of the board	Mark Olivier	
Board of directors	Mark Olivier (chairman), Alexandru Morar, Rory Kirk, Yan Ng, Craig Hallowes, Paul Pretorius, Stephen Delport and Andries de Lange	
	Independent non-executive	3
	Non-independent non-executive	2
	Executive	3
		8
Chief executive officer	Craig Hallowes	
Company secretary	Intercontinental Trust Limited	
Corporate advisors	Java Capital	
External auditors	BDO & Co	
Date of listing SEM	5 June 2012	
Date of listing JSE	26 July 2012	
Shares in issue	350 000 000	
Gearing ratio	42,4%	
Investment portfolio	**Listed property securities**	USD 689,3 million / 100% of portfolio
Share price (USD cents per share)		**2013**
	High	151
	Low	100
	Closing	135
Distributions (USD cents per share)		**2013**
	Interim	4,56
	Final – proposed	4,00
		8,56
Volume traded	34,8 million shares	
Value traded	USD 45,2 million	
Annual general meeting	30 September 2013 Level 3, Alexander House, 35 Cybercity, Ebene, Mauritius	
Distribution calendar **(final distribution for the 2013 financial year)** Special general meeting to approve proposed final distribution	13 September 2013	

ROCKCASTLE
GLOBAL REAL ESTATE COMPANY LIMITED

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