38. Post-balance sheet events

Capital restructure

Subsequent to year-end, the regulatory process to convert Hyprop's combined unit structure to an all share structure was completed. The result is that effective from 18 August 2014 (the effective date), Hyprop units ceased trading as combined units (with a share linked to a debenture), and instead traded as share-only instruments.

Historical debenture capital and debenture premium, as well as any amortised debenture premium included in non-distributable reserves, was transferred to stated capital on the effective date.

As previously communicated to unitholders, the capital conversion process entailed the following:

- The delinking of each Hyprop ordinary share from a Hyprop debenture so as to no longer constitute a combined unit
- The cancellation of each debenture and concomitant waiver, for no consideration, by the debenture holders of their right to be repaid the nominal value reflected in each debenture
- The capitalisation of the value allocated to each debenture in the books of account of the company plus the amortised debenture premium included in non-distributable reserves, equating to the issue price of each debenture, to Hyprop's stated capital account
- The amendment and subsequent termination of Hyprop's Debenture Trust Deed
- The amendment of Hyprop's MoI to reflect the change in Hyprop's capital structure.

The restructure was effected by way of a scheme of arrangement in terms of section 114 of the Companies Act. There are no taxation or other consequences for unitholders arising from the capital restructure.

Completion of the capital restructure means that Hyprop's capital structure and statement of financial position will in future periods be consistent with other REITs, both in South Africa and internationally.

Restructure of African Land

Subsequent to year-end, Hyprop and Attacq restructured their investment in African Land, whereby Hyprop, through its wholly owned subsidiary Hyprop Investments (Mauritius), will hold 50% in Manda Hill in Lusaka, Zambia. Atterbury Africa, a joint venture between Hyprop, Attacq and the Atterbury Group, will hold the balance. The restructure of African Land was effective 1 July 2014. Hyprop's effective economic interest in Manda Hill reduced from 87% to 68,75%, as a consequence of the restructure.