

N2 OTHER CASH FLOW NOTES

	Note	Group		Company	
		June 2020 R'000	June 2019 R'000	June 2020 R'000	June 2019 R'000
N2.1 Taxation paid					
Taxation (receivable)/payable at the beginning of the year		2 530	(1 251)	-	-
FCTR movement on tax payable at beginning of the year		569	-	-	-
Charge for the year in statement of profit or loss and other comprehensive income		487	(427)	-	-
Taxation (receivable)/payable at the end of the year		-	(2 530)	-	-
Taxation received/(paid) in cash		3 586	(4 208)	-	-
N2.2 Dividends received					
Dividend receivable at the beginning of the year		16 278	76 484	16 278	76 484
Dividend income		120 630	221 190	120 630	221 190
Dividends receivable at the end of the year		-	(16 278)	-	(16 278)
Dividends received in cash		136 908	281 396	136 908	281 396
N2.3 Dividends paid					
Dividend declared during the year		1 705 815	1 956 467	1 709 572	1 959 628
Dividends payable at the end of the year	13.2	(788 347)	-	(790 041)	-
Dividends paid in cash		917 468	1 956 467	919 531	1 959 628

O. ADDITIONAL INFORMATION (INCLUDED IN THE AUDITED FINANCIAL STATEMENTS)

O1 GOING CONCERN

The Company and Group financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis takes into account that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

In assessing the Company and Group's ability to continue as a going concern, the board and the Audit and Risk committee have reviewed the Company and Group's budget and cashflow forecasts, available cash balances, existing unutilised and new term loans, revolving credit facilities, and the Group's debt maturity profile. Cognisance was also taken of the current level of economic uncertainty as a result of Covid-19, the effects of which are likely to continue for some time.

The impact of the Covid-19 lockdown on the South African economy, and the retail sector in particular, was severe. Financial performance of the Group's portfolios for the year ended 30 June 2020 was adversely impacted by Covid-19, as we assisted tenants by granting discounts on contractual rentals (see note D1.1), and property valuations suffered a decline (see note E1).

For the year ended 30 June 2020, the Company and Group recorded losses of R3 107 million and R3 523 million respectively, due to the revaluation of their investment property portfolios by R4 277 million and R4 668 million respectively. However, the Group's net income before fair value adjustments for the year was R1 411 million and cash generated by operations was R1 733 million. At 30 June 2020 the Group's net asset value was R19.3 billion, the Group had available cash of R835 million and undrawn revolving credit facilities of R500 million. Given the actions and decisions taken by management subsequent to year end (as set out below), the Group's liquidity position remains strong.

At 30 June 2020 the Company's current liabilities exceeded its current assets by R954 million and the Group's current liabilities exceed its current assets R2 128 million. The increase in current liabilities is due to loans maturing in less than one year (see note H1.2) and the dividend declared to shareholders for the six months ended 31 December 2019 of R788 million (the interim dividend) in February 2020.

O. ADDITIONAL INFORMATION (INCLUDED IN THE AUDITED FINANCIAL STATEMENTS) *continued***O1. GOING CONCERN** *continued*

The Company and Group propose to settle the short-term borrowings from existing cash balances, and existing or new bank facilities. The following actions and decisions have been taken by management:

- In July 2020 the Company raised R450 million through a new two-year revolving credit facility and R1 725 million in new term loans from banks. These amounts were used to settle maturing bank loans and DCM funding of R2 148 million. The remaining short-term borrowings relate to loans in the Group's sub-Saharan Africa portfolio which will be transferred on disposal of Ikeja City Mall and/or refinanced on maturity in Rands or Dollars. Bank credit approval has been received to refinance \$56 million of this remaining debt.
- The board has resolved that it would be prudent to defer its decision on the settlement of the interim dividend and the declaration of the final dividend for the year ended 30 June 2020 until December 2020, or an earlier date should more clarity emerge on the likely future economic environment. See Note O2-Events after the reporting date for details.

Accordingly, the directors consider that the Company and the Group have adequate resources to continue operating for the ensuing 12 months and that it is appropriate to adopt the going concern basis in preparing the Company and Group financial statements.

O2 EVENTS AFTER THE REPORTING DATE

O2.1 Settlement of interim dividend and declaration of final dividend

At 30 June 2020, the Group's net asset value was R19.3 billion and the Group had available cash of R835 million and undrawn revolving credit facilities of R500 million. The Group's liquidity position remains strong, however, having regard to the challenging and unpredictable economic environment, the pressure on the market value of the SA portfolio, the desire to reduce gearing levels and feedback from major institutional shareholders, the board is of the view that the Company should retain as much cash as possible while continuing to meet applicable REIT requirements in terms of the JSE Listings Requirements.

The board is considering different options in regard to settlement of the interim distribution and declaration of the final distribution for the year ended 30 June 2020, having regard to the minimum REIT distribution requirements. It has therefore resolved that it would be prudent to defer its decision on the settlement of the interim dividend and the declaration of the final dividend for the year ended 30 June 2020 until December 2020, or an earlier date should more clarity emerge on the likely future economic environment.

O2.2 Disposal of interest in Ikeja City Mall

Subsequent to 30 June 2020, key terms have been agreed for the disposal of Ikeja City Mall based on a valuation of \$115 million. The purchasers have concluded their due diligence, however, the sale remains subject to regulatory approvals and the purchasers raising the necessary finance to settle 70% of the purchase price. Appropriate security will be registered for the remaining 30% of the purchase price. The outstanding balance will accrue interest at 8% per annum, payable quarterly, until settled. Net proceeds from the disposal will be applied to reduce the Group's remaining US Dollar-denominated debt of \$18 million. The investment in Ikeja City Mall has been valued based on the anticipated sale proceeds.

O. ADDITIONAL INFORMATION (INCLUDED IN THE AUDITED FINANCIAL STATEMENTS) continued**O3 JSE PROPERTY DISCLOSURES**

Listed companies that carry out property-related transactions are subject to additional disclosure requirements relating to their property portfolio and financial information in terms of the JSE listings requirements.

Group June 2020	Location	Revenue attributable to Hyprop R'000	Revenue contribution %	Total GLA m ²	GLA contribution %	Revenue per m ²	Retail GLA m ²
(Excluding properties held-for-sale)							
Geographical profile							
South Africa		2 764 293	100.0	710 565	100.0	324	664 609
Gauteng		1 589 700	57.5	418 464	58.9	317	383 018
Western Cape		1 174 593	42.5	292 101	41.1	335	281 591
Sectoral profiles							
Retail		2 748 195	99.4	703 709	99.0	325	664 609
Shopping centres		2 595 012	93.9	655 078	92.2	330	615 978
Super regional		682 352	24.7	158 894	22.4	358	148 384
Canal Walk	WC	682 352	24.7	158 894	22.4	358	148 384
Large regional		1 707 701	61.8	457 330	64.4	311	439 081
Clearwater Mall	GP	421 218	15.2	87 032	12.2	403	87 032
The Glen	GP	234 728	8.5	80 129	11.3	244	80 129
Woodlands	GP	261 509	9.5	71 821	10.1	303	71 821
CapeGate	WC	208 682	7.5	64 238	9.0	271	64 238
Somerset Mall	WC	283 559	10.3	68 969	9.7	343	68 969
Rosebank Mall	GP	298 005	10.8	85 141	12.0	292	66 892
Regional		204 959	7.4	38 854	5.5	440	28 513
Hyde Park Corner	GP	204 959	7.4	38 854	5.5	440	28 513
Value centres (Atterbury Value Mart)	GP	153 183	5.5	48 631	6.8	262	48 631
Offices (standalone offices only)	GP	16 098	0.6	6 856	1.0	196	-
Total		2 764 293	100.0	710 565	100.0	324	664 609
June 2019							
(Excluding properties held-for-sale)							
Geographical profile							
South Africa		2 986 920	100.0	706 626	100.0	353	662 946
Gauteng		1 679 384	56.2	415 054	58.7	337	381 926
Western Cape		1 307 536	43.8	291 572	41.3	374	281 020
Sectoral profiles							
Retail		2 972 499	99.5	702 158	99.4	353	662 947
Shopping centres		2 813 368	94.2	653 510	92.5	359	614 305
Super regional		765 607	25.6	158 737	22.5	402	148 188
Canal Walk	WC	765 607	25.6	158 737	22.5	402	148 188
Large regional		1 808 702	60.6	456 036	64.5	331	437 643
Clearwater Mall	GP	452 233	15.1	87 059	12.3	433	87 028
The Glen	GP	207 395	6.9	80 431	11.4	215	80 323
Woodlands	GP	275 610	9.2	71 626	10.1	321	71 629
CapeGate	WC	222 269	7.4	63 832	9.0	290	63 831
Somerset Mall	WC	319 660	10.7	69 003	9.8	386	69 001
Rosebank Mall	GP	331 535	11.1	84 085	11.9	329	65 831
Regional		239 060	8.0	38 737	5.5	515	28 474
Hyde Park Corner	GP	239 060	8.0	38 737	5.5	515	28 474
Value centres (Atterbury Value Mart)	GP	159 130	5.3	48 648	6.9	273	48 642
Offices (standalone offices only)	GP	14 421	0.5	4 468	0.6	-	-
Total		2 986 920	100.0	706 626	100.0	353	662 947

⁽¹⁾ Rental escalations relate to new leases and amendments made during the financial year.

	Retail vacancy m ²	Retail vacancy %	Office GLA m ²	Office vacancy m ²	Office vacancy %	Retail - rental escalation per year ⁽¹⁾ %	Office - rental escalation per year %	Average annualised rental property yield %	Average annualised NOI property yield %
	15 648	2.4	45 956	6 111	13.3	6.5	6.5	7.6	8.2
	12 688	3.3	35 446	5 259	14.8	6.4	6.6	8.3	8.5
	2 960	1.1	10 510	852	8.1	6.5	6.3	6.8	7.9
	15 648	2.4	39 100	5 401	13.8	6.5	6.3	7.6	8.2
	15 525	2.5	39 100	5 401	13.8	6.5	6.3	7.5	8.2
	2 467	1.7	10 510	852	8.1	6.9	6.3	6.6	8.4
	2 467	1.7	10 510	852	8.1	6.9	6.3	6.6	8.4
	11 556	2.6	18 249	1 355	7.4	6.4	7.3	8.0	8.1
	1 235	1.4	-	-	-	6.7	-	8.9	8.5
	2 207	2.8	-	-	-	5.7	-	8.8	11.4
	2 121	3.0	-	-	-	6.2	-	9.0	8.2
	440	0.7	-	-	-	6.7	-	7.7	7.3
	53	0.1	-	-	-	5.8	-	6.6	7.0
	5 500	8.2	18 249	1 355	7.4	7.2	7.3	7.1	7.3
	1 502	5.3	10 341	3 194	30.9	6.0	5.9	7.5	8.1
	1 502	5.3	10 341	3 194	30.9	6.0	5.9	7.5	8.1
	123	0.3	-	-	-	6.4	-	8.5	8.5
	-	-	6 856	710	10.4	7.0	7.2	6.4	8.6
	15 648	2.4	45 956	6 111	13.3	6.5	6.5	7.6	8.2
	5 103	0.8	43 468	4 638	10.7	7.7	7.6	7.5	7.5
	5 103	0.8	43 468	4 638	10.7	7.7	7.6	7.5	7.5
	4 619	1.2	32 959	3 853	11.7	7.4	7.4	7.4	7.6
	483	0.2	10 509	782	7.5	8.1	8.2	7.7	7.2
	5 103	0.8	39 000	4 235	10.9	7.8	7.5	7.5	7.3
	4 699	0.8	39 000	4 235	10.9	7.9	7.5	7.5	7.2
	483	0.3	10 509	785	7.5	8.6	8.2	7.2	6.9
	483	0.3	10 509	785	7.5	8.6	8.2	7.2	6.9
	3 995	0.9	18 249	463	2.5	7.5	8.1	7.7	7.3
	241	0.3	-	-	-	8.0	-	7.0	7.2
	3 196	4.0	-	-	-	7.2	-	8.6	7.9
	61	0.1	-	-	-	7.4	-	7.1	7.0
	-	-	-	-	-	8.0	-	8.5	7.4
	-	-	-	-	-	7.8	-	7.5	7.2
	497	0.8	18 249	463	2.5	6.5	8.1	7.3	6.8
	222	0.8	10 242	2 987	29.2	7.7	6.3	7.0	7.0
	222	0.8	10 242	2 987	29.2	7.7	6.3	7.0	7.0
	403	0.8	-	-	-	7.7	-	7.0	8.5
	-	-	4 468	403	9.0	-	7.8	7.9	8.8
	5 103	0.8	43 468	4 638	10.7	7.7	7.6	7.5	7.5

O. ADDITIONAL INFORMATION (INCLUDED IN THE AUDITED FINANCIAL STATEMENTS) continued**O3. JSE PROPERTY DISCLOSURES continued**

Tenants in our portfolio are categorised by grade, although this is largely subjective given the strong retail nature of our portfolio.

	Revenue attributable to Hyprop R'000	Revenue contribution %	Rentable area (GLA) m ²	Rentable area contribution %	Revenue per m ²
June 2020					
Tenant profile - South Africa	2 707 496	100.0	688 805	100.0	327.56
A grade ⁽¹⁾	1 471 340	54.3	459 373	66.8	266.91
B grade ⁽²⁾	739 329	27.3	141 178	20.5	436.40
C grade ⁽³⁾	496 827	18.4	88 253	12.8	469.13
June 2019					
Tenant profile - South Africa	2 762 769	100.0	726 706	100.0	316.81
A grade ⁽¹⁾	1 505 224	54.5	473 391	65.1	264.97
B grade ⁽²⁾	777 658	28.1	155 408	21.4	417.00
C grade ⁽³⁾	479 887	17.4	97 907	13.5	408.46

⁽¹⁾ A grade: Large national tenants, large listed tenants and major franchises (including all national retailers and tenants in large listed Groups).

⁽²⁾ B grade: Smaller national and listed tenants, medium-sized franchises, medium to large retailers.

⁽³⁾ C grade: Smaller line stores.

	FY21 %	FY22 %	FY23 %	FY24 %	FY25+ %
June 2020					
Lease expiry profile - by revenue (%)	29	17	19	11	24
Retail	29	17	19	11	24
Shopping centres	30	17	19	11	24
Super regional	31	15	22	9	23
Canal Walk	31	15	22	9	23
Large regional	29	18	17	12	24
Clearwater Mall	27	19	15	6	33
The Glen	30	21	22	9	18
Woodlands	36	20	14	10	21
CapeGate	32	17	16	7	28
Somerset Mall	33	15	16	17	18
Rosebank Mall	13	20	17	20	30
Regional	33	17	20	14	16
Hyde Park Corner	33	17	20	14	16
Value centres (Atterbury Value Mart)	22	18	21	15	23
Offices (standalone offices only)	33	9	45	0	13

	FY20 %	FY21 %	FY22 %	FY23 %	FY24+ %
June 2019					
Lease expiry profile - by revenue (%)	28	20	17	13	22
Retail	28	20	16	13	23
Shopping centres	30	19	16	13	22
Super regional	19	25	14	18	24
Canal Walk	19	25	14	18	24
Large regional	31	19	17	11	22
Clearwater Mall	36	25	17	6	16
The Glen	29	16	20	18	17
Woodlands	21	35	16	8	20
CapeGate	47	10	16	13	15
Somerset Mall	21	20	18	12	29
Rosebank Mall	32	7	14	9	37
Regional	35	18	14	18	16
Hyde Park Corner	35	18	14	18	16
Value centres (Atterbury Value Mart)	17	23	16	11	33
Offices (standalone offices only)	24	21	22	22	12

	Vacancy %	FY21 %	FY22 %	FY23 %	FY24 %	FY25+ %
June 2020						
Lease expiry profile - by rentable area (%)	3	23	14	16	11	33
Retail	2	23	13	16	12	34
<i>Shopping centres</i>	3	23	14	16	12	33
Super regional	2	31	10	23	8	26
Canal Walk	2	31	10	23	8	26
Large regional	3	22	14	16	12	33
Clearwater Mall	1	20	12	11	5	51
The Glen	3	21	17	22	15	22
Woodlands	3	32	18	12	10	26
CapeGate	1	22	19	9	5	44
Somerset Mall	0	19	9	16	28	28
Rosebank Mall	8	9	16	13	15	40
Regional	12	24	9	14	8	33
Hyde Park Corner	12	24	9	14	8	33
<i>Value centres (Atterbury Value Mart)</i>	0	21	17	18	12	32
Offices (standalone offices only)	10	31	9	24	-	25

	Vacancy %	FY20 %	FY21 %	FY22 %	FY23 %	FY24+ %
June 2019						
Lease expiry profile - by rentable area (%)	2	25	15	14	12	32
Retail	1	26	15	13	12	34
<i>Shopping centres</i>	1	27	15	12	12	33
Super regional	0	15	22	10	22	32
Canal Walk	0	15	22	10	22	32
Large regional	1	28	14	14	10	32
Clearwater Mall	0	36	19	11	5	28
The Glen	4	24	9	17	19	26
Woodlands	0	13	32	16	9	30
CapeGate	0	50	6	20	8	16
Somerset Mall	0	14	13	11	14	48
Rosebank Mall	1	28	4	7	7	53
Regional	1	37	13	8	12	30
Hyde Park Corner	1	37	13	8	12	30
<i>Value centres (Atterbury Value Mart)</i>	1	14	20	16	9	41
Offices (standalone offices only)	11	24	16	23	14	12