

Interim distribution
 3.1% lower than H1 2017

Capital structure
 Discount to NAV of 16.9%
 Effective fixed debt of 74.1%
 LTV of 33.1%

Portfolio activity
 Completed and committed developments of R1 408,4m
 Acquisitions and contracted and unconditional acquisitions of R1 472,0m

Property performance
 Total like-for-like NPI growth of 2.4%
 Afhco like-for-like NPI growth of 4.1%
 Traditional portfolio vacancy by GLA of 2.2%

INTRODUCTION

SA Corporate Real Estate Limited is a JSE-listed Real Estate Investment Trust ("REIT") which owns a diversified portfolio of industrial, retail, commercial, storage and residential buildings located primarily in the major metropolitan areas of South Africa with a secondary node in Zambia.

REVIEW OF FINANCIAL RESULTS AND PORTFOLIO PERFORMANCE

Distribution

SA Corporate's distribution per share decreased for the six months to June by 3.1% compared to the same period in prior year. This amounts to a distribution of 21.70 cps (June 2017: 22.38 cps). The decline in distribution arose from non-recurring income and base effects in the prior year and additional re-financing costs excluding which distribution growth per share would have been circa 2%. The latter reflects challenging trading conditions negatively impacting rental reversions.

Portfolio Performance

Total net property income ("NPI"), excluding the non-controlling interest, increased by 7.8%, with the like-for-like increasing by 2.4%.

The Afhco portfolio responded positively to proactive initiatives instituted in 2017 with NPI increasing by 43.3% supported by a greater contribution from acquisitions and developments. The like-for-like growth of 4.1% was underpinned by reduced residential vacancies by GLA from 8.9% to 5.6% (excluding the units in tenanted up phases in respect of the joint initiative with Calgro M3).

Retail NPI growth of 3.7%, excluding the impact of disposals, was the result of tenant retentions of 86.2%, weighted average lease escalations of 7.6% and positive reversions of 2.6%. The retail like-for-like NPI grew by 3.8% amid challenging market conditions. There continues to be focus on green initiatives to reduce the impact of increased municipal costs.

Industrial like-for-like portfolio growth of 2.3% was supported by weighted average rental escalations of 7.9%, tenant retentions of 70.8% and a 0.4% reduction in vacancies by GLA. The performance of this sector was adversely impacted by negative reversions of 3.1%.

Income from the Zambian Joint Ventures ("JV's") amounted to R29,7m (June 2017: R30,7m) for the 6 months to June 2018. The Zambian JV's current year income before guarantees increased by 9.5% and after the impact of guarantees 3.4% over the same period in US Dollar. This amounts to a 3.2% reduction in ZAR relative to June 2017 as the Rand strengthened against the US Dollar.

Net Finance Cost

Net funding cost increased by 24.5% arising from an increase in debt of R945,5m as a result of increased investment activity at a weighted average marginal rate of 1.95% above the 3-month Jibar. The R1,2bn of debt that expired in December 2017 was refinanced at a rate 45bps higher than the expiring marginal rate further increasing the funding cost.

DISTRIBUTION STATEMENT

	6 months ended 30.06.2018	6 months ended 30.06.2017	Year ended 31.12.2017
	Unaudited	Unaudited	Audited
DISTRIBUTABLE EARNINGS (R000)			
Rent (excluding straight line rental adjustment)	834,188	724,983	1,509,933
Net property expenses	(98,186)	(51,028)	(138,909)
Property expenses	(390,293)	(324,333)	(711,433)
Recovery of property expenses	292,107	273,305	572,524
Net property income attributable to non-controlling interest	(9,591)	-	(508)
Net property income	726,411	673,955	1,370,516
Investment in joint ventures	29,736	30,728	58,960
Taxation on distributable earnings	-	(260)	(260)
Dividends from investments in listed shares	6,900	370	23,783
Net finance cost	(190,755)	(153,246)	(308,443)
Interest income	47,125	35,604	78,263
Interest expense	(247,780)	(188,850)	(386,706)
Interest attributable to non-controlling interest	9,900	-	-
Distribution related expenses	(23,254)	(21,197)	(45,506)
Distribution related income	-	10,669	11,631
Antecedent distribution	-	-	26,029
Distributable earnings	549,038	541,019	1,136,710
Interim	549,038	541,019	566,355
Final	-	-	570,355
Shares in issue (000)	2,530,689	2,417,482	2,530,689
Weighted number of shares in issue (000)	2,530,689	2,417,482	2,473,310
Distribution (cps)	21.70	22.38	44.92
Interim	21.70	22.38	22.38
Final	-	-	22.54

PROPERTY VALUATIONS

The Group's independently valued property portfolio increased by R0,7bn (4.0%) to R17,5bn as at June 2018 (December 2017: R16,8bn). This excludes our share of the Zambian portfolio of R978,0m, converted at the closing rate of R13.81 (December 2017: R12.36), that has been equity accounted but includes the net investment of R448,5m in respect of acquisitions, developments, capex and disposals. The like-for-like portfolio held for the full 6 months to June 2018 increased by R202,7m (1.9%) from December 2017.

The capitalisation and discount rates in the Group's like-for-like portfolio at 30 June 2018 calculated on a weighted average basis were:

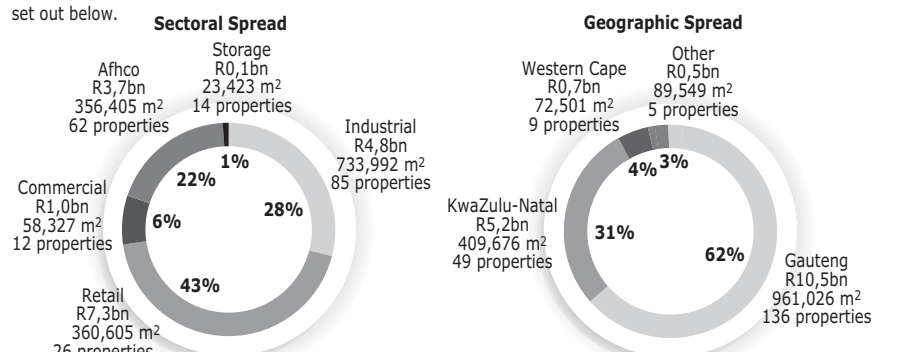
Sector	Capitalisation rate (%)		Discount rate (%)		Growth in like-for-like portfolio (%) 30.06.2018
	30.06.2018	31.12.2017	30.06.2018	31.12.2017	
Industrial	9.3	9.3	15.3	15.3	0.7
Retail	8.7	8.7	14.7	14.7	3.7
Commercial	9.0	9.0	15.0	15.0	0.0
Afhco	10.3	10.3	*	*	2.1
Weighted average	9.3	9.3	15.0	15.1	1.9

* Afhco properties are not valued on a discounted cash flow basis, but on the basis of capitalisation of the net income earnings, due to the short term nature of residential leases.

The NAV per share (526 cps) increased by 2.4% (December 2017: 514 cps). The increase is attributable to property valuations, the revaluation of the investment in the JV's and the swap revaluation of 2.0%, 0.8% and 0.3%, respectively. Further, the increase of 2.4% is reduced by the foreign adjustments of 0.5% and the incremental dividend of 0.2%.

PROPERTY PORTFOLIO

The portfolio comprised 199 properties (December 2017: 196 and June 2017: 188) which excludes the 3 Zambian properties held as a 50% investment in the JV's. The sectoral and geographic spread by value as at 30 June 2018 are set out below.



The above excludes:

- Development bulk across the Traditional, Afhco and Storage portfolios measuring 183,525m² comprising 12 properties and valued at R0,4bn.
- Listed investments of R168,9m.
- Zambian investment in JV's valued at R978,0m
- Excluding non-controlling interest.

Redevelopment Completed:

Property	Total development cost (Rm)	Completion date	Yield forecast 1st 12 months (%)	Sector	Region
Cullinan Jewel Shopping Centre, Pretoria	14,5	01/2018	9.0	Retail	Gauteng
Total	14,5		9.0		

Committed Redevelopments:

Properties	Total development cost (Rm)	Forecast completion date	Yield forecast 1st 12 months (%)	Sector	Region
57 Sarel Baard Crescent, Centurion	391,0	10/2018	7.9 ¹	Industrial	Gauteng
North Park Mall Residential, Pretoria	141,7	03/2019	10.0	Retail/Residential	Gauteng
252 Montrose Avenue, Randburg	92,0	04/2019	10.5	Residential	Gauteng
Kempston Park Shoprite, Kempston Park	70,9	07/2019	10.5	Retail/Residential	Gauteng
Cnr Old Pretoria and Alexandra Roads, Midrand	140,0	12/2019	10.5 ²	Residential	Gauteng
Afhco pipeline ³	558,3	04/2019 -12/2019	10.8	Retail/Residential	Gauteng
Total	1 393,9		9.9		
Spent to 30 June 2018	271,9				
Total unspent	1 122,0				

¹ Yield of 7.9% based on the pre-development valuation using market rental, which is a negative 40% reversion on the closing rental of a prior initial 5 year lease renewed for a further 7 year period.
² Development cost net of proceeds from sale of units.
³ In addition to the above, Afhco's development bulk represents a pipeline of R0,5bn in the next 4 years.

Acquisitions:

Properties	Cost (Rm)	Acquisition date	Yield forecast 1st 12 months (%)	Sector	Region
Northgate Heights Phase 1E, Northgate	6,2	01/2018	10.0	Residential	Gauteng
Calgro M3 Developments - Fleurhof 31, Randburg ¹	45,9	02/2018	10.0	Residential	Gauteng
Calgro M3 Developments - Scottsdene Erf 3833 Buildings 5 & 6, Scottsdene ¹	10,7	02/2018	10.0	Residential	Western Cape
Calgro M3 Developments - South Hills Blocks 1, 3, 5, 10-13 & 15, South Hills ¹	71,7	02/2018 -05/2018	10.0	Residential	Gauteng
The Oaks, Ermelo	105,0	03/2018	10.7	Retail	Mpumalanga
Calgro M3 Developments - Scottsdene Erf 3837 Building 11, Scottsdene ¹	6,9	04/2018	10.0	Residential	Western Cape
Northgate Heights Phase 2A - B, Northgate	6,8	04/2018 -05/2018	11.0	Residential	Gauteng
Calgro M3 Developments - Jabulani Lifestyle Phases 1 & 2, Soweto ¹	17,0	04/2018 -05/2018	10.0	Residential	Gauteng
African City Mall Final phase, Johannesburg CBD	32,9	04/2018 -06/2018	11.6	Retail	Gauteng
Total	303,1		10.4		

¹ Represents 51% ownership in the joint initiative.

Contracted and Unconditional Acquisitions:

Properties	Cost (Rm)	Acquisition date ¹	Yield forecast 1st 12 months (%)	Sector	Region
Northgate Heights Phase 2C, Northgate	3,4	07/2018 ¹	11.0	Residential	Gauteng
Calgro M3 Developments - South Hills Block 8, South Hills ³	16,5	07/2018 ¹	10.0	Residential	Gauteng
Calgro M3 Developments - Jabulani Lifestyle Phase 3, Soweto ³	14,1	07/2018 ¹	10.0	Residential	Gauteng
Calgro M3 Developments - South Hills Block 9, South Hills ³	13,8	08/2018 ¹	10.0	Residential	Gauteng
Calgro M3 Developments - Jabulani Lifestyle Phases 4-5, Soweto ³	13,3	08/2018 ¹	10.0	Residential	Gauteng
Calgro M3 Developments - South Hills Blocks 6-7 & 14, South Hills ³	30,3	08/2018 ¹	10.0	Residential	Gauteng
Calgro M3 Developments - Jabulani Lifestyle Phase 6, Soweto ³	8,9	09/2018	10.0	Residential	Gauteng
Long Street Precinct bulk (Parcels 5-7), Jeppestown	12,2	09/2018	#	Residential	Gauteng
Northgate Heights Phases 2D - H, Northgate	11,4	09/2018 -01/2019	11.0	Residential	Gauteng
Calgro M3 Developments - South Hills Blocks 2, 4 & 16, South Hills ³	37,7	09/2018 -10/2019	10.0	Residential	Gauteng
M&T Development - Etude Phases 4-6, Midrand	165,3	10/2018 -12/2018	10.0	Residential	Gauteng
Calgro M3 Developments - Belhar ³	228,1	10/2018 -11/2019	10.7	Residential	Western Cape
M&T Development - Founders Hill ²	285,9	02/2019 -06/2020	9.5	Residential	Gauteng
Calgro M3 Developments - Fleurhof 37, Randburg ³	116,4	08/2019	10.0	Residential	Gauteng
M&T Development - Menlyn East End Development ^{2,4}	211,6	06/2021	10.0	Residential	Gauteng
Total	1 168,9		10.0		

¹ Acquisition date represents the expected effective date of the transaction.
[#] Land/Bulk acquired for development.
² Transferred during July and August 2018.
³ Represents 60% ownership in the joint initiative.
⁴ SA Corporate has also secured an option to participate in phases 2 & 3 of the development, with an estimated value of R793m and R529m respectively (based on 2020 pricing).

Disposals:

Properties	Transfer date	Gross selling price (Rm)	Exit yield on sale price (%)	Sector	Region
Atterbury Décor, Pretoria	01/2018	86,8	8.5	Retail	Gauteng
Rhodesdene Shopping Centre, Kimberley	03/2018	52,0	8.8	Retail	Northern Cape
22 Voortrekker Road, Vredenburg	05/2018	78,5	8.8	Commercial	Western Cape
Lebombo Road, Garsfontein (Portion)	06/2018	12,0	6.2	Commercial	Gauteng
21 Pomona Road, Pomona	06/2018	18,3	8.0	Industrial	Gauteng
Total		247,6	8.5		

Contracted Disposals:

Properties	Expected transfer date	Gross selling price (Rm)	Exit yield on sale price (%)	Sector	Region
9/15 Lanner Road, New Germany #	07/2018 ¹	36,0	7.9	Industrial	KwaZulu-Natal
6 Cedarfield Close, Springfield Park #	09/2018	57,0	12.1 ²	Industrial	KwaZulu-Natal
28 Durham Street, Mthatha #	09/2018	86,5	8.8	Commercial	Eastern Cape
1/5 Stockville Road, Westmead #	09/2018	53,6	7.7	Industrial	KwaZulu-Natal
Hotel at Cullinan Jewel Shopping Centre, Pretoria	09/2018	2,7	9.0	Retail	Gauteng
11 Coconut Grove, Shakashead #	09/2018	2,4	7.6	Industrial	KwaZulu-Natal
1 Marconi Street, Montague Gardens	09/2018	45,0	8.2	Industrial	Western Cape
24 Westmead Road, Westmead #	09/2018	26,0	6.7	Industrial	KwaZulu-Natal
40 Electron Avenue, Isando #	10/2018	59,7	9.0	Industrial	Gauteng
Table Bay Industrial Park, Paarden Eiland #	10/2018	118,4	8.3	Industrial	Western Cape
14/24 Mahoganyfield Way, Springfield Park	11/2018	36,0	8.0	Industrial	KwaZulu-Natal
The Mall, Vanderbijl Park #	12/2018	13,6	10.0 ³	Afhco Retail	Gauteng
Total		536,9	8.7		

Contracted and unconditional.

- Transferred.
- Exit yield in year 2 is 6.8% due to a negative reversion.
- Exit yield based on head lease rental.

VACANCIES AND LEASE EXPIRIES

Vacancies in terms of rentable area and rental income were as follows:

Sector	Vacancy as % of GLA [*]			Vacancy as % of rental income		
	30.06.2018	30.12.2017	30.06.2017	30.06.2018	30.12.2017	30.06.2017
Traditional Portfolio:						
Industrial	1.2	1.5	1.6	0.9	1.0	1.1
Retail	3.5	3.1	3.9	3.4	3.0	3.2
Commercial	5.7	6.4	6.7	5.5	6.0	5.5
Traditional Portfolio total	2.2	2.3	2.6	2.6	2.4	2.5
Storage Portfolio:						
Storage	13.4	16.5	-	20.8	22.9	-
Afhco Portfolio:						
Residential ¹	9.4	7.3	8.9	12.1	9.2	8.3
Retail / Commercial ²	4.5	2.1	1.4	2.6	1.7	2.8
Rest of Africa Portfolio:						
Retail	2.9	2.7	5.5	1.7	1.7	3.3
Commercial	8.6 ³	10.7	4.7	6.3	8.0	3.4
Rest of Africa Portfolio total	4.1	4.3	5.3	2.7	3.0	3.3

* GLA=Gross lettable area
¹ Vacancy calculated on number of units and includes 376 units vacant in the tenanted up phase of the joint initiative with Calgro M3. Excluding the latter, the vacancy would be 5.6%.
² 1.5% of the 4.5% GLA vacancy is low yielding basement and upper level space.
³ Vacancy reduced to 0.0% with tenanted of 4,730m² to a tier 1 bank from 1 August 2018.

The lease expiry profile and vacancies (by GLA) are set out below:

	6 months ended 30.06.2018	6 months ended 30.06.2017	Year ended 31.12.2017
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (R000)	Unaudited	Unaudited	Audited
Share capital and reserves at the beginning of the period	13,008,861	12,070,009	12,070,009
Total comprehensive income for the period	874,403	801,956	1,438,119
Shares issued	-	-	568,569
Treasury shares repurchased	(1,971)	(10,072)	(10,071)
Vesting of treasury shares	-	8,207	-
Antecedent distribution	-	-	26,029
Share-based payment reserve	2,155	2,654	4,340
Distribution attributable to shareholders	(570,356)	(521,781)	(1,088,134)
Share capital and reserves at the end of the period	13,313,092	12,350,973	13,008,861

	6 months ended 30.06.2018	6 months ended 30.06.2017	Year ended 31.12.2017
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (R000)	Unaudited	Unaudited	Audited
Operating profit before working capital changes	735,650	661,670	1,374,678
Working capital changes	11,344	(19,032)	17,230
Cash generated from operations	746,994	642,638	1,391,908
Operating activities changes	(791,293)	(700,471)	(1,450,793)
Interest received	44,981	35,650	78,415
Interest paid	(265,375)	(214,091)	(440,868)
Taxation paid	(543)	(249)	(206)
Distributions paid	(570,356)	(521,781)	(1,088,134)
Net cash outflows from operating activities	(44,299)	(57,833)	(58,885)
Net cash outflows from investing activities	(407,792)	(524,276)	(1,736,245)
Net cash inflows from financing activities	344,450	548,483	1,879,204
Increase in borrowings	271,448	550,348	1,204,486
Issue of new shares	-	-	594,598
Treasury shares repurchased	(1,971)	(10,072)	(10,071)
Loan from non-controlling shareholder	74,973	-	90,191
Vesting of treasury shares	-	8,207	-
Net (decrease)/increase in cash and cash equivalents	(107,641)	(33,626)	84,074
Cash and cash equivalents at the beginning of period	275,454	191,380	191,380
Cash and cash equivalents at the end of period	167,813	157,754	275,454

NOTES

The condensed consolidated interim financial statements are prepared in accordance with the JSE Limited Listings Requirements, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous annual financial statements. In the current year the Group has adopted all of the revised Standards and Interpretations issued that are relevant to its operations and effective for accounting periods beginning on or after 1 January 2018. The adoption of these Standards and Interpretations has not resulted in any adjustment to the amounts previously reported for the year ended 31 December 2017. The results and prospects have been compiled under the supervision of AM Basson CA(SA), the financial director, but have not been audited nor reviewed by the Group's auditors, Deloitte & Touche.

1. Reconciliation of profit after tax to headline earnings and distributable earnings attributable to shareholders

	6 months ended 30.06.2018	6 months ended 30.06.2017	Year ended 31.12.2017
	Unaudited	Unaudited	Audited
	R 000	R 000	R 000
Profit after taxation attributable to shareholders	772,310	845,097	1,525,629
Adjustments for:			
Capital loss/(profit) on disposal of investment properties and property, plant and equipment	3,664	(2,058)	8,430
Revaluation of investment properties and joint ventures	(220,870)	(317,111)	(475,794)
Headline earnings	555,104	525,928	1,058,265
Antecedent distribution	-	-	26,029
Taxation on distributable income	(1,740)	8,906	3,396
Depreciation	3,197	1,683	4,126
Foreign exchange adjustments	61,833	(17,974)	(37,176)
Dividend from investment in listed shares not yet declared	(1,959)	-	7,645
Revaluation of listed shares	1,340	13,860	34,540
Non-distributable expenses	9,341	12,010	18,401
Revaluation of swap derivatives	(34,202)	41,286	52,380
Straight line rental adjustment	(44,146)	(45,062)	(31,387)
Non-distributable expenses on investment in joint ventures	270	382	491
Distributable earnings attributable to shareholders	549,038	541,019	1,136,710
Interim	549,038	21.70	541,019
Final	-	-	570,355

* calculated on weighted number of shares in issue and excludes non-controlling interest.

2. Primary operational segments for the 6 months ended 30.06.2018 (R000)

Business segment	Industrial	Retail Commercial	Afco	Storage	Group
Revenue	345,465	470,889	59,660	283,644	1,170,441
Rental income (excluding straight line rental adjustment)	259,211	281,616	47,577	235,033	823,437
Net property expenditure	(15,994)	(3,560)	(9,961)	(62,517)	(91,032)
Property expenses	(73,214)	(176,048)	(24,040)	(110,805)	(384,107)
Recovery of property expenses	57,220	172,488	14,079	48,288	292,075
Net property income	243,217	278,056	37,616	172,516	731,405
Straight line rental adjustment	29,034	16,785	(1,996)	323	44,146
Net interest expense	-	-	-	-	(200,655)
Dividends from investments in listed shares	-	-	-	-	8,859
Foreign exchange adjustments	-	-	-	-	(61,351)
Group expenses	-	-	-	-	(38,473)
Profit from investments in joint ventures	-	-	-	-	37,290
Revaluation of investment properties	37,555	111,983	(1,448)	65,529	212,519
Investment properties	66,589	128,768	(3,444)	65,852	257,705
Straight line rental adjustment	(29,034)	(16,785)	1,996	(323)	(44,146)
Revaluation of swap derivatives	-	-	-	-	34,202
Capital loss on disposal of investment properties and property, plant and equipment	-	-	-	-	(3,664)
Taxation	-	-	-	-	1,740
Profit after taxation	309,806	406,824	34,172	238,368	772,001
Other comprehensive income, net of taxation	-	-	-	-	102,402
Profit after taxation	309,806	406,824	34,172	238,368	874,403
Owners of the company	309,806	406,824	34,172	238,677	772,310
Non-controlling interest	-	-	-	(309)	(309)
Total profit after taxation	309,806	406,824	34,172	238,368	772,001

Other information

	Industrial	Retail Commercial	Afco	Storage	Group
Properties (excluding straight line rental adjustment):	4,832,171	7,360,575	999,900	4,228,850	17,540,831
Non-current investment property	4,292,889	7,209,406	894,489	4,196,011	16,712,130
At valuation	4,086,059	6,623,275	858,300	3,864,650	15,551,619
Straight line rental adjustment	(105,161)	(150,169)	(18,911)	(19,239)	(293,480)
Under development	311,991	736,300	55,100	350,600	1,453,991
Non-current investment property held for sale	429,456	1,000	85,426	13,171	528,053
Classified as held for disposal	434,121	1,000	86,500	13,600	535,221
Straight line rental adjustment	(4,665)	-	(1,074)	(429)	(6,168)
Other assets	184,777	359,475	51,999	80,915	677,166
Total assets	4,907,122	7,569,881	1,031,914	4,290,097	18,800,014
Total liabilities	67,096	147,862	25,330	419,103	649,391
Acquisitions and improvements	17,585	211,707	15,744	449,469	694,505

Segmental growth rates (%)

	Industrial	Retail Commercial	Afco	Storage	Group
Rental income (excluding straight line rental adjustment)	1.9	3.7	(0.6)	55.4	n/a
Property expenses	7.7	13.4	(1.3)	44.5	n/a
Recovery of property expenses	23.0	4.1	(8.0)	5.4	n/a
Net property income	4.5	(1.4)	(3.1)	43.3	n/a

Above table reflects the position inclusive of the non-controlling interest.

1 The Storage portfolio has no comparatives as it became operational on 1 July 2017.

3. Fair value measurement

The swap derivatives are valued based on the discounted cash flow method. Future cash flows are estimated based on forward exchange and interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk. The investment in listed shares is valued at the quoted market price. The investment in JV's is valued at the ownership of the underlying JV's net asset value. The fair value of the investment property is determined by an independent registered valuer. The fair value of the industrial, retail, commercial and storage portfolio of investment properties, excluding properties subject to unconditional contracted sales, is based on the discounted cash flow method. The fair value of the inner-city retail, residential and commercial investment properties is based on the capitalisation of the net income earnings. The discounted cash flow method is not appropriate due to the short term nature of the portfolio's leases.

The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable. The table below analyses assets that are measured at fair value.

Investments in listed shares	Level 1
Swap derivatives	Level 2
Investment in JV's	Level 3
Investment property	Level 3

There were no transfers between the levels.

4. Capital commitments

The Group had capital commitments of R 2 372,2m (December 2017: R2 619,6m).

5. Dividends and events after the reporting period

The Company has declared a distribution of 21.70 cps on 4 September 2018. The directors are not aware of other significant events between the end of the financial period under review and the date of this report.

DISTRIBUTION DECLARATION AND IMPORTANT DATES

Notice to shareholders resident South Africa

Notice is hereby given of the declaration of distribution no.7 in respect of the income distribution period 1 January 2018 to 30 June 2018. The distribution amounts to 21.70 cps. The source of the distribution comprises net income from property rentals and interest earned on cash investments. Please refer to the statement of comprehensive income for further details. As SA Corporate has REIT status, shareholders are advised that the distribution 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"). The distributions on SA Corporate shares will be deemed to be dividends, for South African tax purposes, in terms of section 25BB of the Income Tax Act. The distributions received by or accrued to South African tax residents must be included in the gross income of such shareholders and are not exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because they are dividends distributed by a REIT, with the effect that the distribution is taxable in the hands of the shareholder.

These 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 CSDP or broker, as the case may be, in respect of uncertificated shares, or the 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 circumstances affecting the exemption change or the beneficial owner ceases to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. SA Corporate shareholders are advised to contact the CSDP, broker or 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.

Notice to non-resident shareholders

Distributions received by non-resident shareholders will not be taxable as income and instead will be treated as ordinary dividends which are exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. It should be noted that until 31 December 2013 distributions received by non-residents from a REIT were not subject to dividend withholding tax. From 22 February 2017, any distribution received by a non-resident from a REIT is 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 dividend amount due to non-resident shareholders is 17.3600 cps. A reduced dividend withholding rate, in terms of the applicable DTA, may only be relied on if the non-resident shareholder has provided the following forms to the CSDP or broker, as the case may be, in respect of 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 the CSDP, broker or the transfer secretaries, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner ceases to be the beneficial owner, both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident shareholders are advised to contact the 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. 2,530,689,337 SA Corporate shares are in issue at the date of this distribution declaration and SA Corporate's income tax reference number is 9179743191.

Last date to trade cum distribution Tuesday, 2 October 2018

Shares will trade ex-distribution Wednesday, 3 October 2018

Record date to participate in the distribution Friday, 5 October 2018

Payment of distribution Monday, 8 October 2018

Share certificates may not be dematerialised or re-materialised between Wednesday, 3 October and Friday, 5 October 2018 both days inclusive.

By order of the Board

DIRECTORATE AND STATUTORY INFORMATION

Registered office	Registered auditors	Transfer secretaries	Sponsor
South Wing, First Floor Block A The Forum North Bank Lane Century City 7441 Tel 021 529 8410	Deloitte & Touche 1st Floor The Square Cape Quarter 27 Somers Road Cape Town 8005	Computershare Investor Services (Pty) Ltd Rosebank Towers 15 Biermann Avenue Rosebank 2196	Nedbank Corporate and Investment Banking, a division of Nedbank Limited 135 Rivonia Road Sandton 2196

Directors: J Molobela (Chairman), TR Mackey (Managing)*, AM Basson (Finance)*, RJ Biesman-Simons, A Chowan, GP Dingaan, EM Hendricks, MA Moloto, ES Seedat

* Executive

Kilgetty Statutory Services Proprietary Limited
Company Secretary
4 September 2018