

FAIRVEST

PROPERTY HOLDINGS

NOTICE OF ANNUAL GENERAL MEETING 2019

CONTENTS

Notice of Annual General Meeting	1
Annexure A: Summarised audited consolidated results	12
Annexure B: General information	26
Form of proxy	29

NOTICE OF ANNUAL GENERAL MEETING ("AGM")

FAIRVEST PROPERTY HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/005011/06)

Share code: FVT ISIN: ZAE000203808

(Approved as a REIT by the JSE)

("Fairvest" or "the Company")

Notice is hereby given that the Annual General Meeting of shareholders of Fairvest in respect of the year ended 30 June 2019 will be held in the boardroom, 8th Floor, The Terraces, 34 Bree Street, Cape Town on Thursday, 14 November 2019, at 10:00 ("AGM").

Purpose

The purpose of the AGM is to transact the business set out in the agenda below.

This document is important and requires your immediate attention.

If you are in any doubt as to what action you should take, please consult your broker, Central Securities Depository Participant ("CSDP"), legal adviser, banker, financial adviser, accountant or other professional adviser immediately.

Agenda

(i) Presentation of the audited annual financial statements of the Company, including the reports of the directors and Audit and Risk Committee for the year ended 30 June 2019. The Integrated Annual Report containing the complete audited annual financial statements will be available on the Company's website at www.fairvest.co.za or can be obtained from the Company's registered office from the date of this notice of AGM until, and at, the AGM on Thursday, 14 November 2019. **A summarised version of the audited annual financial statements is included in Annexure A to this notice of AGM ("Notice").**

(ii) To consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions:

For any of the Ordinary Resolutions Numbers 1 to 8 (inclusive) and 11 to 13 (inclusive) to be adopted, more than 50% (fifty percent) of the voting rights exercised on such ordinary resolution must be exercised in favour thereof. For Ordinary Resolutions Numbers 9 and 10 to be adopted, at least 75% (seventy-five percent) of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.

1. ORDINARY RESOLUTION NUMBER 1 – RE-APPOINTMENT OF AUDITORS

"RESOLVED AS AN ORDINARY RESOLUTION that, on the recommendation of the Audit and Risk Committee of the Company, BDO South Africa Inc. be and are hereby re-appointed as the auditors of the Company for the ensuing financial year or until the next annual general meeting of the Company, whichever is the later, with the designated auditor being Heemal Bhaga Muljee, as registered auditor and partner in the firm."

*The reason for Ordinary Resolution Number 1 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed, as the case may be, at each annual general meeting of the Company as required by the Companies Act, No. 71 of 2008, as amended ("**Companies Act**").*

NOTICE OF AGM CONTINUED

2. ORDINARY RESOLUTION NUMBER 2 – CONFIRMATION OF APPOINTMENT OF MS KR NKUNA AS A DIRECTOR

“RESOLVED AS AN ORDINARY RESOLUTION that the appointment by the Company’s Board of Ms KR Nkuna as a director of the Company, be and is hereby confirmed.”

Summarised curriculum vitae of Ms KR (Khegu) Nkuna

Khegu is a qualified Chartered Accountant and currently the Group Financial Director of the Masingita Group of Companies. Khegu has experience in both private and public companies spanning across diverse industries. She has diverse professional experience in auditing, finance management, strategic financial management, strategy development, financial risk analysis and corporate governance.

3. ORDINARY RESOLUTION NUMBER 3 – RETIREMENT AND RE-ELECTION OF DIRECTOR (MR JF DU TOIT)

“RESOLVED AS AN ORDINARY RESOLUTION that Mr JF du Toit, who retires by rotation in terms of the Company’s Memorandum of Incorporation and, being eligible and offering himself for re-election, be and is hereby re-elected as a Non-Executive Director of the Company.”

Summarised curriculum vitae of Mr JF (Jacques) du Toit

Jacques is a chartered financial analyst and has been involved in the financial services industry since joining HSBC Simpson McKie as a stockbroker in 1998. He joined the portfolio management side at HSBC in 2003 and headed up the investment process until 2005 when he joined Investec Securities Limited as a senior portfolio manager. In August 2008, he jointly set up a financial services company, Cohesive Capital. He serves as a director on the boards of a number of private companies.

4. ORDINARY RESOLUTION NUMBER 4 – RETIREMENT AND RE-ELECTION OF DIRECTOR (MR N MKHIZE)

“RESOLVED AS AN ORDINARY RESOLUTION that Mr N Mkhize, who retires by rotation in terms of the Company’s Memorandum of Incorporation and, being eligible and offering himself for re-election, be and is hereby re-elected as a Non-Executive Director of the Company.”

Summarised curriculum vitae of Mr N (Ndabe) Mkhize

Ndabe is the Chief Investment Officer of the Eskom Pension and Provident Fund with overall investment oversight of over R135 billion in assets. His previous experience includes co-portfolio management positions at STANLIB Asset Management and Coronation Fund Managers as well as an equity analyst role at Prudential Portfolio Managers. Ndabe holds a BSc (Actuarial Science) degree from the University of Cape Town (UCT) and the designations of Chartered Financial Analyst and Chartered Alternative Investment Analyst. In addition, he has gone through the Property Development Programme at the UCT Graduate School of Business.

5. ORDINARY RESOLUTION NUMBER 5 – RETIREMENT AND RE-ELECTION OF DIRECTOR (MR DM WILDER)

“RESOLVED AS AN ORDINARY RESOLUTION that Mr DM Wilder, who retires by rotation in terms of the Company’s Memorandum of Incorporation and, being eligible and offering himself for re-election, be and is hereby re-elected as an Executive Director of the Company.”

Summarised curriculum vitae of Mr DM (Darren) Wilder

Darren worked for Seeff Properties in various positions from 1991 until 1997. During 1997, he was appointed to the board of the then JSE-listed company, Capital Alliance Properties, and was a participant in its management buy-out. Darren co-founded Spearhead Property Group and was part of the team that listed the company on the JSE. He was appointed COO in 1999. Darren's work experience also includes national leasing director for Madison Properties, business development director of the V&A Waterfront and as consultant to the Chief Executive Officer of the V&A Waterfront.

The reason for Ordinary Resolution Number 2 is that the Memorandum of Incorporation of the Company and the Listings Requirements of the JSE Limited ("JSE Listings Requirements") require that any appointment of directors by the Board of the Company be confirmed by shareholders at the next annual general meeting of the Company. The reason for Ordinary Resolutions Numbers 3, 4 and 5 is that the Memorandum of Incorporation of the Company, the JSE Listings Requirements and, to the extent applicable, the Companies Act, require that a component of the directors rotate at each annual general meeting of the Company and, being eligible, may offer themselves for re-election as directors.

6. ORDINARY RESOLUTION NUMBER 6 – RE-APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE (MR N MKHIZE)

"RESOLVED AS AN ORDINARY RESOLUTION, subject to the adoption of Ordinary Resolution Number 4 above, that Mr N Mkhize, being eligible be and is hereby re-appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the next annual general meeting of the Company."

A summarised curriculum vitae of Mr N (Ndabe) Mkhize appears at Ordinary Resolution Number 4 above.

7. ORDINARY RESOLUTION NUMBER 7 – RE-APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE (ADV JD WIESE)

"RESOLVED AS AN ORDINARY RESOLUTION that Adv JD Wiese, being eligible, be and is hereby re-appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the next annual general meeting of the Company."

Summarised curriculum vitae of Adv JD (Jacob) Wiese

Jacob holds a BA (Value and Policy Studies) degree from the University of Stellenbosch, a Master's degree in International Economics and Management from Università Commerciale Luigi Bocconi in Italy and an LLB degree from the University of Cape Town. In 2009, Jacob completed his pupillage at the Cape Bar and was admitted as an Advocate of the High Court. Jacob is a Non-Executive Director of Pepkor Holdings Limited and Invicta Holdings. He is also involved with the management of Lourensford Wine Estate, one of South Africa's largest and most prestigious wine farms.

8. ORDINARY RESOLUTION NUMBER 8 – RE-APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE (MS KR NKUNA)

"RESOLVED AS AN ORDINARY RESOLUTION, subject to the adoption of Ordinary Resolution Number 2 above, that Ms KR Nkuna, being eligible, be and is hereby re-appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of Directors of the Company, until the next annual general meeting of the Company."

A summarised curriculum vitae of Ms KR (Khegu) Nkuna appears at Ordinary Resolution Number 2 above.

The reason for Ordinary Resolutions Numbers 6, 7 and 8 is that the Company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of the Company.

NOTICE OF AGM CONTINUED

9. ORDINARY RESOLUTION NUMBER 9 – GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

“RESOLVED AS AN ORDINARY RESOLUTION that the directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue any of the Company’s unissued shares for cash, to such person/s on such terms and conditions and at such times as the directors may, from time to time, in their discretion deem fit, without restriction, subject to the Companies Act, the Memorandum of Incorporation of the Company and the JSE Listings Requirements from time to time, which currently provide, *inter alia*, the following limitations:

- the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
- any such issue may only be made to public shareholders, as defined by the JSE Listings Requirements, and not to related parties;
- the number of shares issued for cash hereunder shall not, in aggregate, exceed 10% (ten percent) of the number of the Company’s issued shares of that class. The number of shares which may be issued shall be based on the number of shares in issue as at the date of this Notice. As at the date of this Notice, 10% (ten percent) of the number of issued shares, excluding treasury shares, amounts to 100 135 721 ordinary shares;
- this general authority will be valid until the earlier of the Company’s next annual general meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- after the Company has issued shares under this general authority representing, on a cumulative basis within the period of this approval, 5% (five percent) or more of the number of shares in issue prior to the issue, the Company shall publish an announcement on the Stock Exchange News Service of the JSE containing full details of the issue, including:
 - the number of shares issued;
 - the average discount to the weighted average traded price of the shares over the 30 (thirty) business days prior to the date that the issue is agreed in writing between the Company and the party/ies subscribing for the shares; and
 - in respect of the issue of options and convertible securities pursuant to paragraph 5.53 of the JSE Listings Requirements, the effects of the issue on the statement of financial position, net asset value per share, net tangible asset value per share, the statement of comprehensive income, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share; or
 - in respect of an issue of shares pursuant to paragraph 5.52 of the JSE Listings Requirements, an explanation, including supporting information (if any), of the intended use of the funds;
- in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 5% (five percent) of the weighted average traded price on the JSE of the shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the shares. The JSE will be consulted for a ruling if the securities have not traded in such 30 business day period;
- the approval of this general authority to issue shares for cash resolution, by achieving a 75% (seventy-five percent) majority of the votes cast at the AGM; and
- this authority includes the authority to issue any options/convertible securities that are convertible into an existing class of equity securities, where applicable.”

The reason for Ordinary Resolution Number 9 is that, for the Company to issue shares for cash, it must obtain the prior authority of shareholders to the extent required under the JSE Listings Requirements. The effect of Ordinary Resolution Number 9, if passed, is to obtain such general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements.

10. ORDINARY RESOLUTION NUMBER 10 – AUTHORITY TO SELL TREASURY SHARES

“RESOLVED AS AN ORDINARY RESOLUTION that, to the extent that any treasury shares may be acquired and held by any subsidiary of the Company (**“Treasury Shares”**), and whereas paragraph 5.75 of the JSE Listings Requirements states that whenever a listed company wishes to use such Treasury Shares, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of securities, the directors of the Company be and are hereby authorised, by way of a general authority, to sell any or all such Treasury Shares for cash, to such person/s on such terms and conditions and at such times as the directors may, from time to time, in their discretion deem fit, subject to the Companies Act, the Memorandum of Incorporation of the Company and the JSE Listings Requirements from time to time, including the limitations listed in Ordinary Resolution Number 9 above, and which are hereby incorporated, *mutatis mutandis*, in this Ordinary Resolution Number 10, and which include, *inter alia*, the following:

- any such sale of Treasury Shares may only be made to public shareholders, as defined by the JSE Listings Requirements, and not to related parties;
- this general authority will be valid until the earlier of the Company’s next annual general meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- in determining the price at which any Treasury Shares may be sold in terms of this authority, the maximum discount permitted will be 5% (five percent) of the weighted average traded price on the JSE of the shares over the 30 (thirty) business days prior to the sale of such Treasury Shares. The JSE will be consulted for a ruling if the securities have not traded in such 30 business day period; and
- the approval of this general authority to sell Treasury Shares for cash by achieving a 75% (seventy-five percent) majority of the votes cast at the AGM.”

The reason for Ordinary Resolution Number 10 is that, for the Company to sell any Treasury Shares for cash, it must obtain the prior authority of shareholders to the extent required under the JSE Listings Requirements. The effect of Ordinary Resolution Number 10, if passed, is to obtain such general authority from shareholders to sell Treasury Shares for cash in compliance with the JSE Listings Requirements.

The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance. Should an opportunity arise which the Board of Directors of the Company deems fitting to the Company’s growth strategy then the Board shall utilise this authority accordingly.

11. ORDINARY RESOLUTION NUMBER 11 – NON-BINDING ADVISORY VOTE ON FAIRVEST’S REMUNERATION POLICY

“RESOLVED AS AN ORDINARY RESOLUTION that shareholders endorse the Company’s remuneration policy, as set out on pages 60 to 62 in the Company’s 2019 Integrated Annual Report, which is available on the Company’s website at www.fairvest.co.za.”

The reason for Ordinary Resolution Number 11 is that the King IV™ Report on Corporate Governance for South Africa, 2016 (“King IV™”) recommends, and the JSE Listings Requirements require, that the remuneration policy of a Company be tabled for a non-binding advisory vote by shareholders at each annual general meeting of the Company. This enables shareholders to express their views on the remuneration policy adopted. The effect of Ordinary Resolution Number 11, if passed, will be to endorse the Company’s remuneration policy. Ordinary Resolution Number 11 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company’s remuneration policy.

NOTICE OF AGM CONTINUED

12. ORDINARY RESOLUTION NUMBER 12 – NON-BINDING ADVISORY VOTE ON FAIRVEST'S IMPLEMENTATION REPORT ON THE REMUNERATION POLICY

"RESOLVED AS A NON-BINDING ADVISORY VOTE that shareholders endorse the Company's implementation report on the remuneration policy, as set out on page 60 in the Company's 2019 Integrated Annual Report, which is available on the Company's website at www.fairvest.co.za."

The reason for Ordinary Resolution Number 12 is that King IV™ recommends, and the JSE Listings Requirements require, that the implementation report on a Company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each annual general meeting of the Company. This enables shareholders to express their views on the implementation of a company's remuneration policy. The effect of Ordinary Resolution Number 12, if passed, will be to endorse the Company's implementation report in relation to the remuneration policy. Ordinary Resolution Number 12 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's remuneration policy and its implementation.

Should 25% or more of the votes exercised in respect of Ordinary Resolution Number 11 or Ordinary Resolution Number 12 be against either resolution, or both, the Company will issue an invitation to those shareholders who voted against the applicable resolutions to engage with the Company.

13. ORDINARY RESOLUTION NUMBER 13 – AUTHORITY TO EXECUTE REQUISITE DOCUMENTATION

"RESOLVED AS AN ORDINARY RESOLUTION that any director of the Company or, where appropriate, the Company Secretary, be and is hereby authorised to do all such things and to sign all such documents issued by the Company as are required to give effect to the special and ordinary resolutions passed at this AGM."

The reason for Ordinary Resolution Number 13 is to provide the necessary authority to any director of the Company or the Company Secretary to implement the special and ordinary resolutions which were passed at the AGM.

For any of the Special Resolutions Numbers 1 to 4 (inclusive) to be adopted, at least 75% (seventy-five percent) of the voting rights exercised on such special resolution must be exercised in favour thereof.

14. SPECIAL RESOLUTION NUMBER 1 – SHARE REPURCHASES BY FAIRVEST AND ITS SUBSIDIARIES

"RESOLVED AS A SPECIAL RESOLUTION that the Company and the subsidiaries of the Company be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the Company upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the Memorandum of Incorporation of the Company and the JSE Listings Requirements, including, *inter alia*, that:

- the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the Company, provided that it shall not extend beyond 15 months from the date of this resolution;
- an announcement must be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue at the time that this general authority is granted, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;
- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;

- a resolution has been passed by the Board of Directors approving the purchase, that the Company has satisfied the solvency and liquidity test as defined in the Companies Act and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Company and its subsidiaries ("**the Group**");
- the general repurchase is authorised by the Company's Memorandum of Incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five business day period;
- the Company may at any point in time only appoint one agent to effect any repurchase(s) on the Company's behalf; and
- the Company may not effect a repurchase during any prohibited period, as defined in terms of the JSE Listings Requirements, unless there is a repurchase programme in place, which programme has been submitted to the JSE in writing prior to the commencement of the prohibited period and executed by an independent third party, as contemplated in terms of paragraph 5.72(h) of the JSE Listings Requirements."

The reason for and effect, if passed, of Special Resolution Number 1 is to grant the directors a general authority in terms of the Company's Memorandum of Incorporation and the JSE Listings Requirements for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in Special Resolution Number 1. The Board of the Company may decide to utilise this general authority to effect share repurchases as and when suitable opportunities present themselves.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a company. For the avoidance of doubt, a *pro rata* repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent required by the Companies Act.

The Board of Directors of the Company undertakes that, to the extent it is still required by the JSE Listings Requirements and the Companies Act, they will not implement the repurchase as contemplated in this special resolution while this general authority is valid, unless:

- the assets of the Company and the Group, recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements, will exceed the liabilities of the Company and the Group for a period of 12 (twelve) months after the date of such repurchase;
- the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 (twelve) months after the date of such repurchase;
- the Company's and the Group's ordinary share capital and reserves will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of such repurchase;
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 (twelve) months after the date of such repurchase; and
- a resolution is passed by the Board of Directors of the Company that they have authorised the repurchase, that the Company passed the solvency and liquidity test, and that since the solvency and liquidity test was performed there have been no material changes to the financial position of the Group.

The following information, which is required by the JSE Listings Requirements with regard to the resolution granting a general authority to the Company to repurchase shares, appears in Annexure B of this Notice:

- major shareholders;
- directors' interests in securities;
- share capital of the Company; and
- material changes.

NOTICE OF AGM CONTINUED

15. SPECIAL RESOLUTION NUMBER 2 – REMUNERATION OF NON-EXECUTIVE DIRECTORS

“RESOLVED AS A SPECIAL RESOLUTION, in terms of section 66(9) of the Companies Act, that the remuneration payable to Non-Executive Directors of the Company to remunerate them for their services as directors, which includes serving on various board committees, payable for the year ended 30 June 2020 (refer to the Company’s remuneration policy, as set out on pages 60 to 61 in the Company’s 2019 Integrated Annual Report) will be as follows:

	Proposed annual remuneration (excluding VAT)
1. Board membership	
Chairman of the Board	R251 900.00
Non-Executive Directors	R171 600.00
	Proposed meeting attendance fee (per meeting attended) (excluding VAT)
2. Attendance of Board and board committee meetings	
Chairman of the Board	R17 175.00
Non-Executive Directors	R11 700.00

The reason for Special Resolution Number 2 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its Non-Executive Directors in accordance with the requirements of the Companies Act. The passing of this special resolution will have the effect of approving the remuneration of each of the Non-Executive Directors of the Company for the year ending 30 June 2020, in accordance with section 66(9) of the Companies Act.

16. SPECIAL RESOLUTION NUMBER 3 – INTER-COMPANY FINANCIAL ASSISTANCE

“RESOLVED AS A SPECIAL RESOLUTION, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the Board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (“**financial assistance**” will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the Board of the Company may deem fit to any company or corporation that is related or inter-related to the Company (“**related**” and “**inter-related**” will herein have the meanings attributed to them in section 2 of the Companies Act), on the terms and conditions and for amounts that the Board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company.”

The reason for and effect, if passed, of Special Resolution Number 3 is to grant the directors of the Company the authority, until the next annual general meeting of the Company, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

17. SPECIAL RESOLUTION NUMBER 4 – FINANCIAL ASSISTANCE FOR THE SUBSCRIPTION AND/OR PURCHASE OF SHARES IN THE COMPANY OR A RELATED OR INTER-RELATED COMPANY

“RESOLVED AS A SPECIAL RESOLUTION, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the Board of Directors of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (“**financial assistance**” will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the Board of the Company may deem fit to any person, including any company or corporation that is related or inter-related to the Company (“**related**” and “**inter-related**” will herein have the meanings attributed to them in section 2 of the Companies Act), and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or in any company or corporation that is related or inter-related to the Company, on the terms and conditions and for amounts that the Board of the Company may determine for the purpose of, or in connection with, the subscription for any option, or any shares or other securities, issued or to be issued by the Company or by a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or of a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company.”

The reason for and effect, if passed, of Special Resolution Number 4 is to grant the directors of the Company the authority, until the next annual general meeting of the Company, to provide financial assistance to any person, including any company or corporation which is related or inter-related to the Company and/or to any financier for the purpose of, or in connection with, the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation.

This means that the Company is authorised, *inter alia*, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a wholly-owned subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its wholly-owned subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the Company confirm that the Board will satisfy itself that, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in Special Resolutions Numbers 3 and 4 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company); and
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months.

In addition, the Board will only approve the provision of any financial assistance contemplated in Special Resolutions Numbers 3 and 4 above, where:

- the Board is satisfied that the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company’s Memorandum of Incorporation have been met.

NOTICE OF AGM CONTINUED

18. OTHER BUSINESS

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the Company.

Responsibility statement

The directors of the Company, collectively and individually accept full responsibility for the accuracy of the information given in this Notice and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Notice contains all information required by law and the JSE Listings Requirements.

VOTING AND PROXIES

1. A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote in his/her stead, subject to the general instructions attached to this Notice. A proxy so appointed need not be a shareholder of the Company.
2. The date on which shareholders must have been recorded as such in the share register maintained by the transfer secretaries of the Company for purposes of being entitled to receive this Notice is Friday, 11 October 2019.
3. The date on which shareholders must be recorded in the share register maintained by the transfer secretaries of the Company for purposes of being entitled to attend and vote at the AGM is Friday, 8 November 2019, with the last day to trade being Tuesday, 5 November 2019.
4. Certificated shareholders and own-name dematerialised shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of the Company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed for use by such shareholders who wish to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM. Forms of proxy must be completed and lodged at or posted to the transfer secretary, Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or PO Box 61051, Marshalltown, 2107), or emailed to proxy@computershare.co.za, so as to be received by the transfer secretary by not later than 10:00 on Tuesday, 12 November 2019, provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the chairman of the AGM at any time before the appointed proxy exercises any shareholder rights at the AGM.
5. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person, will need to request their CSDP or broker to provide them with the necessary authority (i.e. letter of representation) in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or broker in the manner stipulated therein. Such shareholders should contact their CSDP or broker with regard to the cut-off time for their voting instructions.
7. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the AGM and must accordingly bring a copy of their identity document, passport or driver's licence to the AGM. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.

ELECTRONIC PARTICIPATION

1. Shareholders or their proxies may participate in the AGM by way of telephone conference call ("**teleconference facility**").
2. Please note that the teleconference facility will only allow shareholders to listen in and raise questions during the allocated time. Shareholders will not be able to vote using the teleconference facility. Should such shareholders wish to vote, they must either:
 - complete the proxy form and return it to the transfer secretary in accordance with paragraph 4 on page 10; or
 - contact their CSDP or broker in accordance with paragraphs 5 or 6 on page 10.
3. Shareholders or their proxies who wish to participate in the AGM via the teleconference facility must notify the Company by emailing the Company Secretary at meeting@fairvest.co.za by no later than 12:00 on Friday, 8 November 2019. The Company Secretary will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act, and thereafter provide further details on using the teleconference facility. A total of 20 telecommunication lines will be available for such participation, which will be allocated on a first-come-first-served basis.
4. The cost of the participant's phone call will be for his/her own expense and will be billed separately by his/her own telephone service provider.
5. The Company cannot guarantee there will not be a break in communication which is beyond the control of the Company.
6. The participant acknowledges that the telecommunication lines are provided by a third party and indemnifies the Company against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunication lines, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the Company, whether for consequential damages or otherwise, arising from the use of the telecommunication lines or any defect in it or from total or partial failure of the telecommunication lines and connections linking the telecommunication lines to the AGM.

By order of the Board



R Kleyn (on behalf of FluidRock Co Sec Services Proprietary Limited)

Company Secretary

17 October 2019

Registered office

8th Floor
The Terraces
34 Bree Street
Cape Town
8001

Postal address

PostNet Suite 30
Private Bag X3
Roggebaai
8012

ANNEXURE A: SUMMARISED AUDITED CONSOLIDATED RESULTS

SUMMARISED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Audited 30 June 2019 R'000	Audited 30 June 2018 R'000
Assets		
Non-current assets	3 452 025	3 242 160
Investment property	3 092 382	2 928 514
Loans receivable	297 933	258 008
Investments	4 816	4 772
Office equipment	258	311
Operating lease asset	56 636	50 555
Current assets	98 042	82 812
Loans receivable	10 699	4 900
Amounts owing by non-controlling interests	10 594	5 980
Operating lease and other receivables	61 393	61 989
Cash and cash equivalents	15 356	9 943
Total assets	3 550 067	3 324 972
Equity and liabilities		
Equity attributable to owners of the company	2 335 351	2 257 385
Share capital	804 177	747 349
Retained earnings	1 531 174	1 510 036
Non-controlling interest	127 816	106 469
Total equity	2 463 167	2 363 854
Non-current liabilities	937 910	469 212
Interest-bearing borrowings	810 829	342 845
Amounts owing to non-controlling interests	106 001	112 788
Derivative financial instrument	7 963	2 073
Deposits received	11 712	10 836
Deferred tax liability	1 405	670
Current liabilities	148 990	491 906
Interest-bearing borrowings	74 549	411 931
Amounts owing to non-controlling interests	8 206	–
Trade and other payables	66 235	79 975
Total equity and liabilities	3 550 067	3 324 972

SUMMARISED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited 12 months to 30 June 2019 R'000	Audited 12 months to 30 June 2018 R'000
Property revenue	489 653	404 257
Rental income – contractual and tenant recoveries	480 521	392 424
– straight-line adjustment	9 132	11 833
Sundry income	1 946	3 780
Property expenses	(175 872)	(143 293)
Net property income	315 727	264 744
Corporate administrative expenses	(30 174)	(25 046)
Operating profit	285 553	239 698
Fair value adjustment to investment properties	27 839	108 241
Fair value adjustment to derivatives	(5 890)	2 331
Fair value adjustment to investments	44	(7)
Finance costs	(89 486)	(77 876)
Finance and other investment income	40 823	27 175
Profit before capital expenses	258 883	299 562
Capital expenses	(1 205)	(5 605)
Profit before tax	257 678	293 957
Income tax expense	(735)	(198)
Total comprehensive income for the period	256 943	293 759
Profit and total comprehensive income attributable to:		
– Owners of the parent	230 440	273 289
– Non-controlling interest	26 503	20 470
	256 943	293 759
Headline Earnings Reconciliation		
Comprehensive income attributable to owners of the parent	230 440	273 289
Fair value adjustment to investment properties (attributable to owners of the parent)	(15 555)	(93 474)
Headline and diluted headline profit attributable to shareholders	214 885	179 815

ANNEXURE A: SUMMARISED AUDITED CONSOLIDATED RESULTS

CONTINUED

SUMMARISED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

	Audited 12 months to 30 June 2019 R'000	Audited 12 months to 30 June 2018 R'000
Distributable earnings calculation*		
Net property income	315 727	264 744
Straight-line rental income adjustment	(9 132)	(11 833)
Corporate administrative expenses	(30 174)	(25 046)
Finance costs	(87 543)	(76 081)
Finance and other investment income	40 823	27 175
Antecedent dividends**	1 709	13 146
Non-controlling interest share of distribution	(11 033)	(5 159)
Distributable earnings	220 377	186 946
Distribution	220 377	186 946
Dividend		
Interim dividend per share (cents)	10.616	9.806
Final dividend declaration per share (cents)	11.157	10.344
Total distribution per share (cents)	21.773	20.150
Earnings per share		
Basic and diluted earnings per share (cents)	22.94	31.69
Headline and diluted headline earnings per share (cents)	21.39	20.85
Net asset value per share (cents)	229.38	227.78
Share statistics		
Shares in issue	1 018 125 441	991 020 553
Weighted average number of shares	1 004 697 875	862 248 577

* This is a voluntary and non-IFRS disclosure and has been included to align the disclosure of the company with the REIT sector standards.

** In the determination of distributable earnings, an adjustment is made where equity is raised during the period to avoid diluting the returns of existing shareholders prior to the issue of shares. All shares issued during the period were through the dividend reinvestment alternative.

SUMMARISED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Audited 12 months to 30 June 2019 R'000	Audited 12 months to 30 June 2018 R'000
Cash generated from operations	270 903	213 511
Finance costs	(79 983)	(69 873)
Finance and other investment income	2 570	2 500
Dividends paid	(213 838)	(158 517)
Cash outflow from operating activities	(20 348)	(12 379)
Acquisitions of and improvements to investment properties	(138 772)	(249 662)
Development of investment property	(13 360)	(78 037)
Acquisition of subsidiary	-	(81 586)
Acquisition of investment	-	(2 625)
Acquisition of office equipment	(102)	(69)
Cash outflow to investing activities	(152 234)	(411 979)
Net interest-bearing borrowings advanced	131 186	97 769
Net amounts owing to non-controlling interests (repaid)/raised	(13 282)	75 914
Net repayments/(advances) to loans receivable	3 263	(171 419)
Proceeds from issue of share capital	56 828	419 375
Repurchase of treasury shares	-	(2)
Proceeds from disposal of treasury shares	-	30
Cash inflow from financing activities	177 995	421 667
Net increase/(decrease) in cash and cash equivalents	5 413	(2 691)
Cash and cash equivalents at the beginning of the period	9 943	12 634
Cash and cash equivalents at the end of the period	15 356	9 943

ANNEXURE A: SUMMARISED AUDITED CONSOLIDATED RESULTS

CONTINUED

SUMMARISED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital R'000	Retained earnings R'000	Equity attributable to owners of the company R'000	Non- controlling interest R'000	Total equity R'000
Balance at 1 July 2017	327 951	1 395 267	1 723 218	4 454	1 727 672
Shares issued	422 379	–	422 379	–	422 379
Capital issue expenses	(3 004)	–	(3 004)	–	(3 004)
Acquisition of treasury shares	(2)	–	(2)	–	(2)
Disposal of treasury shares	25	5	30	–	30
Acquisition of subsidiary with non-controlling interest	–	–	–	81 989	81 989
Dividends paid and declared	–	(158 525)	(158 525)	(444)	(158 969)
Total comprehensive income for the period	–	273 289	273 289	20 470	293 759
Balance at 30 June 2018	747 349	1 510 036	2 257 385	106 469	2 363 854
Shares issued	57 333	–	57 333	–	57 333
Capital issue expenses	(505)	–	(505)	–	(505)
Dividends paid and declared	–	(209 302)	(209 302)	(5 156)	(214 458)
Total comprehensive income for the period	–	230 440	230 440	26 503	256 943
Balance at 30 June 2019	804 177	1 531 174	2 335 351	127 816	2 463 167

OTHER SEGMENTAL INFORMATION

	Audited 30 June 2019	Audited 30 June 2018
Regional profile based on leasable area		
Gauteng	25.0%	25.0%
KwaZulu-Natal	23.4%	23.8%
Western Cape	17.5%	17.8%
Free State	11.8%	12.5%
Eastern Cape	8.5%	6.8%
Northern Cape	7.2%	7.3%
Limpopo	4.7%	4.8%
Mpumalanga	1.9%	2.0%
Vacancy profile based on gross lease area		
Gross lease area in metres squared as at end of period	243 030	237 965
Properties held*	42	41
Vacancy area in metres squared	9 670	8 255
Vacancy area as % of gross lease area	4.0%	3.5%
Regional vacancy profile (m²) (regions where vacancies are located)		
KwaZulu-Natal	3 249	1 002
Gauteng	2 581	3 743
Western Cape	1 820	2 122
Free State	1 081	721
Northern Cape	510	611
Limpopo	305	50
Eastern Cape	124	6

* Number of properties in the prior year was reduced from 44 to 41 as certain properties have been consolidated for reporting purposes.

ANNEXURE A: SUMMARISED AUDITED CONSOLIDATED RESULTS

CONTINUED

CONDENSED CONSOLIDATED SEGMENT REPORT

	Reconciling items /						Total R'000			
	KwaZulu- Natal R'000	Western Cape R'000	Gauteng R'000	Free State R'000	Northern Cape R'000	Limpopo R'000		Eastern Cape R'000	Mpumala R'000	(elimi- nations) R'000
For the year ended										
30 June 2019										
Revenue – external customers	113 606	89 990	114 445	55 101	43 048	23 359	30 557	10 268	147	
Operating profit	79 868	52 702	75 419	36 369	25 174	16 025	22 769	6 860	(29 633)	
Total assets	787 171	576 414	789 327	381 378	228 781	145 050	223 999	67 736	350 211	3 550 067
For the year ended										
30 June 2018										
Revenue – external customers	103 138	77 289	69 372	50 816	39 121	20 913	21 256	10 519	-	
Operating profit	74 055	50 146	49 240	32 762	21 583	14 124	16 110	6 724	(25 046)	
Total assets	801 520	547 217	746 040	332 620	220 280	137 067	157 280	67 174	315 774	3 324 972

NOTES TO SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation and accounting policies

The preparation of these audited summarised consolidated financial statements was supervised by the Chief Financial Officer, BJ Kriel CA(SA).

The accounting policies applied in the preparation of these audited summarised consolidated results for the period ended 30 June 2019, which are based on reasonable judgements and estimates, are in accordance with International Financial Reporting Standards (“IFRS”) and are consistent with those applied in the annual financial statements for the period ended 30 June 2018, except for the adoption of IFRS 9 and IFRS 15. The application of the new Expected Credit Loss impairment model under IFRS 9 had no impact on the impairment losses recognised in the group’s results at adoption or during the year due to collateral on receivables and strong risk management processes in place. The group concluded that IFRS 15 does not have a significant impact on the group’s consolidated financial statements and accounting policies at the implementation date, as rental income and municipal recoveries are based on contractual lease terms and are accounted for in terms of IAS 17, therefore outside of the scope of IFRS 15. Consequently the group is not required to provide disaggregate revenue disclosures in terms of IAS 34 par 16A(l). Any new and amendments to IFRS and IFRIC interpretations did not impact the financial position or performance of the company but has resulted in additional disclosures. These summarised audited consolidated results, as set out in this report, have been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS and containing the information required by IAS 34: *Interim Financial Reporting*, the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Council, the Companies Act of South Africa, No. 71 of 2008, as amended (“**Companies Act**”) and the Listings Requirements of JSE Limited.

In terms of IFRS 9 and IFRS 7, the group’s interest rate derivatives are measured at fair value through profit or loss and are categorised as level 2 investments. Interest rate derivatives are valued using discounted cash flow techniques and observable market interest rates off the interest rate yield curve. There were no transfers between levels 1, 2 and 3 during the period.

The revaluation of investment property requires judgement in the determination of future cash flows from leases. An appropriate capitalisation rate which varies between 9.25% and 11.00%, with a discount rate of between 14.00% and 16.00% was used.

Changes in the capitalisation and discount rates are attributable to changes in market conditions and can have a significant impact on the property valuations. A 25 basis points decrease in the capitalisation rate will increase the value of investment property by R66.2 million. A 25 basis points increase in the discount rate will decrease the value of investment property by R30.4 million.

This announcement does not include the information required pursuant to paragraph 16A(j) of IAS 34 as permitted by the JSE Listing Requirements. The information is available in the annual financial statements is in Note 2.2, Note 5, and Note 15, which is available at the company’s registered office upon request.

These summarised audited consolidated results for the year ended 30 June 2019 have been prepared in accordance with the historic cost basis, except for the measurement of investment properties and certain financial assets and financial liabilities which are stated at fair value.

The financial results are presented in rand, which is Fairvest’s functional and presentation currency and have been prepared on a going concern basis.

Audit report

The summarised audited consolidated results for the year ended 30 June 2019 set out herein, have been extracted from the group’s consolidated annual financial statements which have been audited by BDO South Africa Inc, but are not themselves audited. A copy of their unmodified audit opinion is available for inspection at the company’s registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company’s auditors.

ANNEXURE A: SUMMARISED AUDITED CONSOLIDATED RESULTS

CONTINUED

The directors take full responsibility for the preparation of the audited summarised consolidated results presented and that the financial information has been correctly extracted from the underlying financial statements.

Estimates and critical judgements

Except for the measurement of investment properties, and certain financial assets and financial liabilities, the financial statements do not include any material estimates.

COMMENTARY

Introduction

Fairvest is a Real Estate Investment Trust ("REIT"), with a unique focus on retail assets weighted toward non-metropolitan and rural shopping centres, as well as convenience and community shopping centres servicing the lower LSM market, in high-growth nodes, close to commuter networks. The Fairvest property portfolio consists of 42 properties, with 243 030m² of lettable area and valued at R3.16 billion.

Review of results

Fairvest's Board of Directors is pleased to announce a final dividend distribution of 11.157 cents per share for the six months ended 30 June 2019, which brings the total combined dividend for the year to 21.773 cents per share, resulting in a 8.1% increase from the previous year and maintaining distribution growth within the issued guidance of 8% to 10%.

	Interim	Final	Total
June 2015	7.427	7.679	15.106
June 2016	8.171	8.489	16.660
June 2017	8.953	9.380	18.333
June 2018	9.806	10.344	20.150
June 2019	10.616	11.157	21.773

Total property revenue increased by 21.1% to R489.7 million, as a result of income growth in the historic portfolio, as well as acquisitions during the period. Net profit from property operations increased by 19.3% to R315.7 million, while corporate administration expenses increased by 20.5% to R30.2 million. Distributable earnings increased by 17.9% to R220.4 million. Cost containment and efficient recoveries of municipal charges remain strong focus areas. Gross cost to income ratio increased slightly from 36.4% to 36.7%.

The weighted average contractual escalation for the portfolio remained unchanged at 7.4%. Gross rentals across the portfolio trended upwards, with an 8.1% increase in the weighted average rental to R121.64/m² at 30 June 2019 compared to R112.50/m² at 30 June 2018. This was as a result of contractual escalations, increases in rental achieved on new leases, and a 0.5% weighted average rental increase achieved on renewals. The weighted average retail rental increased to R119.75/m².

The net asset value increased by 3.5% to R2.34 billion compared to R2.26 billion at 30 June 2018. On a per share basis, this equates to a net asset value per share of 229.38 cents per share, or an increase of 0.7%.

Net asset value and market capitalisation

	Market capitalisation R'million	Net asset value R'million	Net asset value per share (cents)
June 2015	1 079.0	1 105.4	184.40
June 2016	1 020.3	1 327.1	201.60
June 2017	1 540.2	1 723.2	218.18
June 2018	2 081.1	2 257.4	227.78
June 2019	2 015.9	2 335.4	229.38

Property portfolio

The value of the property portfolio increased by 5.8% from R2.99 billion at 30 June 2018 to R3.16 billion. This increase is as a result of the Bokleni Plaza acquisition to the value of R49.5 million, capital expenditure incurred of R86.5 million and a 3.8% increase in the historic portfolio. Asset quality continues to improve, with the average value per property increasing by 3.2% to R75.2 million, and the average value per square metre increased by 3.6% to R13 002/m².

Portfolio valuation history

	Valuation R'million	Number of properties	Average value per property R'million	Value per m ² R
June 2015	1 361.8	31*	43.9	9 780
June 2016	1 925.1	36*	53.5	10 355
June 2017	2 204.4	38*	58.0	11 345
June 2018	2 987.0	41*	72.9	12 552
June 2019	3 160.0	42	75.2	13 002

* Certain properties were consolidated for reporting purposes in the current period, historic properties were therefore reduced by three for comparable analysis.

In line with the group accounting policy, at least a third of the portfolio was valued by independent external valuers. Of the 42 properties in the portfolio, 16 properties equating to 39.6% by value, were valued by independent valuers, DDP Valuers, De Leeuw Valuers and Jones Lang LaSalle, with the remainder valued by the directors. All properties are valued by independent external valuers at least every three years. The properties are valued using a combination of a five-year discounted cash flow and the income capitalisation method. Assumptions are made on the discount rates used to determine the present value of the cash flows and on the capitalisation rate on an assumed sale. The weighted average discount rate used was 14.6% and the weighted average capitalisation rate 10.1%, which continues to show conservative but fair valuations.

ANNEXURE A: SUMMARISED AUDITED CONSOLIDATED RESULTS

CONTINUED

Acquisitions

Shareholders are referred to Fairvest's various SENS announcements, regarding certain acquisitions by the company. Two new properties were acquired during the period, of which one transferred during the current period and one transferred after year-end.

Property	Location	GLA (m ²)	Value R'000	Anchor tenant	Date of transfer
Property transferred during the year					
Bokleni Plaza*	Eastern Cape	4 991	49 000	Boxer	3 October 2018
Property transferred after 30 June 2019					
Nonkqubela Mall**	Western Cape	10 811	162 876	Shoprite and Pick n Pay	23 August 2019

* The property was acquired in a newly incorporated subsidiary Libode Shopping Centre Proprietary Limited of which Fairvest owns 55% of the shares.

** The property was acquired in Fairvest Property Holdings Limited.

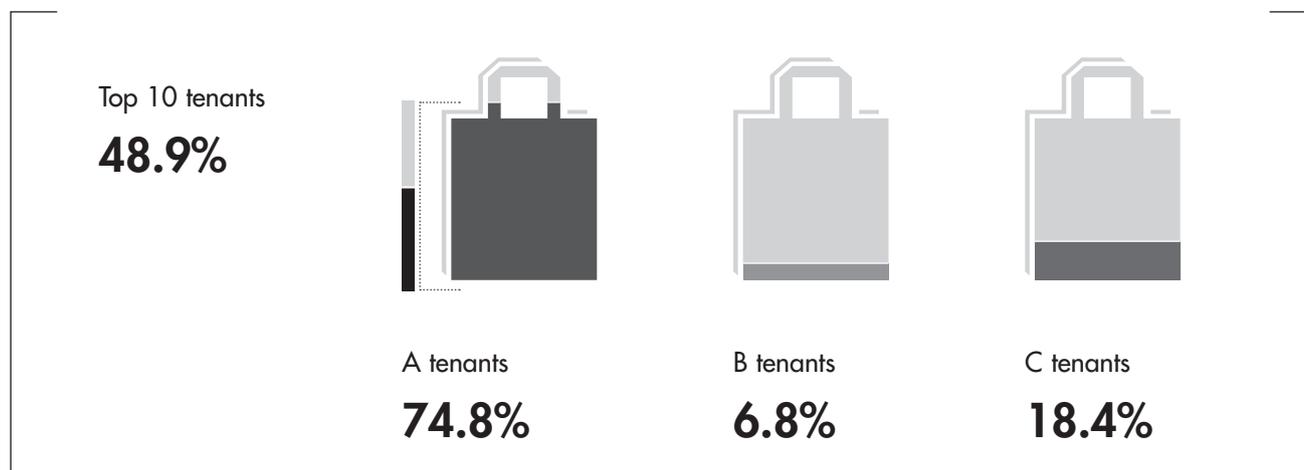
Value creation

As part of our sustainability initiatives we commenced the installation of photovoltaic rooftop solar systems on 10 of our properties. R22.4 million was spent during the period, with a further R35.5 million committed. The estimated annual energy generation is 7 793 661 kWh.

The Middelstad Mall first floor retail redevelopment and activation of ground floor retail premises were completed during the period with capital expenditure to the value of R43.5 million being incurred. The new retail space opened on Black Friday with key first floor tenants, Total Sport and Sports Scene's turnover exceeding expectations.

Portfolio composition, letting and vacancies

Tenant composition as a percentage of GLA



A Anchor and national tenants (48.9% are occupied by the top 10 largest tenants)

B Franchise, professional and large tenants

C Other

The portfolio remains well diversified across South Africa, with the four largest provinces, KwaZulu-Natal, Western Cape, Free State and Gauteng contributing 80.2% of revenue. The high national tenant component of 74.8% of the portfolio provides shareholders with a low-risk investment profile with national food retailers occupying 34.0% of the portfolio in terms of GLA.

Vacancies increased from 3.5% to 4.0% or 9 670m² during the year, mainly as a result of new vacancies at Richmond Shopping Centre, Middestad Mall and Omni Place, partly offset by the letting of vacancies at The Palms and Paddagat.

Lease expiry profile

	Based on rentable area %	Based on gross rental %
Vacant	4.0	–
Monthly	4.3	5.0
June 2020	21.3	23.6
June 2021	20.3	20.8
June 2022	16.2	16.6
June 2023	14.3	15.9
After June 2024	19.6	18.1

During the period under review, 119 new leases were concluded with a total GLA of 14 475m². Fairvest successfully renewed 32 948m² of leases, with a positive reversion of 0.2% being achieved on these renewals. Tenant retention for the period remained high at 79.8%, a reduction from the 86.9% achieved in the previous financial year. The weighted average lease term increased from 32 to 38 months.

Capital raising activities

Shareholders are referred to the company's SENS announcements dated 8 October 2018 and 8 April 2019, regarding the issuing of 14 919 845 and 12 185 043 new ordinary shares which were issued through the dividend reinvestment alternative. The shares were issued at R2.13686 and R2.08868 per share respectively resulting in the retention of R57.3 million of equity.

Borrowings

The loan to value ("LTV") ratio increased to 27.9% (2018: 25.1%) due to the acquisitions during the period, partially offset by the capital retained. LTV is calculated as total interest-bearing debt divided by total property assets. Of the debt 67.6% was fixed through interest rate swaps as at 30 June 2019, with a weighted average expiry for the fixed debt of 24 months.

The weighted average all-in cost of funding increased to 9.29% (2018: 9.16%) due to the 0.25% interest rate increase in November 2018. During the period a number of large facilities were refinanced resulting in increased facilities and reduced rates. The weighted average maturity of debt increased from 17 months to 24 months.

Prospects

Despite difficult economic conditions, the company remains confident that the nature of its portfolio, its low-risk tenant base and the company's letting expertise will prove to be defensive in the face of economic headwinds, with growth in distributions per share approximating or exceeding current inflation. Fairvest remains well positioned for long-term value creation, with a clearly focused strategy of servicing non-metropolitan and lower LSM markets and maintaining strong operational metrics including conservative gearing levels, high tenant retention and low arrears.

ANNEXURE A: SUMMARISED AUDITED CONSOLIDATED RESULTS

CONTINUED

Fairvest has four large long-term leases, with above market rentals, that expire during the 2020 financial year. The expectation is that the rentals on these four leases will be reduced on renewal or re-letting to ensure sustainable rentals over the new lease periods. As a result we expect lower than historic distribution per share growth of between 4% and 6% for the 2020 financial year.

This forecast assumed no material deterioration in the macroeconomic environment relative to current levels, that no major corporate and tenant failures will occur and that tenants will be able to absorb increases in municipal and utility costs. Forecast rental income is based on contractual lease terms and anticipated market related renewals. This forecast is the responsibility of the Board of Directors of Fairvest and has not been reviewed or reported on by the auditors.

Dividend distribution declaration

The board has approved and declared a final gross dividend of 11.157 cents per share, from income for the six months ended 30 June 2019, payable to shareholders registered as such at the close of business on Friday, 4 October 2019.

	2019
Last day to trade <i>cum</i> dividend	Tuesday, 1 October
Shares commence trading <i>ex</i> dividend	Wednesday, 2 October
Record date	Friday, 4 October
Payment date	Monday, 7 October

Share certificates may not be dematerialised or rematerialised between Wednesday, 2 October 2019 and Friday, 4 October 2019, both days inclusive.

Tax implications

In accordance with Fairvest's status as a REIT, shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("**Income Tax Act**").

Qualifying distributions received by shareholders who are South African tax residents must be included in the gross income of such shareholders (as a non-exempt dividend in terms of section 10(1)(k)(aa) of the Income Tax Act), with the effect that the qualifying distribution is taxable as income in the hands of the shareholder. These qualifying distributions are, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders have provided the following forms to their Central Securities Depository Participant ("**CSDP**") or broker, as the case may be, in respect of uncertificated shares, or Fairvest's transfer secretaries, Computershare Investor Services Proprietary Limited, ("**transfer secretaries**"), in respect of certificated shares:

- (a) a declaration that the distribution is exempt from dividends tax; and
- (b) a written undertaking to inform the CSDP, broker or the transfer secretaries, as the case may be, should the distribution cease to be exempt from dividend withholding tax,

both in the form prescribed by the Commissioner for the South African Revenue Service ("**SARS**") and shareholders are advised to contact their CSDP, broker or the transfer secretaries, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution, if such documents have not already been submitted.

Qualifying distributions received by non-resident shareholders will not be taxable as income and instead will be treated as ordinary dividends but which are exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. Any qualifying distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation (“DTA”) between South Africa and the country of residence of the shareholder. Assuming dividend withholding tax will be withheld at a rate of 20%, the net amount due to non-resident shareholders will be 8.9256 cents per share. A reduced dividend withholding tax rate in terms of the applicable DTA, may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of the uncertificated shares, or the transfer secretaries, in respect of certificated shares:

- (a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
- (b) a written undertaking to inform their CSDP, broker or the transfer secretaries, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by SARS. Non-resident shareholders are advised to contact their CSDP, broker or the transfer secretaries, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution if such documents have not already been submitted, if applicable.

Local tax resident shareholders as well as non-resident shareholders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

Shares in issue at the date of declaration of the final distribution: 1 018 125 441

Fairvest income tax reference number: 9205/066/06/1

SUBSEQUENT EVENTS

The acquisition of the Nonkqubela Mall to the value of R162.9 million was concluded on 14 May 2019. The transfer of the property was registered in the name of Fairvest Property Holdings Limited on 23 August 2019.

The directors of Fairvest are not aware of any other material matters or circumstances arising between 30 June 2019 and the date of this report which may materially affect the financial position of the group or the results of its operation.

APPRECIATION

We extend our appreciation to our directors, management and staff for their valued efforts as well as our advisers and shareholders for their continuing belief in and support of Fairvest.

For and on behalf of the board

Fairvest Property Holdings Limited

Cape Town

4 September 2019

ANNEXURE B: GENERAL INFORMATION

1. DIRECTORS' INTEREST IN SECURITIES

Name	Beneficial holdings		Non-beneficial holdings		%
	Direct	Indirect	Direct	Indirect	
30 June 2019					
BJ Kriel	–	23 717 745	–	–	2.33
DM Wilder	–	9 368 190	–	–	0.92
AJ Marcus	–	4 927 326	–	–	0.48
TJ Cohen	109 770	–	–	–	0.01
Total	109 770	38 013 261	–	–	3.74
30 June 2018					
BJ Kriel	–	23 717 745	–	–	2.39
DM Wilder	–	9 368 190	–	–	0.95
AJ Marcus	–	4 472 500	–	–	0.45
TJ Cohen	104 702	–	–	–	0.01
Total	104 702	37 558 435	–	–	3.80

Note:

1. There has been no change in the directors' interest from the financial year-end of the Company on 30 June 2019 up until the approval of the financial statements.

2. SHAREHOLDERS

	Number of shareholders	Percentage of shareholders	Number of shares	Percentage of shares
Shareholders' spread				
1 – 1 000 shares	976	40.41	104 240	0.01
1 001 – 10 000 shares	314	13.00	1 656 891	0.16
10 001 – 100 000 shares	827	34.24	29 942 667	2.94
100 001 – 1 000 000 shares	213	8.82	67 599 444	6.64
1 000 001 shares and over	85	3.52	918 822 199	90.25
Total	2 415	100.00	1 018 125 441	100.00
<i>Public/non-public shareholders</i>				
Non-public shareholders	9	0.37	308 517 843	30.30
Directors and associates of the Company holdings	7	0.29	38 123 031	3.74
Strategic shareholders (more than 10%)	2	0.08	270 394 812	26.56
Public shareholders	2 406	99.63	709 607 598	69.70
	2 415	100.00	1 018 125 441	100.00

	Number of shares	%
Beneficial shareholders holding 5% or more		
Vukile Property Fund Limited	270 394 812	26.56
Nedbank Group	114 377 939	11.23
STANLIB	113 907 282	11.19
	498 680 033	48.98

3. SHARE CAPITAL OF THE COMPANY AT THE DATE OF POSTING OF THE NOTICE

Authorised

3 000 000 000 (2018: 3 000 000 000) ordinary shares with no par value.

Issued

1 018 125 441 (2018: 1 005 940 398) ordinary shares with no par value.

Share capital

R804 177 000

The issued share capital, above, includes 16 768 229 treasury shares.

4. MATERIAL CHANGES

There has been no material change in the financial or trading position of the Company and its subsidiaries subsequent to the Company's financial year-end, being 30 June 2019.

FORM OF PROXY

FAIRVEST PROPERTY HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/005011/06)

Share code: FVT ISIN: ZAE000203808

(Approved as a REIT by the JSE)

("Fairvest" or "the Company")

For the sole use by the following holders of shares in the Company at the AGM of the Company to be held in the boardroom, 8th Floor, The Terraces, 34 Bree Street, Cape Town on Thursday, 14 November 2019 at 10:00 and at any adjournment thereof ("AGM"):

- certificated shareholders; and
- dematerialised shareholders with "own name" registration.

Forms of proxy must be completed and delivered to the Company's registered office, 8th Floor, The Terraces, 34 Bree Street, Cape Town, 8001 (Postnet Suite 30, Private Bag X3, Roggebaai, 8012) or to the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61051, Marshalltown, 2107), preferably, to be received by no later than 10:00 on Tuesday, 12 November 2019, provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the chairman of the AGM at any time before the appointed proxy exercises any shareholder rights at the AGM.

I/We (BLOCK letters please)

of (address)

Telephone work

Telephone home

being the holder/custodian of

ordinary shares in the Company, hereby appoint

1. _____ or, failing him/her

2. _____ or, failing him/her

3. the chairman of the AGM

as my/our proxy to attend, speak and vote for me/us on my/our behalf at the AGM of the Company for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against and/or abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name in accordance with the following instructions:

Resolution	In favour of	Against	Abstain
To accept the presentation of the annual financial statements			
Ordinary Resolution Number 1 – Re-appointment of auditors			
Ordinary Resolution Number 2 – Confirmation of appointment of Ms KR Nkuna as a director			
Ordinary Resolution Number 3 – Retirement and re-election of Mr JF du Toit as a director			
Ordinary Resolution Number 4 – Retirement and re-election of Mr N Mkhize as a director			
Ordinary Resolution Number 5 – Retirement and re-election of Mr DM Wilder as a director			
Ordinary Resolution Number 6 – Re-appointment of Mr N Mkhize as member of the Audit and Risk Committee			
Ordinary Resolution Number 7 – Re-appointment of Adv JD Wiese as member of the Audit and Risk Committee			
Ordinary Resolution Number 8 – Re-appointment of Ms KR Nkuna as member of the Audit and Risk Committee			
Ordinary Resolution Number 9 – General authority to issue shares for cash			
Ordinary Resolution Number 10 – Authority to sell Treasury Shares			
Ordinary Resolution Number 11 – Non-binding endorsement of Fairvest's remuneration policy			
Ordinary Resolution Number 12 – Non-binding endorsement of Fairvest's implementation report on the remuneration policy			
Ordinary Resolution Number 13 – Authority to execute requisite documentation			
Special Resolution Number 1 – Share repurchases by Fairvest and its subsidiaries			
Special Resolution Number 2 – Remuneration of Non-Executive Directors			
Special Resolution Number 3 – Inter-company financial assistance			
Special Resolution Number 4 – Financial assistance for the subscription and/or purchase of shares in the Company or a related or inter-related company			

(One vote per Fairvest share held by shareholders. Shareholders must insert the relevant number of votes that they wish to vote in the appropriate box provided or "X" should they wish to vote all Fairvest shares held by them.) Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this

day of

2019

Signature

Please read the notes on the reverse side hereof.

Assisted by (where applicable) (state capacity and full name)

Each Fairvest shareholder is entitled to appoint one or more proxy(ies) (who need not be a shareholder(s) of the Company) to attend, speak and vote in his/her stead at the Annual General Meeting.

NOTES TO THE FORM OF PROXY

1. A Fairvest shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the spaces provided, with or without deleting "the chairman of the AGM", but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than the total number of shares that you own in the Company, insert the number of shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholders' votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
3. Holders of "own name" dematerialised shares must inform their CSDP or broker of whether or not they intend to attend the AGM and obtain the necessary authorisation from their CSDP or broker to attend the AGM or provide their CSDP or broker with their voting instructions should they not be able to attend the AGM in person.
4. Forms of proxy must be received at the registered office of the Company, 8th Floor, The Terraces, 34 Bree Street, Cape Town, 8001 (PostNet Suite 30, Private Bag X3, Roggebaai, 8012) or by the transfer secretaries, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, or PO Box 61051, Marshalltown, 2107, or emailed to proxy@computershare.co.za so as to be received by the transfer secretary by no later than 10:00 on Tuesday, 12 November 2019, provided that any form of proxy not delivered to the transfer secretary by this time may be handed to the chairman of the AGM, at any time before the appointed proxy exercises any shareholder rights at the AGM.
5. When there are joint registered holders of any shares, any one of such persons may vote at the AGM in respect of such shares as if he/she is solely entitled thereto, but, if more than one of such joint holders be present or represented at any AGM, that one of the said persons whose name stands first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased shareholder, in whose name any shares stand, shall be deemed joint holders thereof.
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the chairman of the AGM.
8. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
9. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the Company.
10. The chairman of the AGM may reject or accept a form of proxy which is completed and/or received, other than in accordance with these notes, if the chairman is satisfied as to the manner in which the shareholder wishes to vote.

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

- A shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a Fairvest shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder.
- A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
- A proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy.
- Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder.
- Any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise.
- If an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company.
- A proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.
- If the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:
 - the relevant shareholder; or
 - the proxy or proxies, if the relevant shareholder has:
 - (i) directed such company to do so, in writing; and
 - (ii) paid any reasonable fee charged by such company for doing so.

