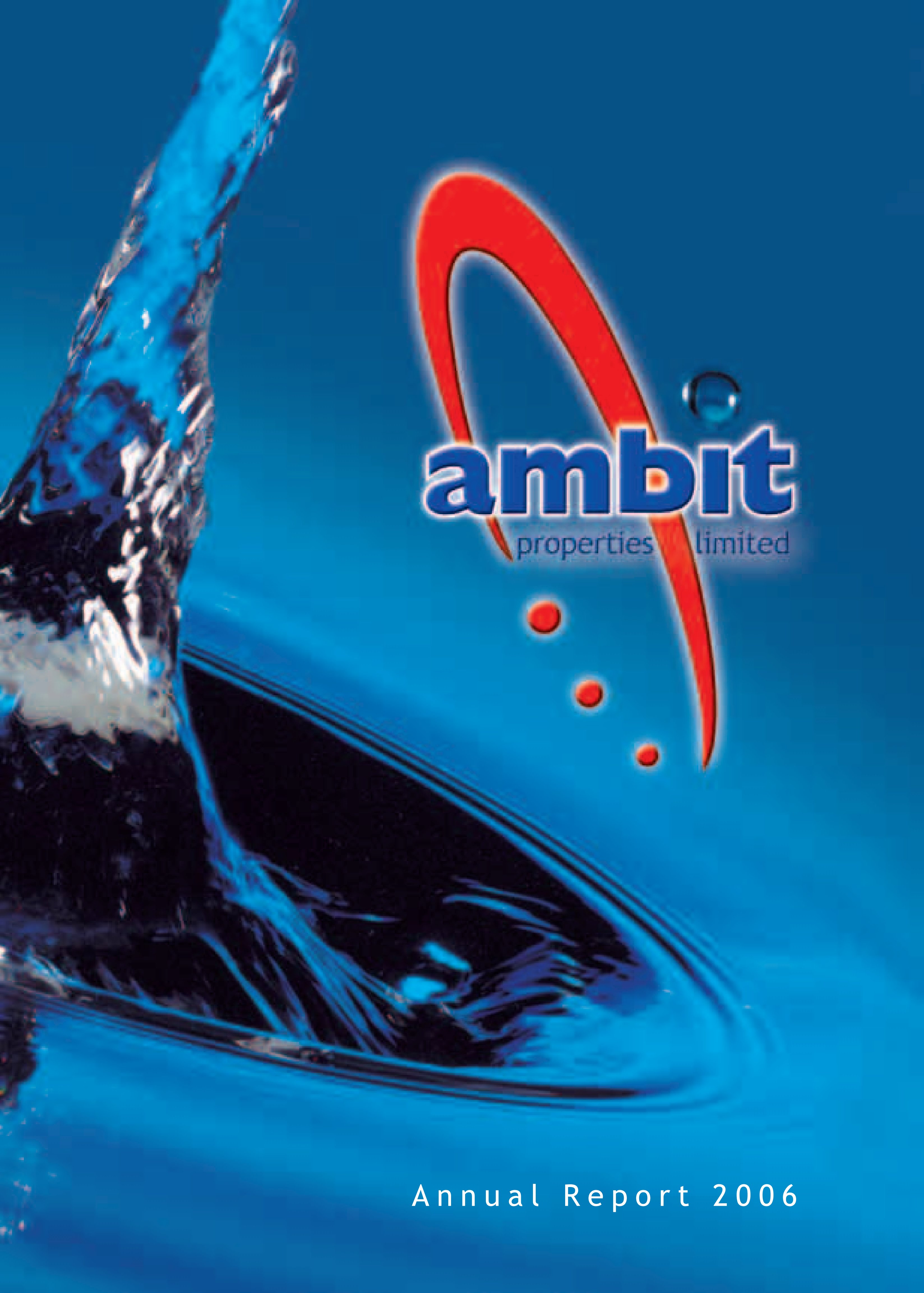

ambit
properties limited
Annual Report 2006

Contents

	Page
Executive Summary	1
Directorate & Administration	2 - 3
Chairman & Chief Executive Officer's Report	4 - 9
Corporate Governance Review	10 - 11
Unitholders' Diary	12
Analysis Of Linked Unitholders	13
Directors' Responsibility For & Approval Of The Annual Financial Statements	14
Independent Auditor's Report	15
Annual Financial Statements	
Directors' Report	16 - 17
Balance Sheets	18
Income Statements	19
Statements Of Changes In Equity	20
Cash Flow Statements	21
Notes To The Annual Financial Statements	22 - 39
Property Portfolio	40 - 41
Notice Of Annual General Meeting	42 - 44
Proxy Form	45 - 46
Directors' Traditional Income Statement & Balance Sheet	47 - 49

This report together with additional information on the property portfolio is available at: www.ambitprops.co.za

Park Meadows, Kensington, Gauteng

Executive Summary

PROFILE

Ambit Properties Limited (Ambit or The Company) is a property loan stock company which listed on the JSE Securities Exchange South Africa (JSE) in the Financials – Real Estate sector on 4 February 2004. (Share Code: ABT, ISN: ZAE000051645).

The market capitalisation of the company as at 30 September 2006 was R606 million.

The Group (Ambit and its subsidiary, Whirlprops 37 (Proprietary) Limited) has an investment in a property portfolio of 27 properties and an investment in Oryx Properties Limited (Oryx), a property loan stock company listed on the Namibian Stock Exchange.

INVESTMENT STRATEGY, OBJECTIVES AND PROSPECTS

To provide investors with sustainable and growing income, and the associated capital appreciation, from an investment portfolio of retail, office and industrial properties. To maintain the existing high quality of the portfolio and expand it with property acquisitions largely in the major metropolitan areas which offer good rental growth prospects. Ambit will also continue to seek investment opportunities in selected neighbouring countries.

HIGHLIGHTS

	30 September 2006	30 September 2005 (Restated)
• Distribution (cents per unit)	**29,60**	27,50
• Income yield on unit price at beginning of year	**9,2%**	12,6%
• Weighted average headline earnings (cents per unit)	**32,24**	31,30
• Weighted average earnings (cents per unit)	**77,20**	77,91
• Number of properties	**27**	29
• Value of property portfolio (R)	**824 550 000**	671 000 000
• Oryx investment (R)	**110 927 000**	82 944 000
• Net asset value including distribution yet to be paid (cents per unit)	**326**	275
• Linked units in issue	**186 482 837**	173 814 215
• Market price (cents per unit)	**325**	323
• (Discount)/premium to net asset value	**(0,3%)**	17,5%
• Borrowings (R)	**315 960 000**	267 199 000
• Interest bearing borrowings as a percentage of long-term assets	**33,8%**	35,5%

Directorate & Administration

From top left to right
R D Jeffery, R R Emslie, N B S Harris, D L Brown, F Uys, J H Beare, I N Mkhari and W H Raffinetti

Directors of Ambit Properties Limited

(Registration number: 2001/007003/06)
as at 30 September 2006 and at the date of this report are:

D L Brown (59)
*(FRICS, MIV (SA)) # **
Non-executive independent Chairman
He has 38 years experience in commercial real estate focused principally on development, leasing and asset management. He was previously the managing director of Equity Estates (Proprietary) Limited, until his retirement earlier this year.

N B S Harris (64)
(FRICS) #
Chief Executive Officer
Executive director
He has over 40 years experience in property. He was a director of Marriott Property Services (Proprietary) Limited. He is a director of Oryx Properties Limited (listed on the Namibian Stock Exchange), is a past president of the South African Property Owners Association and is chairman of the South African Board of the Royal Institution of Chartered Surveyors.

J H Beare (52)
(BComm, CA(SA)) # • (C)
Non-executive independent director
He has 18 years experience in the property industry. He is the managing director of Beare Holdings (Proprietary) Limited which is extensively involved in property investment, development and administration. He was a business service partner of Pim Goldby (now Deloitte & Touche).

R R Emslie (48)
(BComm (Hons), CA (SA))
Non-executive director
He has 19 years banking experience with Absa Bank Limited with senior appointments in both ACMB and the Business Bank. In August 2004 he was appointed as an executive director of the Absa Group. He is a director of Paramount Property Fund Limited.

R D Jeffery (61)
Alternate director to R R Emslie
(MBA)
Non-executive director
He has 41 years banking experience including 11 years experience in commercial property finance. He is a general manager within the Business Banking Services Division of Absa Bank Limited heading up the Commercial Property Finance Department. He is a director of Paramount Property Fund Limited.

I N Mkhari (32)
*(BA Soc. Science) **
Non-executive independent director
Ipeleng is the Chief Investment Officer of Motseng Investment Holdings (Proprietary) Limited. In 1998 she founded Phosa Iliso CCTV; the first black woman-owned and managed CCTV business in South Africa. She later co-founded Motseng Investment Holdings and is a shareholder of Motseng Investment Holdings. She is a director of all Motseng group subsidiaries, Kap International and Marriott Property Fund Managers Limited.

F Uys (59)
(BA, BComm (Hons), MComm)
(Namibian) •
Non-executive independent director
His experience includes being the managing director of Metje & Ziegler Limited from 1996 to 2004, of TransNamib Limited from 1989 to 1996 and a senior executive of the Trencor Group from 1970 to 1989. He founded the Road Transport Association in Namibia in 1976 and acted as chairman until 1980. He has served on various Government and advisory bodies in Namibia as well as in South Africa. He was chairman of the Namibian Stock Exchange from 1999 to 2001. He has been the chairman of FP du Toit Transport (Proprietary) Limited since 1999, is the chairman of Intercape Ferreira Mainliner (Proprietary) Limited and is a director of Oryx Properties Limited.

#	Member of the Investment Committee
•	Member of the Risk, Audit and Compliance Committee
*	Member of the Remuneration Committee
(C)	Chairman of relevant sub-committee

Administration
Ambit has changed its registered office and as from 1 December 2006, the registered office is:

Ambit Properties Limited
First Floor, 4 Fricker Road
Illovo, 2196
P O Box 618, Melrose Arch, 2076

Company secretary and manager
Ambit Management Services (Proprietary) Limited
First Floor, 4 Fricker Road
Illovo, 2196
P O Box 618, Melrose Arch, 2076

Trustee
Steinway Trustees (Proprietary) Limited
The Manor House
14 Nuttall Gardens
Morningside
Durban, 4001
P O Box 37957, Overport, 4067

Commercial bank
Absa Bank Limited
Business Banking Services
Palazzo Towers West
Monte Casino Boulevard
Fourways, 2055
P O Box 782991, Sandton, 2146

Merchant bank
Grindrod Bank Limited
Building Three, First Floor, North Wing
Commerce Square, 39 Rivonia Road
Cnr Helling Road, Sandton
PO Box 78011, Sandton, 2146

Auditors
Deloitte & Touche
Deloitte & Touche Place
2 Pencarrow Crescent
La Lucia, Durban, 4001
P O Box 243, Durban, 4000

Transfer secretary
Computershare Investor Services 2004 (Proprietary) Limited
70 Marshall Street
Johannesburg, 2001
P O Box 61051, Marshalltown, 2017

Sponsors
Exchange Sponsors (Proprietary) Limited
Building Three, First Floor, North Wing
Commerce Square, 39 Rivonia Road
Cnr Helling Road, Sandton
PO Box 78011, Sandton, 2146

Chairman & Chief Executive Officer's Report

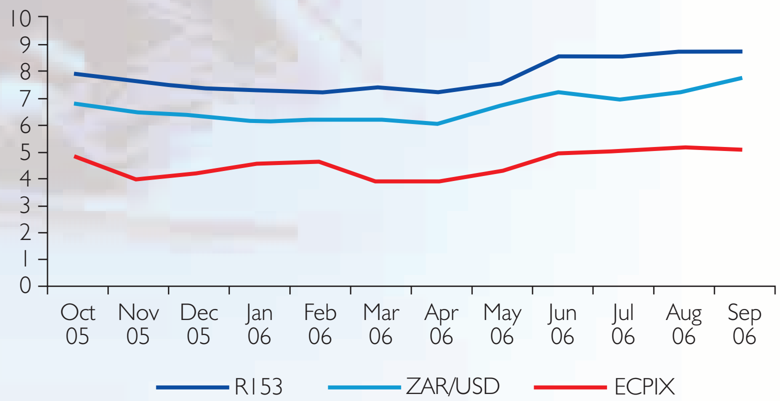
Ambit has performed well for the year under review providing investors with steady income growth. Ambit's distributable earnings for the financial year ended 30 September 2006 amounts to R55,2million or 29,6 cents per unit (cpu) which shows growth of 7,6% over the 2005 distribution (2005: 27,5cpu). The second half distribution of 15,6cpu shows growth of 11,4% over the first half year distribution of 14,0cpu.

1. ECONOMIC REVIEW

The economy continued the sound 4% growth of the past few years and at last job creation was positive.

Inflation remained within the Reserve Bank target of 3 – 6%, albeit edging towards the upper end of the band. Consumer spending continued to grow, but this was tempered by the 0,5% interest rate increases in June and August. However, the weakening of the Rand against the major currencies will have a positive impact on exports.

Business confidence ended the period under review at the same positive levels at which it commenced the year.

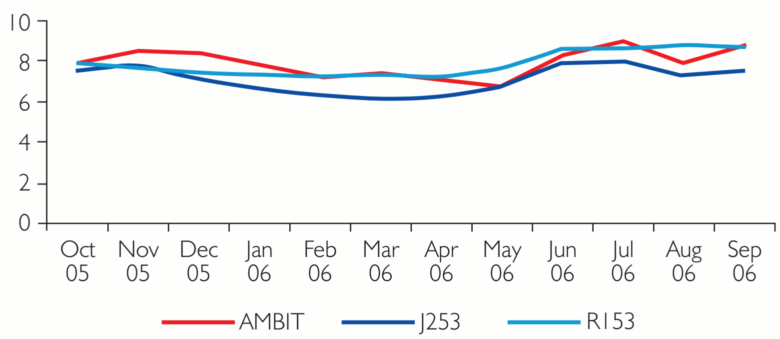


2. LISTED PROPERTY

The listed property sector started the period under review as a favoured asset class, with the strong investor demand driving the South African Property Index (SAPY) index well below the benchmark Government long bond yields (the R153).

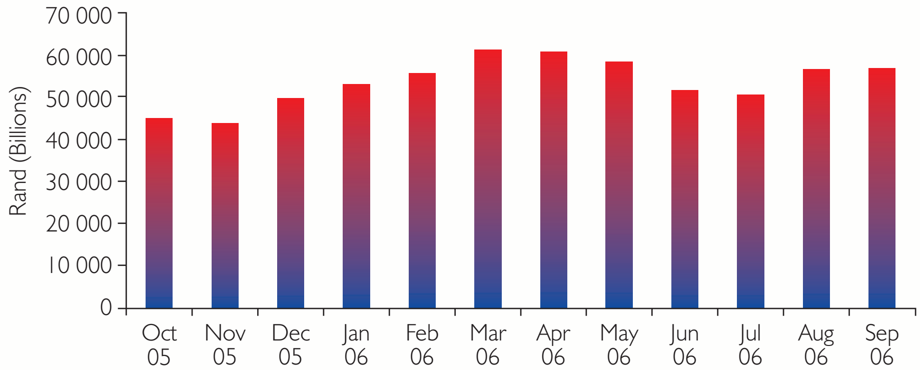
By May 2006, the SAPY index reached a peak of 465 from which it rapidly retreated 25% over the next 2 months following the global re-rating of the emerging markets and the Reserve Bank increase in interest rates.

However, the underlying property fundamentals had not changed and ongoing growth in distributions from the sector soon had investors recognising the over sold situation and returning to this asset class. By the end of September 2006 the index had recovered to 408, within 12% of its May high.



The market capitalisation of the sector commenced the period under review at R45 billion and, by the end of September 2006, stood at R57 billion.

Listed Property Market Capitalisation



Source: Inet and Catalyst

3. THE PROPERTY MARKET

The strong economic conditions have had a substantial impact on the commercial property market. Demand for retail space has continued, only being satisfied by further new centres being brought to the market.

According to SAPOA's statistics, vacancies in A grade offices in the popular decentralised office nodes have halved from about 7% to 3,5%.

Industrial and warehousing demand in all popular areas has virtually filled the available space and there is pressure on remaining vacant land from end users and developers.

Rentals are rising in both the office and industrial sectors driven by demand and increasing building costs, which have risen substantially over the past two years.

The Investment Property Data Bank (IPD), which measures direct property returns, and at December 2005 reflected a database of R81 billion (2005: R74,7 billion), recorded a total return of 30,1% for 2005. The retail and industrial sectors were the top performers as can be seen below.

Total return (%)	2002	2003	2004	2005
Retail	11,0	17,3	26,2	33,0
Office	5,0	8,9	16,6	24,5
Industrial	8,8	17,7	24,4	33,1
All Property	9,6	15,3	23,4	30,1
Income return (%)				
Retail	9,0	9,7	9,9	9,5
Office	10,3	10,9	10,7	10,9
Industrial	12,3	13,6	13,6	12,4
All Property	9,8	10,5	10,6	10,3

Source: IPD

The consistent income return from each of the major sectors over the last few years is clearly demonstrated and it is this which forms the foundation of distribution growth to unitholders.

Ambit, with an income return of 11,5%, outperformed the listed fund index income return of 11% for the 2005 period, but marginally lagged the growth index of 20,8% with 17,4%. This gave Ambit a total return of 30,8% for the year.

4. REVIEW OF FINANCIAL RESULTS

Ambit has performed steadily for the year under review, with distributions showing 7,6% growth over 2005. The core property portfolio showed a 15% growth in value over 2005.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for the first time in the current year, and IFRS 1 (First time adoption of IFRS) has been applied. The adoption of IFRS has not resulted in any adjustments to the amounts reported previously in the annual financial statements for the year ended 30 September 2005 or to the opening IFRS balance sheet at 1 October 2004. However, a change in accounting interpretation of IAS 32 has resulted in the reclassification of share premium to debenture premium and in the amortisation of the resultant debenture premium. This will increase earnings over the life of the debentures, and the Group has elected to transfer the amount to non-distributable reserves in order not to affect distributions. This has had the effect of increasing earnings by R1,8 million or 0,99 cents per weighted number of units in the current year (2005: R1,2 million or 0,72 cents) and increasing the opening balance of non-distributable reserves in 2005 by R0,7 million.

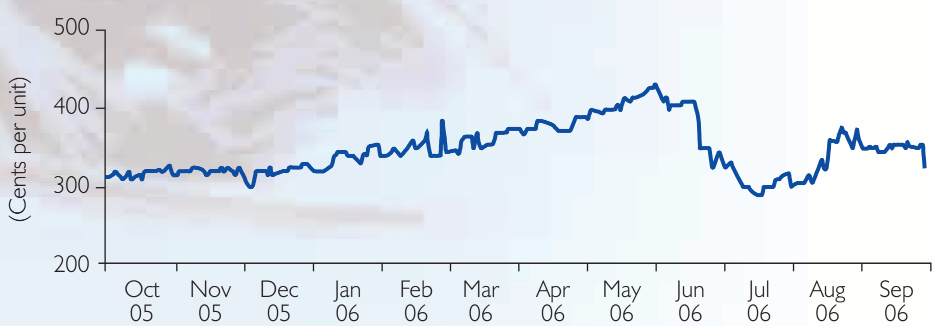
4. **REVIEW OF FINANCIAL RESULTS** (continued)

In terms of IAS 17: Leases, rental income is recognised on the straight line basis. The directors believe that the straight line basis is inappropriate and this method of accounting does not add value to users of financial statements. The cash flows inherent in the leases and the straight line adjustment are separately disclosed in the financial statements in order to assist users to calculate growth trends.

5. **AMBIT UNIT PRICE**

Ambit's unit price has shown very little growth over the 12 month period (325 cents at 30 September 2006, versus 323 cents at 30 September 2005). This is due to the fall in the price of listed property stocks in June 2006. Ambit's historic yield on its price at 30 September 2006 was 8,7%, versus the SAPY index of 7,4%.

The volatility of 2006 resulting from the seemingly insatiable retail investment demand for listed property in the first half of 2006, and the corrective interest rate increases thereafter, can be seen from the graph below. Ambit's high of 435cpu in May, the low of 285cpu only two months later and the year-end price of 325cpu clearly indicate just how the market over-reacted in June and July.



During the year under review, 51% of Ambit's listed units were traded which represents a total value of R322,9 million.

6. **THE PROPERTY PORTFOLIO**

At year-end, the portfolio comprised 27 quality properties, with a rentable area of 154 029m².

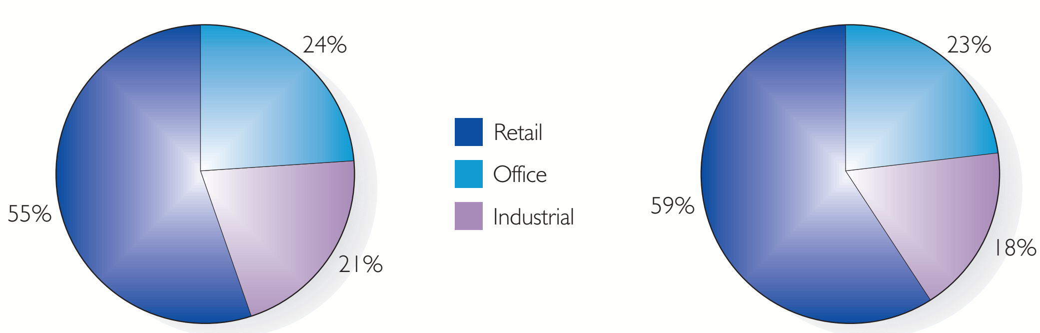
6.1 Geographic and sectoral profile

6.1.1 Sectoral spread

Ambit listed with a sectorally diversified property portfolio with a bias towards retail properties. It is management's intention to maintain a spread across the 3 major sectors of the commercial property market. The major sectors of the market operate on slightly different cycles of demand and rental growth and thus at times opportunities arise in each sector for investment acquisitions which show good growth potential.

The sectoral spread of Ambit's portfolio is set out below. All amounts exclude straight line adjustments.

By income **By value**

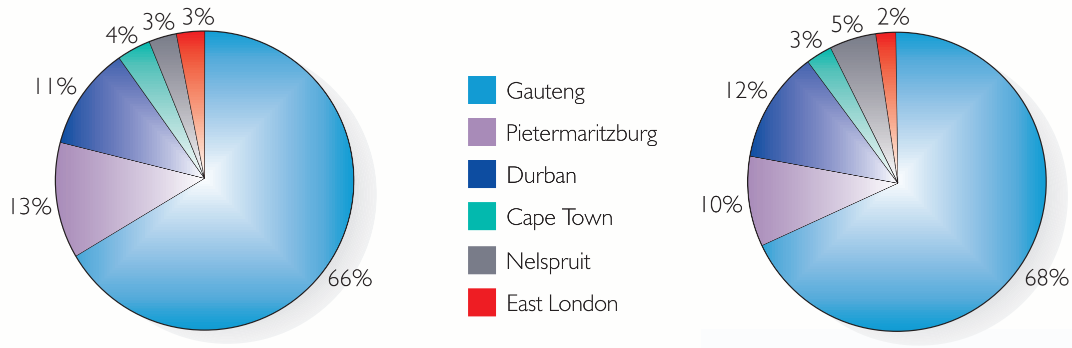


By value, retail has increased from 57% in 2005 to 59% in 2006 and income contribution increased by 3% as a result of the acquisition of Lowveld Lifestyle Centre.

6.1.2 Geographic Spread

Ambit's strategy is to predominantly invest in properties located in the major metropolitan areas and this strategy has been maintained.

The geographic spread is set out below.



The acquisition of the Lowveld Lifestyle Centre in Nelspruit has marginally reduced the exposure to Gauteng by value by 3% from last year to 68% this year-end.

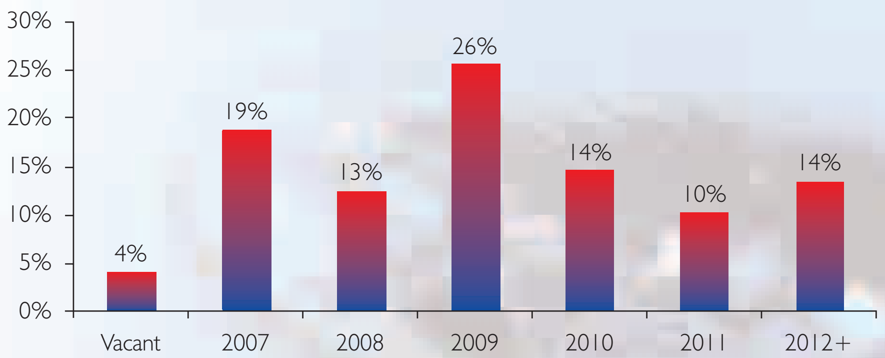
6.2 Lease structure, vacancies and expiry profile

During the period under review, leases in respect of 14,6% by rental value (13 783m^2) of the portfolio fell due for renewal and of these, 74% by rental value (9 919m^2) were successfully renewed. The space that was vacated was substantially re-let as can be seen in the continuing high occupancy levels.

The vacancy is low at 3,80% by rental value (3,5% by area, 5 310m^2) and is marginally above the levels at the end of last year of 3 981m^2 (2,6%). The bulk of this vacancy (3 766m^2) is in the office portfolio where the prospects of leasing are encouraging.

6.3 Lease expiry profile

The lease expiry profile determined by rental value is reflected below:



The favourable lease expiry profile continues with no more than 26% of the portfolio's contractual income falling due for renewal in a particular year. The increase in expiries in 2009 is a result of a number of 3-year leases being concluded during 2006. During 2007, the bulk of the renewals lie within the office sector.

6.4 Operating costs

The operating costs of the buildings represent 25,3% of the gross rental income. These costs include all property related expenses without netting off recoveries, include property management fees, but exclude the asset management fees of the portfolio and interest on borrowings. Last year these costs represented 25,9% and in 2004 were 25,1% showing that the costs are being consistently maintained.

Of the total expenditure (excluding rates, municipal charges, collection commission and insurance) the value of procurement paid to black owned companies increased from 35% in 2005 to 50% at year-end and is in line with the target Ambit set in 2004.

Chairman & Chief Executive Officer's Report (continued)

6.5 **Acquisitions**

During the year Ambit took transfer of a building leased to Absa in Roodepoort on a 5-year lease at a price of R22,5 million on a forward yield of 11,1%.

Lowveld Lifestyle Centre in Nelspruit was acquired at a cost of R43,2 million on a forward yield of 9,1%. This retail/ lifestyle centre is anchored by Wetherleys and is 79% let to national companies or their franchisees.

In July 2006, Ambit acquired 50% of a property in Old Main Road, Pinetown, jointly with a subsidiary of Highpine Properties (Proprietary) Limited, a company concentrating on retail property investment in the Pinetown area, at a joint cost of R28,3 million. The co-owners intend to redevelop the site to create a shopping centre which will benefit from the site's prime location between Pinecrest Shopping Centre and the taxi terminus.

The development will be undertaken during 2007 but is presently let and is income producing.

6.6 **Disposals**

The five properties which Ambit contracted to sell in the 2005 financial year, were transferred in January 2006. These realised a post capital gains tax profit of R1,0 million.

6.7 **Portfolio revaluation**

The portfolio was valued by independent valuers, CB Richard Ellis, as at 30 September 2006.

The valuation reflects a portfolio value of R824,6 million. The core portfolio (excluding additions and disposals) showed an increase in value of 15% over the year.

7. INVESTMENT IN ORYX PROPERTIES LIMITED

Oryx comprises a quality portfolio of well tenanted investment properties, principally located in Windhoek.
Oryx again produced excellent results, with distributions amounting to 78 cents for the year ended 30 June 2006, showing an 11% growth over the previous year's distributions. Realisable net asset value increased to 859 cents per unit (2005: 721cpu). During the year, Oryx completed its development of Phase II of Maerua Mall. The expanded Maerua Complex (39 800m^2 of retail space) is fully tenanted and is trading well. At its year-end, Oryx had a portfolio of 17 properties with an open market value of N$560,6 million and a vacancy of 1%.

During the year Oryx undertook a rights issue, which, although slightly dilutionary to Ambit in 2006, due to the prepayment of distributions, offered a sound yield for 2007 and beyond. Ambit followed its rights and applied for further units, thereby increasing its stake marginally to 30,6% (2005: 30,5%). At the date of this report Oryx was trading at 820 cents, which is 4,5% below its realisable net asset value. It therefore continues to offer sound investment value to Ambit.

2-4 Golf Course Drive, Mount Edgecombe, Durban

7. INVESTMENT IN ORYX PROPERTIES LIMITED (continued)

Oryx is classified as an associate to Ambit. Ambit's share of the retained earnings of Oryx for the year was R12,5 million. This, combined with the rights issue and increased unitholding, has taken Ambit's holding in Oryx to R110,9 million and represents 11,9% of Ambit's investment portfolio.

8. FUNDING ARRANGEMENTS

As at year-end Ambit had interest bearing borrowings of R316 million largely with ABSA and Nedbank who are Ambit's long-term financiers. This reflects a long-term borrowings to long-term asset ratio of 33,8% (2005: 35,5%). During March 2006, Ambit renegotiated the interest rates on its facilities and reduced the cost of variable borrowings by 50 basis points and fixed borrowings by 80 basis points.

At year-end, R183,7 million (58%) of the debt was on fixed interest contracts (2005: R145 million or 54%). Ambit's average cost of debt at year-end was 9.7% p.a. (2005: 10,2% p.a.). The fixed and floating debt structure is set out in Note 14 to the financial statements. Management and the board will continue to actively manage the funding and interest rate risk.

9. BLACK ECONOMIC EMPOWERMENT (BEE)

During the year management engaged in discussions to introduce an identified BEE group. However, these were terminated following differences between the shareholders of the management Company, Ambit Management Services (Proprietary) Ltd (AMS). The Board and management are committed to concluding a meaningful transaction with an appropriate BEE group during 2007.

10. MANAGEMENT COMPANY

In August 2006, Absa Bank Limited acquired the rights to the remaining 50% interest in AMS held by Marriott Corporate Property.

The AMS staff who were seconded from Marriott undertook to manage the year-end accounting, audit and the preparation of the financial statements. AMS has recruited new staff and resources and will relocate its offices to 4 Fricker Road, Illovo from 1 December 2006.

11. PROSPECTS

The fundamentals of the underlying property market continue to firm notwithstanding the recent interest rate increases and the prospects of further increases in the next 12 months. Office and industrial rentals are increasing which will provide income growth from the existing portfolio when leases are renewed.

Ambit's strategy is to increase its property portfolio to in excess of R1,5 billion and its market capitalisation to in excess of R1 billion during the next year and management expects to be able to make announcements of acquisitions in the near future. There is no change to the strategy of owning quality properties in good growth nodes.

Nick Harris has been requested and has accepted to remain on as the Chief Executive Officer of the Group until the end of June 2007 to manage the transition of AMS and to conclude and bed down the initial tranches of the anticipated growth of the asset base.

During the first half of 2007, the Board will be appointing a new Chief Executive Officer to ensure a smooth handover.

We would like to express our appreciation to management and in particular to those seconded to AMS from Marriott for their dedication and hard work in what, for some of them, has been a difficult period. We would also thank the non-executive directors for their support, experience and advice during the past year.

D L Brown
Chairman
23 November 2006

N B S Harris
Chief Executive Officer
23 November 2006

Corporate Governance Review

30 September 2006

The board of directors is committed to the implementation of good corporate governance within the group and endorses the principles of openness, integrity, accountability and transparency. The board has adopted and applied the Code of Corporate Practices and Conduct as set out in the King II Report. The Board is of the opinion that the Group currently complies with all the significant requirements as set out in the King II report and the Listings Requirements of the JSE Limited.

In doing so, the directors recognise the need to conduct the enterprise with integrity in accordance with generally acceptable corporate policies. This includes timely, relevant and meaningful reporting to its unitholders and other stakeholders; and providing a proper and objective perspective of Ambit.

The directors have accordingly established mechanisms and policies appropriate to the Group's business in keeping with its commitment to the best practices in corporate governance in order to ensure compliance with the King II Report. The directors will review these from time to time.

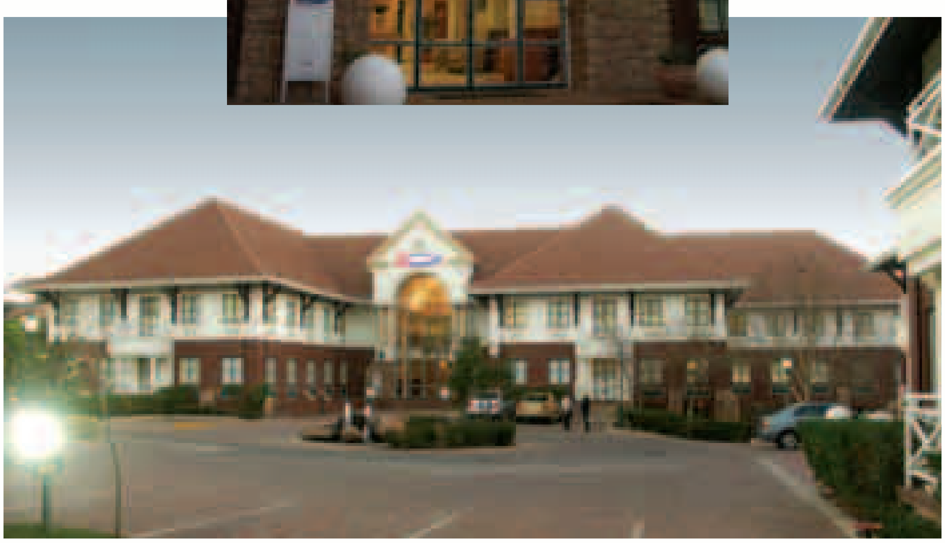
BOARD OF DIRECTORS AND ITS SUB-COMMITTEES

The board of directors consists of an executive director and five non-executive directors, four of whom are independent non-executives and hence the majority of the board comprises independent non-executives. These non-executive directors bring to the Group a wide range of skills and experience that enable them to contribute an independent view and to exercise objective judgement in matters requiring directors' decisions. The chairman is a non-executive director, whose role is independent from the executive director.

The executive director holds a service contract. All non-executive directors are subject to retirement by rotation and re-election by Ambit unitholders at least once every three years in accordance with the Articles of Association.

All new appointments to the board are done on a consensus basis between board members, subject to unitholder approval.

The board, which meets at least quarterly, retains full and effective control over the Group and service providers. The board has established a number of committees to give detailed attention to its responsibilities and which operate within defined, written terms of reference. These are the investment committee, the remuneration committee and the risk, audit and compliance committee, and the compositions thereof are set out on pages 2 and 3.



79 Hyde Park Lane, Hyde Park, Gauteng

The board has approved a Board Charter to regulate how the business is to be conducted by the board in accordance with the principles of good corporate governance.

During the period under review, directors who did not attend all 5 board meetings were J Zidel (1 absence), F Uys (1 absence) and I N Mkhari (2 absences).

INVESTMENT COMMITTEE

The board has established an investment committee, which is responsible to the board for monitoring and supervising the Group's strategic investment objectives and implementing the board's instructions as to acquisitions, disposals and the structuring of borrowings.

REMUNERATION COMMITTEE

The board has established a remuneration committee, which reviews the remuneration of the executive director and recommends non-executive directors' fees.

RISK, AUDIT AND COMPLIANCE COMMITTEE

The board has established a risk, audit and compliance committee whose primary objectives are to provide the board with additional assurance regarding the efficacy and reliability of the financial information used by the directors and to assist them in the discharge of their duties. The committee provides comfort to the board that adequate and appropriate financial and operating controls are in place, that significant business, financial and other risks have been identified and are being suitably managed and that satisfactory standards of governance, reporting and compliance are in operation. The committee is responsible for setting the principles for recommending the use of the external auditors for non-audit services, and any significant non-audit work must be approved by this committee. The committee has formal terms of reference for their responsibilities and the Board is of the opinion that these responsibilities have been satisfied for the year under review.

Due to its size (one direct employee), Ambit does not have an internal audit function. Management and the Risk, Audit and Compliance Committee review the internal controls, processes and systems of the Group and it's service providers.

Within this context, the board is responsible for the Group's systems of internal financial and operational control.

DIRECTORS' DEALINGS

The group operates a policy of prohibiting dealings by directors and certain other managers in periods immediately preceding the announcement of its interim and year-end financial results and at any other time deemed necessary by the board.

RISK MANAGEMENT

The objective of risk management is to identify, assess, manage and monitor the risks to which the business is exposed. This is a board responsibility. Ambit pursues active management policies designed to minimise the impact of risk.

With the assistance of expert risk consultants, risks have been assessed and appropriate insurance cover provided for all material risks above pre-determined, self-insured limits. Levels of cover are re-assessed annually.

DIRECTORS' RESPONSIBILITY

The directors are responsible for the preparation of the annual financial statements, as set out on pages 16 to 39, which fairly represent the state of affairs of the Group at the end of the financial year.

GOING CONCERN

The directors are of the opinion that the Company and the Group have adequate resources to continue in operation for the foreseeable future and the annual financial statements and Group annual financial statements have accordingly been prepared on a going concern basis.

D L Brown
Chairman
23 November 2006

J H Beare
Chairman – Risk, audit and compliance committee
23 November 2006

Unitholders' Diary

Financial year-end — 30 September
Annual general meeting — 21 February 2007

Distribution plan dates in respect of the financial year ending 30 September 2007:

Financial period	Declaration date	Record date	Payment date
1st half to 31 March 2007	18 May 2007	7 June 2007	11 June 2007
2nd half to 30 September 2007	9 November 2007	30 November 2007	3 December 2007

Park Meadows, Kensington, Gauteng

Analysis Of Linked Unitholders

30 September 2006

	Number of unitholders	% of unitholders	Number of units held	% of issued units
Size of holding				
1 – 10 000	699	46,94	3 640 819	1,95
10 001 – 25 000	432	29,01	7 654 281	4,10
25 001 – 50 000	176	11,82	6 771 823	3,63
50 001 – 100 000	86	5,78	6 464 015	3,47
100 001 – 500 000	64	4,30	14 823 169	7,95
500 001 – 1 000 000	14	0,94	10 401 439	5,58
`Over 1 000 000	18	1,21	136 727 291	73,32
	1 489	100,00	186 482 837	100,00
Type of unitholders				
Corporates and investment companies	74	4,97	93 252 379	50,01
Individuals and private companies	1 184	79,52	68 817 124	36,90
Nominee holders and trusts	168	11,28	14 685 002	7,87
Pension and provident funds	63	4,23	9 728 332	5,22
	1 489	100,00	186 482 837	100,00
Significant unitholders				
Unitholders invested in 5% or more of the company				
Redefine Income Fund			43 660 824	23,41
Absa			39 150 567	20,99
Marriott			21 381 327	11,47
Oasis Asset Management			10 218 610	5,48
			114 411 328	61,35
Unitholder spread				
Held by public	1 482	99,53	103 895 568	55,72
Held by non-public				
– directors	4	0,27	500 000	0,26
– unitholders with more than 10% unitholding	3	0,20	82 087 269	44,02
	1 489	100,00	186 482 837	100,00
Units traded				
Number of units traded	92 200 304			
Units traded as a percentage of issued capital	51,44%			
JSE price history				
12 month high (cents)	435			
12 month low (cents)	285			

Directors' Responsibility For & Approval Of The Annual Financial Statements

for the year ended 30 September 2006

The directors are responsible for the preparation and integrity of the annual financial statements and the related information included in the annual report. In order for the board to discharge its responsibilities, management has developed and continues to maintain a system of internal control. The board has ultimate responsibility for the system of internal controls and reviews its operation, primarily through the risk, audit and compliance committee.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Group's policies and procedures. These controls are implemented by trained, skilled personnel with appropriate segregation of duties, are monitored by management and the risk, audit and compliance committee and include a comprehensive budgeting and reporting system operating within an appropriate control framework.

The external auditors are responsible for reporting on the annual financial statements, and their unmodified opinion is included on page 15. The annual financial statements are prepared in accordance with International Financial Reporting Standards and incorporate disclosures in line with the accounting philosophy of the Group. They are based on appropriate accounting policies consistently applied, except where otherwise stated, and are supported by reasonable and prudent judgements and estimates.

The directors believe that the Group will be a going concern in the year ahead. Accordingly, in preparing the annual financial statements and Group annual financial statements, the going concern basis has been adopted.

The annual financial statements for the year ended 30 September 2006 as set out on pages 16 to 39 were approved by the board of directors on 23 November 2006 and are signed on its behalf by:

D L Brown
Chairman
23 November 2006

J H Beare
Chairman – Risk, audit and compliance committee
23 November 2006

Declaration By Secretary

The Secretary certifies that the Company has lodged with the Registrar of Companies all such returns as are required of a public company, in terms of Section 268G(d) of the Companies Act No 61 of 1973, as amended, and that all such returns are true, correct and up to date.

Ambit Management Services (Pty) Ltd

Ambit Management Services (Proprietary) Limited
Company Secretary
23 November 2006

Independent Auditor's Report

TO THE MEMBERS OF AMBIT PROPERTIES LIMITED

We have audited the annual financial statements and Group annual financial statements of Ambit Properties Limited set out on pages 16 to 39 for the year ended 30 September 2006. These financial statements are the responsibility of the Company's directors.
Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Company and of the Group at 30 September 2006, and the results of their operations and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act in South Africa.

Deloitte & Touche

Deloitte & Touche
Registered Auditors

Per GD Kruger
Partner

23 November 2006

2 Pencarrow Crescent
La Lucia Ridge Office Estate
Durban

National Executive:	GG Gelink – Chief Executive, AE Swiegers – Chief Operating Officer, GM Pinnock – Audit, DL Kenney – Tax, L Geeingh – Consulting, MG Crisp – Financial Advisory, L Bam – Strategy, CR Beukman – Finance, TJ Brown – Clients & Markets, SJC Sibisi – Public Sector and Corporate Social Responsibility, NT Mtubu – Chairman of the Board, J Rhynes – Deputy Chairman of the Board
Regional Leader:	GC Brazier

Directors' Report

30 September 2006

NATURE OF BUSINESS

Ambit Properties Limited is a property investment company and is listed on the JSE under the "Financials – Real Estate" sector.
The Group derives its income from a portfolio of investment properties in the retail, office and industrial sectors and an investment in Oryx Properties Limited, a Namibian property investment company listed on the Namibian Stock Exchange.

ISSUED SHARE CAPITAL

As at 30 September 2006 there were 186 482 837 linked units in issue (2005: 173 814 215), each comprising one ordinary share of 1 cent and one unsecured variable rate debenture of 180 cents. In order to fund the acquisition of the Lowveld Lifestyle Centre in Nelspruit, 12 668 622 units were issued on 13 April 2006 at a price of 341 cents. An additional 14 cents per unit was received in respect of the interim distribution subsequently paid.

FINANCIAL REVIEW

	2006 cents	2005 (restated) cents
Weighted average headline earnings per linked unit	**32,24**	31,30
Weighted average earnings per linked unit	**77,20**	77,91
Distribution per linked unit	**29,60**	27,50

International Financial Reporting Standards (IFRS) were adopted for the first time in the current year, and the adoption thereof has not resulted in any changes to the reported numbers. However, a change in accounting interpretation has resulted in the share premium being reclassified to debenture premium and amortised over the life of the debenture. Details are reflected in Notes 6 and 13.

SUBSIDIARY

Details of the Company's subsidiary are reflected in Note 8. The profit after tax of the subsidiary which is attributable to Ambit amounts to R11,2 million (2005: R10,4 million).

ASSOCIATE

Details of the Company's associate are reflected in Note 9.

DIRECTORATE

Details of the directors are set out on pages 2 and 3 of this report. The composition of the board, together with changes from 1 October 2006 to the date of this report, are set out below:

Director	Date appointed	Date resigned
D L Brown (Chairman)		
N B S Harris *		
C J Ewin		16/08/2006
J H Beare		
I N Mkhari		
F Uys		
R R Emslie		
J Zidel	07/02/2006	03/05/2006
R D Jeffrey (alternate)		

Director	**2006** Salaries R'000	**2006** Directors' fees R'000	2005 Salaries R'000	2005 Directors' fees R'000
D L Brown (Chairman)	–	95	–	95
N B S Harris *	1 061	–	920	–
– salary	861#	–	795#	–
– bonus	200	–	125	–
C J Ewin	–	48	–	65
J H Beare	–	90	–	90
R R Emslie	–	50	–	12,5
N P Mageza	–	–	–	37,5
I N Mkhari	–	50	–	50
F Uys	–	65	–	65
J Zidel	–	13	–	–
	1 061	411	920	415

* Executive
The executive director holds a service contract until 30 June 2007.
No other directors have service contracts.
The executive director's salary is deducted off asset management fees paid to Ambit Management Services (Proprietary) Limited.

DIRECTORS' INTERESTS

The joint beneficial interests of directors in the equity of the company as at 30 September 2006 was 0,26% (500 000 units) and can be analysed as follows:

Director	Direct beneficial		Indirect beneficial		Total	
	Linked units	%	Linked units	%	Linked units	%
2006						
D L Brown (Chairman)	50 000	0,02	–	–	50 000	0,02
N B S Harris *	25 000	0,01	25 000	0,01	50 000	0,02
F Uys	200 000	0,11	–	–	200 000	0,11
R D Jeffery (alternate) *	200 000	0,11	–	–	200 000	0,11
R R Emslie *	–	–	–	–	–	–
					500 000	**0,26**
2005						
D L Brown (Chairman)	50 000	0,03	–	–	50 000	0,03
N B S Harris *	25 000	0,01	25 000	0,01	50 000	0,03
C J Ewin *	210 000	0,12	–	–	210 000	0,12
F Uys	200 000	0,12	–	–	200 000	0,12
R D Jeffery (alternate) *	200 000	0,12	–	–	200 000	0,12
R R Emslie *	–	–	–	–	–	–
					710 000	**0,42**

* These directors have insignificant indirect interests in Ambit as a result of having insignificant interests in either Absa Bank Limited or RMBT Holdings Limited as shareholders.

In April 2006, Ambit acquired 50% of 17-19 and 21-35 Old Main Road, Pinetown in conjunction with Pinespring Properties (Proprietary) Limited, a wholly owned subsidiary of Highpine Properties (Proprietary) Limited, a company in which Mr J H Beare has an interest.

BORROWINGS

The directors are authorised to borrow funds up to an amount not exceeding 60% of the directors' bona fide valuation of the consolidated total assets of the Company and its subsidiaries. The Group's interest bearing borrowings at 30 September 2006 are disclosed in Note 14 to the annual financial statements.

ACQUISITIONS, IMPROVEMENTS AND DISPOSALS

Refer to paragraphs 6.5 to 6.7 of the Chairman and CEO's report.

POST BALANCE SHEET EVENTS AND GOING CONCERN

Other than the acquisitions and disposals referred to above, the directors are not aware of any material post balance sheet events and are of the opinion that the Group has adequate resources to continue in operation for the foreseeable future. The financial statements have accordingly been prepared on a going concern basis.

MANAGEMENT BY THIRD PARTY

Ambit has a service agreement with Ambit Management Services (Proprietary) Limited (AMS), the rights to which are 100% held by Absa Bank Limited, in respect of the property asset management, property management and the financial accounting and reporting of the company. During August 2006, Marriott Property Services (Proprietary) Limited disposed of the rights to its 50% share in the management company to Absa Bank Limited.

COMPANY SECRETARY

The company secretary is Ambit Management Services (Proprietary) Limited, whose business and postal address is as follows:

Postal:
P.O. Box 618
Melrose Arch
2076

Business:
First Floor, 4 Frikker Road
Illovo
2196

D L Brown
Chairman
23 November 2006

N B S Harris
Chief Executive Officer
23 November 2006

Balance Sheets

30 September 2006

	Notes	Group 2006 R'000	Group 2005 (restated) R'000	Company 2006 R'000	Company 2005 (restated) R'000
ASSETS					
Non-current assets					
Investment properties	7	**809 329**	659 288	**673 558**	538 896
– At valuation		**824 550**	671 000	**686 350**	548 600
– Straight line adjustment		**(15 221)**	(11 712)	**(12 792)**	(9 704)
Investment in associate company	9	**110 927**	82 944	**83 998**	68 480
Rental receivable – straight line adjustment		**14 551**	11 437	**12 122**	9 429
Total non-current assets		**934 807**	753 669	**769 678**	616 805
Current assets					
Trade and other receivables		**6 446**	9 679	**5 048**	9 273
– Trade and other receivables		**5 776**	9 404	**4 378**	8 998
– Rental receivable – straight line adjustment		**670**	275	**670**	275
Cash and cash equivalents	10	**56 128**	28 929	**56 620**	28 839
Interest in subsidiary company	8	**–**	–	**93 652**	92 931
Total current assets		**62 574**	38 608	**155 320**	131 043
TOTAL ASSETS		**997 381**	792 277	**924 998**	747 848
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	11	**1 865**	1 738	**1 865**	1 738
Non-distributable reserves	12	**190 886**	107 386	**134 873**	75 039
Distributable reserves/ (in deficit)		**364**	330	**(1 966)**	(1 999)
Total capital and reserves		**193 115**	109 454	**134 772**	74 778
Non-current liabilities					
Debentures	13	**335 669**	312 866	**335 669**	312 866
Debenture premium	6,13	**49 586**	31 094	**49 586**	31 094
Interest bearing borrowings	14	**315 960**	267 199	**315 960**	267 199
Deferred taxation liability	15	**64 499**	36 433	**51 666**	28 175
Total non-current liabilities		**765 714**	647 592	**752 881**	639 334
Current liabilities					
Trade and other payables		**9 087**	9 890	**7 880**	8 395
Current tax liabilities		**367**	308	**367**	308
Linked unitholders for distribution		**29 098**	25 033	**29 098**	25 033
Total current liabilities		**38 552**	35 231	**37 345**	33 736
TOTAL EQUITY AND LIABILITIES		**997 381**	792 277	**924 998**	747 848

Income Statements

for the year ended 30 September 2006

	Notes	Group 2006 R'000	Group 2005 (restated) R'000	Company 2006 R'000	Company 2005 (restated) R'000
REVENUE		103 620	99 448	86 844	81 177
– Rental – cash flows inherent in leases	16	99 813	93 530	83 458	76 154
– Rental – straight line adjustment		3 807	5 918	3 386	5 023
Property expenses	17	(25 239)	(24 229)	(21 432)	(20 486)
NET RENTAL INCOME FROM PROPERTIES		78 381	75 219	65 412	60 691
Interest income	18	2 040	2 373	14 571	15 816
Debenture interest and dividend income from associate company	9	9 868	8 338	9 868	8 338
Amortisation of debenture premium	6	1 776	1 191	1 776	1 191
Finance costs		(23 902)	(25 992)	(23 902)	(25 992)
Administrative expenses	19	(5 266)	(4 484)	(5 250)	(4 252)
Other expenses	20	(2 026)	(1 708)	(2 026)	(1 750)
OPERATING PROFIT		60 871	54 937	60 449	54 042
Change in fair value of investment properties		93 450	87 495	78 095	73 905
– As per valuations		97 257	93 413	81 481	78 928
– Straight line adjustment		(3 807)	(5 918)	(3 386)	(5 023)
Profit on disposal of investment properties		72	711	72	711
Share of associate company's after tax profits	6, 9	12 465	12 972	–	–
PROFIT BEFORE TAXATION AND DISTRIBUTION TO UNITHOLDERS		166 858	156 115	138 616	128 658
Debenture interest – linked unitholders		(55 199)	(47 799)	(55 199)	(47 799)
PROFIT BEFORE TAXATION		111 659	108 316	83 417	80 859
Taxation	21	(28 125)	(26 509)	(23 550)	(22 446)
PROFIT ATTRIBUTABLE TO LINKED UNITHOLDERS		83 534	81 807	59 867	58 413
		Cents	Cents	Cents	Cents
EARNINGS PER LINKED UNIT (weighted)	22	77,20	77,91	64,03	63,84
EARNINGS AND DILUTED EARNINGS PER SHARE (weighted)	22	46,48	49,18	33,31	35,11
DISTRIBUTION PER LINKED UNIT	22	29,60	27,50	29,60	27,50

Statements Of Changes In Equity

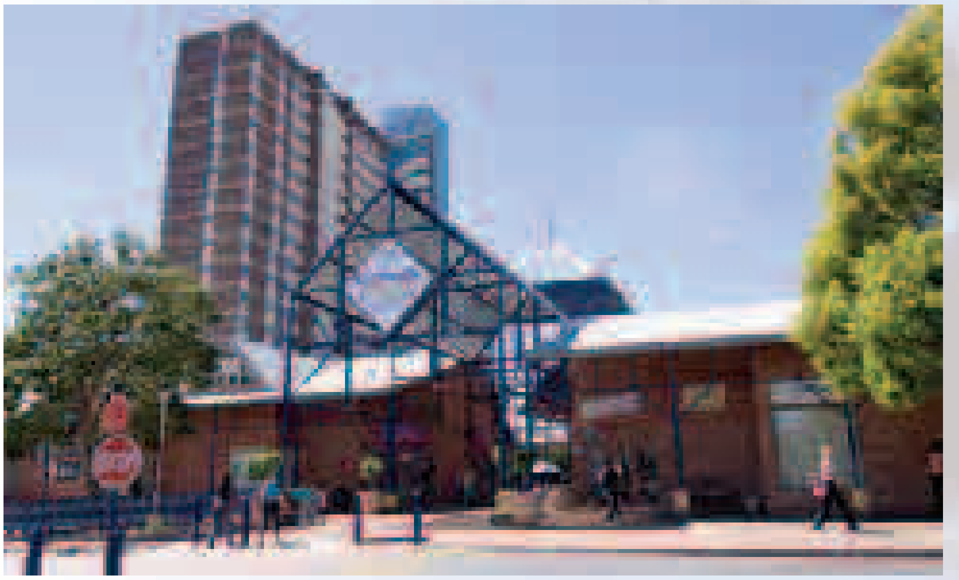
for the year ended 30 September 2006

	Share capital R'000	Share premium R'000	Distributable reserves R'000	Non-distributable reserves R'000	Total R'000
GROUP					
Balance at 30 September 2004 as previously reported	1 583	26 284	257	24 952	53 076
Prior year adjustment:					
Reclassification to debenture premium	–	(26 284)	–	–	(26 284)
Amortisation of debenture premium	–	–	700	–	700
Transfer of amortisation to non-distributable reserves	–	–	(700)	700	–
Restated balance at 30 September 2004	1 583	–	257	25 652	27 492
Shares issued during the period	155	–	–	–	155
Net profit attributable to linked unitholders	–	–	81 807	–	81 807
As previously reported	–	–	80 616	–	80 616
Prior year adjustment:					
Amortisation of debenture premium	–	–	1 191	–	1 191
Transfer to non-distributable reserves (restated)	–	–	(81 734)	81 734	–
Balance at 30 September 2005	1 738	–	330	107 386	109 454
Shares issued during the year	127	–	–	–	127
Net profit attributable to linked unitholders	–	–	83 534	–	83 534
Transfer to non-distributable reserves	–	–	(83 500)	83 500	–
Balance at 30 September 2006	1 865	–	364	190 886	193 115
COMPANY					
Balance at 30 September 2004 as previously reported	1 583	26 284	289	15 130	43 286
Prior year adjustments:					
Share of associates retained earnings	–	–	(1 492)	–	(1 492)
Reclassification to debenture premium	–	(26 284)	–	–	(26 284)
Amortisation of debenture premium	–	–	700	–	700
Transfer of amortisation to non-distributable reserves	–	–	(700)	700	–
Restated balance at 30 September 2004	1 583	–	(1 203)	15 830	16 210
Shares issued during the period	155	–	–	–	155
Net profit attributable to linked unitholders	–	–	58 413	–	58 413
As previously reported	–	–	70 194	–	70 194
Prior year adjustments:					
Share of associates retained earnings	–	–	(12 972)	–	(12 972)
Amortisation of debenture premium	–	–	1 191	–	1 191
Transfer to non-distributable reserves (restated)	–	–	(59 209)	59 209	–
Balance at 30 September 2005	1 738	–	(1 999)	75 039	74 778
Shares issued during the year	127	–	–	–	127
Net profit attributable to linked unitholders	–	–	59 867	–	59 867
Transfer to non-distributable reserves	–	–	(59 834)	59 834	–
Balance at 30 September 2006	1 865	–	(1 966)	134 873	134 772

Cash Flow Statements

for the year ended 30 September 2006

	Notes	Group 2006 R'000	Group 2005 R'000	Company 2006 R'000	Company 2005 R'000
OPERATING ACTIVITIES					
Cash generated by operating activities	23	**70 105**	63 450	**58 853**	48 758
Interest received and income from associate		**11 908**	10 711	**24 439**	24 154
Finance costs		**(23 902)**	(25 992)	**(23 902)**	(25 992)
Distributions paid to linked unitholders	24	**(51 134)**	(49 286)	**(51 134)**	(49 286)
Cash inflow/ (outflow) from operating activities		**6 977**	(1 117)	**8 256**	(2 366)
INVESTING ACTIVITIES					
Acquisition of investment properties		**(80 431)**	(44 800)	**(80 431)**	(44 800)
Improvements to investment properties		**(1 172)**	(8 592)	**(1 148)**	(7 677)
Proceeds on disposal of investment properties		**25 382**	32 011	**25 382**	32 011
(Increase)/ decrease in loan to subsidiary		**–**	–	**(721)**	444
Acquisition of holding in associate company		**(15 518)**	(4 136)	**(15 518)**	(4 136)
Cash outflow from investing activities		**(71 739)**	(25 517)	**(72 436)**	(24 158)
FINANCING ACTIVITIES					
Linked units issued		**43 200**	35 000	**43 200**	35 000
Share issue expenses		**–**	(268)	**–**	(268)
Interest bearing borrowings raised/ (repaid)		**48 761**	(8 455)	**48 761**	(8 455)
Cash inflow from financing activities		**91 961**	26 277	**91 961**	26 277
Increase/ (decrease) in cash and cash equivalents		**27 199**	(357)	**27 781**	(247)
Cash and cash equivalents at beginning of year		**28 929**	29 286	**28 839**	29 086
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	10	**56 128**	28 929	**56 620**	28 839



Scottsville Mall, Durban Road, Pietermaritzburg

Notes To The Annual Financial Statements

30 September 2006

1. GENERAL INFORMATION

Ambit Properties Limited (the Company) is a public company listed on the JSE and is incorporated in South Africa. The address of its registered office and principal place of business is disclosed in the introduction to the annual report. The principal activities of the Company and its subsidiary (the Group) are described in the Directors' Report

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on or before 1 October 2005. The adoption of IFRS has not resulted in any adjustment to the amounts reported previously in the annual financial statements for the year ended 30 September 2005.

3. ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies used in the preparation of the financial statements are consistent with those applied in the prior year, with the exception of accounting for the premium on units issued as disclosed under Debentures in Note 3.10 below and the Company's carrying value of its investment in associate as described in note 3.4 below.

The principal accounting policies are set out below :

3.1 Basis of consolidation

The consolidated financial statements incorporate the results and financial position of the Company and all its subsidiaries, which are defined as entities over which the Group has the ability to exercise control so as to obtain benefits from their activities. The results of subsidiaries are included from the effective dates of acquisition and up to the effective dates of disposal. All inter-company transactions and balances between Group companies are eliminated.
The accounting policies of the subsidiaries are consistent with those of the holding company.

3.2 Business combinations

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the aggregate fair value of the underlying assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill and is tested for impairment on an annual basis.

If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, attributable goodwill is included in the determination of the profit or loss on disposal.

3.3 Investment in subsidiaries

Investments in subsidiaries are recognised at cost less accumulated impairment losses.

3.4 Investment in associates

Associates are those companies, which are not subsidiaries or joint ventures, over which the Group exercises significant influence. Results of associates are accounted for in the Group using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations. Any losses of associates are brought to account until the investment in, and loans to, such associates are written down to a nominal amount. Thereafter losses are accounted for only insofar as the Group is committed to providing financial support to such associates. The carrying value of investments in associates represents the cost of each investment including unamortised goodwill, the share of post acquisition retained earnings or losses and other movements in reserves. Equity accounted income represents the Group's proportionate share of the associate's post-acquisition accumulated profit after accounting for dividends declared by those entities. Any significant movements between the year-end of associates and the Group are accounted for. Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the associate. Undistributed equity accounted earnings may be transferred to non-distributable reserves.

In the company the investment in associate is held at cost in accordance with IAS 27. The effects of this change in accounting policy are set out in Note 6 below.

3.5 Investment properties

Investment properties are properties held to earn rental income and appreciate in capital value based on the increase in rental income.

3. ACCOUNTING POLICIES (continued)

Investment properties are initially recognised at cost and are stated at their fair value at each reporting date. Gains or losses arising from changes in the fair values are reflected in the income statement in the period in which they arise. Unrealised gains are transferred to a non-distributable reserve in the statement of changes in equity. Unrealised losses are transferred against a non-distributable reserve to the extent that the decrease does not exceed the amount held in the non-distributable reserve. On disposal of investment properties, the difference between the net disposal proceeds and the carrying value is charged or credited to the income statement and then transferred from / to non-distributable reserves. Buildings are not depreciated.

Properties purchased by the company and settled by issuing linked units are recorded at the fair value of the properties acquired, unless that fair value cannot be reliably estimated. If the entity cannot reliably estimate the fair value of the property, the entity shall measure the value of the equity issued, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted in terms of IFRS2: Share Based Payments. This excludes purchases of properties which are regarded as business combinations as described in 3.2 above.

Buildings under development are carried at cost as property, plant and equipment and are transferred to investment property upon completion.

3.6 Capitalisation of interest

Where the Group undertakes a major development or refurbishment of a property, interest is capitalised to the cost of the property concerned during the construction period. Capitalisation of interest is suspended during extended periods in which active development is interrupted.

3.7 Assets held for sale

Properties held for sale are classified as assets for sale and are measured at the lower of the assets' previous carrying amount and the fair value less costs to sell.

3.8 Taxation

Income tax expense comprises the sum of current tax payable, Secondary Tax on Companies and deferred taxation. Tax currently payable is based on the taxable profit for the year. Taxable profit differs from accounting profit as it excludes income or expenses that are taxable or deductible in other years and it excludes items never deductible or taxable.

Deferred taxation is provided for using the balance sheet liability method, based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their taxation bases. Deferred taxation is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred taxation assets and liabilities are only set off when there is a legally enforceable right to set off current tax assets and liabilities.

Deferred taxation assets and liabilities are not recognised if the temporary difference arises from goodwill, or from the initial recognition (other than business combinations) of other assets and liabilities in a transaction which effects neither the taxable profit nor the accounting profit.

Deferred taxation is raised at the company tax rate on all temporary differences, including those arising from the revaluation of properties. When a property is earmarked for future sale, deferred taxation is computed using the capital gains tax rate.

3.9 Impairment (excluding goodwill)

The carrying amount of the Group's assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the extent that the increased carrying amount does not exceed the original carrying amount. A reversal of impairment loss is recognised immediately in profit or loss.

3.10 Financial instruments

A financial asset or financial liability is recognised on the balance sheet for as long as the group is party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in money market instruments, net of bank overdrafts where legal set-off is permissible.

Notes To The Annual Financial Statements (continued)

30 September 2006

3. ACCOUNTING POLICIES (continued)

Trade receivables

Trade and other receivables originated by the Group are held at amortised cost, using the effective interest rate method, after deducting accumulated impairment losses. Receivables with no fixed maturity are held at cost.

Receivable- straight line basis adjustment

Rental income is recognised on the straight-line basis. Future rentals receivable over the lease period as a result of escalations are recorded at the differential between the cash received inherent in the lease agreements and the smoothed revenue.

Investments

Financial instruments are initially measured at cost, including directly attributable transaction costs. Subsequent to the initial recognition these instruments are measured as follows:

- Held-to-maturity investments are held at amortised cost using the effective interest rate method after deducting accumulated impairment losses.
- Held-for-trading and available-for-sale financial assets are held at fair value.
  Gains or losses on Available-for-sale financial assets and Held-for-trading financial assets and liabilities are recognised in net profit for the year.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Debentures

Debentures are recognised at original cost less principal repayments. The premium arising on the issue of linked units is split between the premium relating to the share and the premium relating to the debenture. The debenture premium is amortised over the remaining life of the debenture (i.e. to 2029) and the resultant income may be transferred to non-distributable reserves.

Interest bearing borrowings

Interest bearing borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Amounts repayable in the next twelve months are classified as current borrowings.

Trade payables

Trade payables are carried at the fair value of the consideration to be paid in the future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.

Financial guarantee contracts

Financial guarantee contracts are accounted for as insurance contracts and are initially recorded at cost. Subsequently, they are valued in terms of IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

3.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made on the settlement amount of the obligation.

3.12 Revenue recognition

Revenue comprises gross rental income, including all recoveries from tenants. Variable operating cost recoveries are recognised on the accrual basis. Rental income and fixed operating cost recoveries are recognised on the straight line basis in accordance with IAS 17: Leases. The difference between the rental income recognised on a cash flow/ accrual basis and the straight line basis is transferred to/ from non-distributable reserves.

Interest income is recognised at the effective rates of interest on a time related basis.

Dividend income and debenture interest are recognised when the right to receive them is established.

3.13 Leases

Investment properties leased out under operating leases are reflected as investment properties on the balance sheet. Where there are fixed incrementals in rental, the income is recognised on a straight line basis in terms of IAS 17: Leases.

3. ACCOUNTING POLICIES (continued)

3.14 Deferred expenses

Deferred expenses comprise tenant installation costs and letting commissions which are amortised on a straight line basis over the lease period to which they relate. These are currently included in accounts receivable due to the immaterial size thereof.

3.15 Distributions

In terms of the Debenture Trust Deed the interest entitlement on each debenture shall be not less than 90% of the net earnings of the company before providing for debenture interest, depreciation, amortisation and taxes and before taking into account any revaluation surpluses or deficits and income transferred to any non-distributable reserves, but after provision for funding cost, whether interest or dividend in nature.

3.16 Segment reporting

On a primary basis the group operates in the following segments:

- Retail
- Office
- Industrial
- Corporate

On a secondary basis the group reports on geographical locations as follows:

- Gauteng
- Pietermaritzburg
- Durban
- Other

3.17 Changes in accounting policy

Where there has been a change in accounting policy, all comparative numbers are retrospectively adjusted.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimate of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar leases and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgement, the Group considers information from a variety of sources including:

i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;

ii) recent prices of similar properties in less active markets, with adjustment to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

iii) discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

(b) Principal assumptions for management's estimation of fair value

If information on current or recent prices is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group uses assumptions that are mainly based on market conditions existing at each balance sheet date.

The principal assumptions underlying management's estimation of fair value are those related to: the receipt of contractual rentals, expected future market rentals, maintenance requirement and appropriate discount rates. These valuations are regularly compared to actual market yield data, and actual transactions by the Group and those reported by the market.

The expected future market rentals are determined with reference to current market rentals for similar properties in the same location and condition.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

4.2 Critical judgments in applying the Group's accounting policies

Allocation of share premium and debenture premium

The Group has determined, in terms of the requirements of accounting standards, that the linked unit premium should be classified as debenture premium and not share premium. Debenture premium will be amortised over the minimum contractual period of the debentures, namely the remaining portion of 25 years from February 2004.

Non-distributable reserves

The Group transfers all capital profits and unrealised profits to non-distributable reserves.

In addition, balances arising due to accounting anomalies are transferred to non-distributable reserves at the discretion of the directors and these currently comprise:

- straight line adjustments to rental income and fair value adjustments to investment properties
- deferred taxation on fair value adjustments to investment properties
- amortisation of debenture premium

5. NEW ACCOUNTING STANDARDS AND IFRIC INTERPRETATIONS

Certain new additional accounting standards and IFRIC interpretations have been published that are mandatory for accounting periods beginning on or after 1 January 2006. These new standards and interpretations have not been early adopted by the Group. The directors do not expect that the adoption of the standards and interpretations will have a material impact on future financial statements. The standards and interpretations in issue, but not yet effective, that are relevant to the Group are:

IFRS 7: Financial Instrument Disclosures

IFRIC 10: Interim Reporting and Impairment

6. PRIOR YEAR ADJUSTMENTS

The accounting policy for the premium arising on the issue of linked units has been changed. This used to be accounted for as share premium but is now accounted for as debenture premium in terms of IAS 32. The full amount of share premium has therefore been transferred to debenture premium and is being amortised over the period until 2029. The prior year figures have been restated. The effect of the change in policy on the Group results is as follows:

		Gross R'000	Tax R'000	Net R'000
Increase in profit for the year	2005	1 191	-	1 191
	2006	**1 776**	**-**	**1 776**

The additional profit has been transferred to a non-distributable reserve through the statement of changes in equity.

The above has had the effect of increasing earnings by R1,8 million or 0,99 cents per weighted number of units in the current year (2005: R1,2 million or 0,72 cents).

Balance sheet effect:	**2006 R'000**	2005 R'000
Debenture premium as previously reported	**-**	-
Reclassification from share premium	**32 985**	26 284
Premium arising on current year unit issues	**20 268**	6 701
Amortisation	**(3 667)**	(1 891)
Debenture premium closing balance	**49 586**	31 094

In accordance with IAS 27, the share of associate's reserves is no longer accounted for in the Company, and is only accounted for in the Group financial statements. The effect of this change in policy on the Company results is as follows:

		Gross R'000	Tax R'000	Net R'000
Decrease in profit for the year	2005	12 972	-	12 972
	2006	**12 465**	**-**	**12 465**

The effect on the Company's balance sheet is as follows:	**2006 R'000**	2005 R'000
Investment in associate as previously reported	**110 927**	82 944
Removal of share of associate's retained earnings	**(26 929)**	(14 464)
Investment in associate as restated	**83 998**	68 480

	Group		Company	
	2006	2005 (restated)	2006	2005 (restated)
	R'000	R'000	R'000	R'000

7. INVESTMENT PROPERTIES

Carrying value at beginning of the year	**659 288**	549 706	**538 896**	443 819
– At valuation	**671 000**	555 500	**548 600**	448 500
– Straight line adjustment	**(11 712)**	(5 794)	**(9 704)**	(4 681)
Acquisition of Investment properties	**80 431**	44 800	**80 431**	44 800
Disposals	**(25 310)**	(31 305)	**(25 310)**	(31 305)
Improvements to investment properties	**1 172**	8 592	**1 148**	7 677
Fair value adjustment				
– At valuation	**97 257**	93 413	**81 481**	78 928
– Straight line adjustment	**(3 509)**	(5 918)	**(3 088)**	(5 023)
Carrying value at end of the year	**809 329**	659 288	**673 558**	538 896
Reconciliation to valuation:				
Add: cumulative straight line adjustments	**15 221**	11 712	**12 792**	9 704
Investment properties at valuation	**824 550**	671 000	**686 350**	548 600

Property descriptions are detailed on pages 40 and 41 of this report.

The property portfolio is subject to mortgage bonds in favour of Absa Bank Limited and Nedcor Bank Limited as detailed in Note 14.

The cost of the investment properties is R604 million (2005: R547 million) and they were valued by CB Richard Ellis (Pty) Ltd, independent valuers. These fair values were approved by the directors, and the ranges of discount and capitalisations rates in the respective sectors were as follows:

Sector	Discount rates %	Terminal capitalisation rates %
Retail	13,5 to 16,0	9,0 to 12,0
Industrial	14,5 to 16,3	10,0 to 13,0
Office	15,5 to 16,5	11,0 to 13,0

8. INTEREST IN SUBSIDIARY COMPANY

	Issued share capital R	% Holding		
Whirlprops 37 (Pty) Ltd (incorporated in South Africa)	100	100		
Shares at cost			–	–
Loans			**93 652**	92 931
Less: Current portion			**(93 652)**	(92 931)
Long term portion			–	–
Directors' valuation			**139 102**	112 946

These loans bear interest at variable rates and have no fixed repayment terms. The properties in the company have been sold to Ambit and will be transferred to Ambit in the 2007 financial year.

Interest received from Whirlprops 37 amounts to	12 546	13 452
Profit after tax of subsidiary attributable to the holding company	11 202	10 422

	Group 2006 R'000	Group 2005 (restated) R'000	Company 2006 R'000	Company 2005 (restated) R'000
8. INTEREST IN SUBSIDIARY COMPANY (continued)				
Whirlprops 37 (Proprietary) Limited is a property investment company, the shares and loan account of which have been pledged as security for obligations in connection with the borrowing facilities set out in Note 14. The company has the same year-end as Ambit.				
9. INVESTMENT IN ASSOCIATE COMPANY				
Oryx Properties Limited is a property loan stock company incorporated in Nambia and listed on the NSX. The carrying value of the Group's 30,56% (2005: 30,49%) interest in Oryx comprises:				
Shares (at cost)	**83 998**	68 480	**83 998**	68 480
Cumulative share of post acquisition reserves	**26 929**	14 464	–	–
Carrying value	**110 927**	82 944	**83 998**	68 480
Directors' valuation	**110 927**	82 944	**110 927**	82 944
Market value	**118 617**	68 278	**118 617**	68 278
Financial information of associate at 30 June:				
Investment properties	**543 820**	283 698	**543 820**	283 698
– At valuation	**560 630**	296 350	**560 630**	296 350
– Straight line adjustment	**(16 810)**	(12 652)	**(16 810)**	(12 652)
Property and equipment	–	86 034	–	86 034
Rent receivable– straight line adjustment	**16 119**	11 908	**16 119**	11 908
Current assets	**16 089**	12 625	**16 089**	12 625
Current liabilities	**(34 679)**	(28 714)	**(34 679)**	(28 714)
Deferred taxation	**(55 714)**	(31 667)	**(55 714)**	(31 667)
Non-current liabilities	**(123 416)**	(62 075)	**(123 416)**	(62 075)
Net asset value	**362 219**	271 809	**362 219**	271 809
Group's share of income since acquisition:				
Results for the year to 30 June				
Rental revenue before straight line adjustments	**45 814**	36 388	–	–
Profit before finance costs	**107 278**	101 338	–	–
Finance costs	**(7 147)**	(6 652)	–	–
Debenture interest	**(34 645)**	(28 454)	–	–
Profit before taxation	**65 486**	66 232	–	–
Taxation	**(24 029)**	(18 202)	–	–
Net profit for the year	**41 457**	48 030	–	–
Dividends declared	–	(452)	–	–
Net profit after dividends declared	**41 457**	47 578	–	–
Group's share	**12 465**	13 589	–	–
Share of Oryx's prior year adjustments	–	(617)	–	–
Group's share of profit after tax	**12 465**	12 972	–	–

	Group 2006 R'000	Group 2005 (restated) R'000	Company 2006 R'000	Company 2005 (restated) R'000
9. INVESTMENT IN ASSOCIATE COMPANY (continued)				
During the 2006 year, Oryx restated its prior year figures in respect of the reallocation of share premium to debenture premium and the amortisation thereof. This did not have an effect on the profit accounted for by the Group.				
Income received from associate comprises:				
Debenture interest	**9 868**	8 215	**9 868**	8 215
Dividends	**–**	123	**–**	123
Share of retained income	**12 465**	12 972	**–**	–
	22 333	21 310	**9 868**	8 338

Oryx has a 30 June year-end, but there were no significant items between that date and 30 September 2006 that required adjustment.

Guarantee

The Company's investment in Oryx is pledged as security for obligations in connection with the borrowing facilities set out in Note 14.

10. CASH AND CASH EQUIVALENTS

	Group 2006 R'000	Group 2005 (restated) R'000	Company 2006 R'000	Company 2005 (restated) R'000
Petty cash	**4**	2	**4**	2
Cash on call	**53 185**	28 065	**53 185**	28 065
Current accounts	**2 939**	862	**3 431**	772
	56 128	28 929	**56 620**	28 839

11. SHARE CAPITAL AND PREMIUM

Share capital

	Group 2006 R'000	Group 2005 (restated) R'000	Company 2006 R'000	Company 2005 (restated) R'000
Authorised 2 000 000 000 ordinary shares of 1 cent each	**20 000**	20 000	**20 000**	20 000
Issued 186 482 837 (2005: 173 814 215) ordinary shares of 1 cent each	**1 865**	1 738	**1 865**	1 738

In order to fund property acquisitions, 12 668 622 units were issued for cash on 13 April 2006 at a price of 341 cents. An additional 14,00 cents per unit was received in respect of the interim distribution subsequently paid.

Each share is linked to a debenture, which together comprise a linked unit (refer Note 13).

The unissued shares are under the control of the directors, until the next Annual General Meeting.

Notes To The Annual Financial Statements (continued)

30 September 2006

	Group 2006 R'000	Group 2005 (restated) R'000	Company 2006 R'000	Company 2005 (restated) R'000
12. NON-DISTRIBUTABLE RESERVES				
Balance at beginning of the year	**107 386**	25 652	**75 039**	15 830
Movement:				
Revaluation/ disposal of investment properties net of deferred tax	**69 259**	68 443	**58 058**	58 018
Undistributed equity accounted income	**12 465**	12 100	**–**	–
Amortisation of debenture premium	**1 776**	1 191	**1 776**	1 191
Straight line adjustments:				
– Rental accrued in advance (net of deferred taxation)	**2 490**	4 202	**2 404**	3 566
– Revaluation effect (net of deferred taxation)	**(2 490)**	(4 202)	**(2 404)**	(3 566)
Balance at end of the year	**190 886**	107 386	**134 873**	75 039
Comprising:				
Capital reserves				
Realised capital surpluses (net of capital gains tax)	**5 926**	5 016	**5 926**	5 016
Unrealised	**156 728**	88 379	**125 280**	68 132
– Revaluations	**220 744**	124 477	**176 450**	95 960
– Deferred taxation	**(64 016)**	(36 098)	**(51 170)**	(27 828)
Straight line adjustments:				
– Rental accrued in advance (net of deferred taxation)	**10 806**	8 316	**9 082**	6 890
– Revaluation effect (net of deferred taxation)	**(10 806)**	(8 316)	**(9 082)**	(6 890)
Amortisation of debenture premium	**3 667**	1 891	**3 667**	1 891
Share of associate retained earnings	**24 565**	12 100	**–**	–
	190 886	107 386	**134 873**	75 039

The reserves arise from the revaluation or realisation of investment properties, the adjustment to rental required for straight lining in terms of IAS 17, the amortisation of debenture premium and the share of the associates retained earnings. The unrealised capital reserve is not distributable.

	Group 2006 R'000	Group 2005 (restated) R'000	Company 2006 R'000	Company 2005 (restated) R'000
13. DEBENTURES				
186 482 837 (2005: 173 814 215) unsecured variable rate debentures of 180 cents each	**335 669**	312 866	**335 669**	312 866

In terms of the Debenture Trust Deed, the interest entitlement of every debenture linked to each ordinary share shall not be less than 90% of net earnings of the Company before providing for debenture interest, depreciation, amortisation and taxes and before taking into account any revaluation surpluses or deficits and income which is to be transferred to any non-distributable reserves but after provision for funding costs, whether interest or dividend in nature. The interest is payable bi-annually. The debentures are redeemable at the option of the holder after 25 years from the first allotment date (i.e. 2029).

	Group 2006 R'000	Group 2005 (restated) R'000	Company 2006 R'000	Company 2005 (restated) R'000
13. DEBENTURES (continued)				
Debenture premium				
Premium arising on listing	**28 361**	28 361	**28 361**	28 361
Subsequent issues	**28 955**	8 687	**28 955**	8 687
Accumulated issue expenses	**(4 063)**	(4 063)	**(4 063)**	(4 063)
Amortisation of debenture premium				
- prior years	**(1 891)**	(700)	**(1 891)**	(700)
- current year	**(1 776)**	(1 191)	**(1 776)**	(1 191)
	49 586	31 094	**49 586**	31 094

14. INTEREST BEARING BORROWINGS

14.1 ABSA BANK LIMITED

	Group 2006 R'000	Group 2005 (restated) R'000	Company 2006 R'000	Company 2005 (restated) R'000
Loan bearing interest at 11,93% per annum until 09/03/2007, and prime less 1,5% thereafter	**–**	27 265	**–**	27 265
Loan bearing interest at 11,13% per annum until 09/03/2007, and prime less 2,0% thereafter	**27 246**	–	**27 246**	–
Loan bearing interest at 11,02% per annum until 26/08/2008, and prime less 1,5% thereafter	**–**	25 226	**–**	25 226
Loan bearing interest at 10,22% per annum until 26/08/2008, and prime less 2,0% thereafter	**25 210**	–	**25 210**	–
Loan bearing interest at 10,65% per annum until 28/10/2007, and prime less 1,5% thereafter	**–**	25 218	**–**	25 218
Loan bearing interest at 9,85% per annum until 28/10/2007, and prime less 2,0% thereafter	**25 202**	–	**25 202**	–
Loan bearing interest at prime less 1,5% per annum	**–**	58 701	**–**	58 701
Loan bearing interest at prime less 2,0% per annum	**80 132**	–	**80 132**	–
	157 790	136 410	**157 790**	136 410

14.2 NEDCOR BANK LIMITED

	Group 2006 R'000	Group 2005 (restated) R'000	Company 2006 R'000	Company 2005 (restated) R'000
Loan bearing interest at 14,64% per annum until 25/01/2006, and prime less 1,5% thereafter	**–**	1 340	**–**	1 340
Loan bearing interest at 13,18% per annum until 05/02/2006, and prime less 1,5% thereafter	**–**	18 788	**–**	18 788
Loan bearing interest at 14,63% per annum until 05/02/2006, and prime less 1,5% thereafter	**–**	5 771	**–**	5 771
Loan bearing interest at 14,58% per annum until 05/02/2006, and prime less 1,5% thereafter	**–**	4 696	**–**	4 696
Loan bearing interest at 11,73% per annum until 28/02/2009, and prime less 1,5% thereafter	**–**	1 362	**–**	1 362
Loan bearing interest at 10,87% per annum until 28/02/2009, and prime less 2,0% thereafter	**1 362**	–	**1 362**	–
Loan bearing interest at 10,76% per annum until 06/09/2010, and prime less 2,0% thereafter	**30 221**	–	**30 221**	–
Loan bearing interest at 8,92% per annum until 09/03/2009, and prime less 2,0% thereafter	**75 366**	–	**75 366**	–
Loan bearing interest at 8,97% per annum until 16/12/2005, and prime less 1,5% thereafter	**–**	35 102	**–**	35 102
Loan bearing interest at prime less 1,5% per annum	**–**	63 290	**–**	63 290
Loan bearing interest at prime less 2,0% per annum	**50 841**	–	**50 841**	–
	157 790	130 349	**157 790**	130 349

	Group 2006 R'000	Group 2005 (restated) R'000	Company 2006 R'000	Company 2005 (restated) R'000
14. INTEREST BEARING BORROWINGS (continued)				
The loans detailed above in 14.1 and 14.2 are secured by first mortgage bonds over the property portfolio, which has a fair value of R824,6 million, and by a pledge of the Group's investment in Oryx which has a value of R110,9 million.				
The Absa and Nedbank loans are repayable on 31/01/2014.				
14.3 BP SOUTHERN AFRICA (PROPRIETARY) LIMITED	**380**	440	**380**	440
This loan does not bear interest and is repayable in monthly installments of R5 000 until January 2012. It is secured over Section 92 Nedbank Plaza, Pietermaritzburg which has a fair value of R2,25 million.				
	315 960	267 199	**315 960**	267 199
The Company's Articles of Association limit the Group's borrowing capacity (excluding debentures) to 60% of its consolidated total assets.				
Borrowing capacity	**598 429**	475 366		
Borrowing facility with Absa Bank Limited and Nedcor Bank Limited	**390 000**	294 129		
Less: borrowings	**(315 960)**	(267 199)		
Unutilised borrowing facility	**74 040**	26 930		
Subsequent to the year-end, the borrowing facility was increased to R700 million.				
An overdraft facility of R5 million exists with Absa Bank Limited, of which R0,8 million (2005:R0,9 million) has been utilised for municipal guarantees. With the exception of the guarantees issued, the overdraft bears interest at prime less 2% (2005:1,5%), with no security and is repayable on demand.				
15. DEFERRED TAXATION LIABILITY				
Movements in deferred taxation:				
Balance at beginning of the year	**36 433**	10 239	**28 175**	6 044
Charged to the income statement				
Deferred taxation on revaluation of investment properties	**27 922**	25 761	**23 347**	21 560
Straight line adjustment- revaluation	**(1 104)**	(1 716)	**(982)**	(1 457)
Straight line adjustment– rental	**1 104**	1 716	**982**	1 457
Temporary differences charged to the income statement	**144**	433	**144**	571
Balance at end of the year	**64 499**	36 433	**51 666**	28 175

	Group		Company	
	2006	2005 (restated)	2006	2005 (restated)
	R'000	R'000	R'000	R'000
15. DEFERRED TAXATION LIABILITY (continued)				
Temporary differences comprise of:				
Building allowances	**202**	135	**202**	135
Tenant installation and letting commission costs	**583**	388	**451**	361
Provision for doubtful debts	**(102)**	(112)	**(102)**	(112)
Tax losses	**(143)**	(38)	**–**	–
Deposits received	**(61)**	(38)	**(61)**	(38)
Deferred taxation on revaluation of investment properties	**64 020**	36 098	**51 176**	27 829
	64 499	36 433	**51 666**	28 175

Deferred taxation has been raised at the corporate tax rate of 29%, even though the taxation payable would be at the capital gains tax rate of 14,5% should the properties be realised.

16. RENTAL REVENUE				
Rental revenue before straight line adjustments	**82 806**	76 889	**69 345**	63 459
Recoveries	**17 007**	16 641	**14 113**	12 695
	99 813	93 530	**83 458**	76 154
17. PROPERTY EXPENSES				
Property expenses include the following major categories:				
Body corporate levies	**2 115**	1 992	**2 115**	1 992
Cleaning	**1 264**	1 239	**1 240**	1 221
Collection commission	**2 630**	2 639	**2 179**	2 148
Electricity	**5 182**	4 361	**4 520**	3 750
Rates and taxes	**5 734**	5 716	**4 428**	4 399
Security	**1 727**	1 465	**1 555**	1 465
Water	**980**	1 004	**891**	812
18. INTEREST INCOME				
Bank	**186**	281	**170**	272
Interest on net rentals	**80**	63	**81**	63
Prepaid debenture interest on units issued	**1 774**	2 029	**1 774**	2 029
Subsidiary company	**–**	–	**12 546**	13 452
	2 040	2 373	**14 571**	15 816

Notes To The Annual Financial Statements (continued)

30 September 2006

	Group 2006 R'000	Group 2005 (restated) R'000	Company 2006 R'000	Company 2005 (restated) R'000
19. ADMINISTRATIVE EXPENSES				
Announcements and annual reports	**313**	355	**313**	355
Asset management fees	**3 903**	2 750	**3 903**	2 518
JSE Securities Exchange fee	**131**	130	**131**	130
Professional fees	**83**	58	**78**	58
Travel	**153**	160	**153**	160
Valuations	**210**	270	**198**	270
Other	**473**	761	**474**	761
	5 266	4 484	**5 250**	4 252
20. OTHER EXPENSES				
Net provision for doubtful debts expense	**208**	154	**208**	196
Auditors' remuneration – audit fee	**270**	219	**270**	219
Directors' emoluments:				
Executive – salary, benefits and other emoluments	**1 061**	920	**1 061**	920
Non-executive – fees	**411**	415	**411**	415
Donations	**50**	–	**50**	–
Other	**26**	–	**26**	–
	2 026	1 708	**2 026**	1 750
21. TAXATION EXPENSE				
South African Normal Taxation				
Current				
Capital Gains Taxation	**59**	308	**59**	308
Deferred taxation				
Current	**28 066**	26 281	**23 491**	22 079
Change in tax rate	–	(341)	–	(202)
Prior year	–	261	–	261
	28 125	26 509	**23 550**	22 446
Reconciliation of effective tax rate:	**%**	%	**%**	%
Statutory rate	**29,0**	29,0	**29,0**	29,0
Share of associate company's profits	**(3,2)**	(3,5)	–	–
Non-taxable income	**(0,5)**	(0,3)	**(0,6)**	(0,5)
Capital Gains Taxation	**(0,1)**	(0,7)	**(0,2)**	(0,9)
Disallowable expenditure	–	0,1	–	0,1
Change in tax rate	–	(0,3)	–	(0,2)
Prior year adjustments	–	0,2	–	0,3
	25,2	24,5	**28,2**	27,8

22. HEADLINE EARNINGS AND EARNINGS PER LINKED UNIT/ SHARE (WEIGHTED)

	2006 R'000	2005 (restated) R'000	2006 Cents per unit/share*	2005 (restated) Cents per unit/share*
GROUP				
Net profit (earnings) – shares	83 534	81 807	46,48	49,18
Debenture interest	55 199	47 799	30,72	28,73
Net profit (earnings) – linked units	138 733	129 606	77,20	77,91
Amortisation of debenture premium	(1 776)	(1 191)	(0,99)	(0,72)
Capital surpluses (net of deferred taxation)	(79 015)	(76 339)	(43,97)	(45,89)
Headline earnings – linked units	57 942	52 076	32,24	31,30
Debenture interest	(55 199)	(47 799)	(30,72)	(28,73)
Headline earnings – shares	2 743	4 277	1,52	2,57
Reconciliation to undistributed income:				
Debenture interest	55 199	47 799	30,72	28,73
Rental straight lining net of deferred taxation	(2 703)	(4 202)	(1,50)	(2,53)
Distributable earnings	55 239	47 874	30,74	28,77
Debenture interest	(55 199)	(47 799)	(30,72)	(28,73)
Undistributed income	40	75	0,02	0,04
COMPANY				
Net profit (earnings) – shares	59 867	58 413	33,31	35,11
Debenture interest	55 199	47 799	30,72	28,73
Net profit (earnings) – linked units	115 066	106 212	64,03	63,84
Amortisation of debenture premium	(1 776)	(1 191)	(0,99)	(0,72)
Capital surpluses (net of deferred taxation)	(55 648)	(53 718)	(30,97)	(32,29)
Headline earnings – linked units	57 642	51 303	32,07	30,83
Debenture interest	(55 199)	(47 799)	(30,72)	(28,73)
Headline earnings – shares	2 443	3 504	1,35	2,10

* Based on a weighted average number of 179 707 418 (2005: 166 351 253) units in issue for the year.

Distribution per linked unit in issue Based on 186 482 837 (2005: 173 814 215) units in issue at 30 September 2006.			**29,60**	27,50

Notes To The Annual Financial Statements (continued)

30 September 2006

	Group 2006 R'000	Group 2005 (restated) R'000	Company 2006 R'000	Company 2005 (restated) R'000
23. CASH GENERATED BY OPERATING ACTIVITIES				
Profit before taxation	111 659	108 316	83 417	80 859
Adjusted for:				
Straight-line adjustment	(3 807)	(5 918)	(3 386)	(5 023)
Amortisation of debenture premium	(1 776)	(1 191)	(1 776)	(1 191)
Share of income from associate	(12 465)	(12 972)	–	–
Fair value adjustment for investment properties	(93 450)	(87 495)	(78 095)	(73 905)
Profit on disposal of investment properties	(72)	(711)	(72)	(711)
Interest received	(11 908)	(10 711)	(24 439)	(24 154)
Debenture interest	55 199	47 799	55 199	47 799
Finance costs	23 902	25 992	23 902	25 992
Cash generated from operations before working capital changes	67 282	63 109	54 750	49 666
Decrease/ (increase) in trade and other receivables	3 628	(4 019)	4 620	(4 065)
(Decrease)/ increase in trade and other payables	(805)	4 360	(517)	3 157
	70 105	63 450	58 853	48 758
24. DISTRIBUTIONS PAID TO LINKED UNITHOLDERS				
Debenture interest paid is reconciled as follows:				
Amounts unpaid at beginning of the year	(25 033)	(26 520)	(25 033)	(26 520)
Amounts charged to the income statement	(55 199)	(47 799)	(55 199)	(47 799)
Amounts unpaid at end of the year	29 098	25 033	29 098	25 033
	(51 134)	(49 286)	(51 134)	(49 286)
25. COMMITMENTS				
Investment property contracted for	–	22 500	–	22 500
26. LEASES				
The future minimum lease commitments receivable under non-cancellable operating leases are as follows:				
Not later than 1 year	92 118	73 435	76 706	62 284
Later than 1 year and not later than 5 years	217 510	154 204	183 668	124 358
Later than 5 years	18 927	24 630	18 927	24 630

Ambit enters into lease contracts with tenants in exchange for their use of the property.

27. SEGMENT INFORMATION
– all items are stated before straight line adjustments

BUSINESS SECTORS

	Retail R'000	Office R'000	Industrial R'000	Corporate R'000	Total R'000
2006					
GROUP					
Income statement					
Rental	55 556	25 818	18 439	–	99 813
Net property income	41 257	18 011	15 306	–	74 574
Fair value adjustments to investment properties	58 270	18 861	20 126	–	97 257
Profit on disposal of investment properties	(29)	77	24	–	72
Balance sheet					
Assets					
Investment properties	487 950	190 200	146 400	–	824 550
Trade and other receivables	2 912	1 331	1 094	439	5 776
Liabilities					
Deferred taxation liability	40 472	10 780	12 751	496	64 499
Trade and other payables	5 500	1 677	1 250	660	9 087
2005					
GROUP					
Income statement					
Rental	49 383	28 766	15 381	–	93 530
Net property income	36 083	20 343	12 875	–	69 301
Fair value adjustments to investment properties	65 700	9 209	18 504	–	93 413
Profit on disposal of investment properties	–	703	8	–	711
Balance sheet					
Assets					
Investment properties	381 900	155 800	133 300	–	671 000
Trade and other receivables	3 292	1 184	426	4 502	9 404
Liabilities					
Deferred taxation liability	23 987	5 257	6 843	346	36 433
Trade and other payables	6 430	2 178	1 029	253	9 890

Notes To The Annual Financial Statements (continued)

30 September 2006

	Gauteng R'000	Durban R'000	Pietermartizburg R'000	Other R'000	Total R'000
27. SEGMENT INFORMATION (continued) – all items are stated before straight line adjustments					
GEOGRAPHICAL					
2006					
GROUP					
Income statement					
Rental	65 227	12 028	14 065	8 493	99 813
Net property income	49 392	8 196	9 979	7 007	74 574
Fair value adjustments to investment properties	80 114	10 303	2 154	4 686	97 257
Balance sheet					
Investment properties	558 300	97 550	80 900	87 800	824 550
2005					
GROUP					
Income statement					
Rental	59 044	12 061	14 613	7 812	93 530
Balance sheet					
Investment properties	475 900	72 800	77 800	44 500	671 000

28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group's financial instruments consist primarily of cash deposits with banks, investments, trade and other receivables, payables and interest bearing borrowings. All these financial instruments are carried at cost or amortised cost.

In the normal course of its operations, the Group is inter alia exposed to credit, interest rate and liquidity risk. In order to manage these risks, the Group may enter into transactions which make use of derivatives. The Group does not speculate in or engage in the trading of derivative instruments.

Credit risk

The Group's financial assets that are potentially subject to credit risk include cash deposits with banks and trade and other receivables. The credit risk attached to the Group's cash deposits is minimised by its cash deposits only being placed with reputable financial institutions. Credit risk with respect to trade and other receivables is limited due to the large and diverse tenant base. In addition tenant creditworthiness is thoroughly assessed before leases are signed.

Interest rate risk

The Group is exposed to interest rate price risk on its fixed rate loan liabilities and accounts receivable and payable, which can impact on the fair value of the instruments. The Group is exposed to interest rate cash flow risk in respect of its variable rate loans and short-term cash investments, which can impact on the cash flows of these instruments. The exposure to interest rate risk is managed through monitoring cashflows and investing surplus cash at negotiated rates which enables the Group to maximise returns while minimising risks.

Liquidity risk

The Group proactively manages its liquidity risk by regularly assessing cash requirements and monitoring cashflows, whilst ensuring surplus cash is invested in a manner to achieve maximum returns.

		GROUP 2006 R'000	2005 R'000
29. RELATED PARTY TRANSACTIONS			
PARTY CONCERNED	TRANSACTION TYPE		
Amounts expensed to the income statement:			
Marriott Property Services (Proprietary) Limited	– Leasing commissions	**707**	386
	– Collection commissions	**2 573**	2 176
Ambit Management Services (Proprietary) Limited	– Asset management fees*	**3 903**	2 750
Absa Bank Limited	– Interest paid on loans	**12 574**	12 861
Amounts credited to the income statement:			
Absa Bank Limited	– Bank interest received	**54**	344
	– Interest received (prepaid distribution on issue of units)	**953**	2 029
Oryx Properties Limited	– Interest received	**9 868**	8 215
	– Dividends received	**–**	123
	– Share of after tax profits	**12 465**	12 972
	– Fees for directorship	**33**	20
Property acquisitions and listing expenses:			
Motseng Marriott Property Services (Proprietary) Limited	– Valuation fees	**–**	52
Exchange Sponsors (Proprietary) Limited	– Sponsors fees	**68**	61
Amounts owing to related parties:			
Absa Bank Limited	– Long-term loans	**157 790**	136 410
Amounts owing from related parties:			
Absa Bank Limited	– Cash	**34 197**	21 860

The Group is managed by Ambit Management Services (Proprietary) Limited (AMS). This company, which is considered to be a related party, is owned by Absa Bank Limited (Absa). Marriott Property Services (Proprietary) Limited (Marriott) sold the rights to its 50% share in AMS to Absa in August 2006. Absa and Marriott, together with their related group companies, are consequently also regarded as related parties for the purpose of the disclosures above. All transactions are concluded on an arms length basis with market related terms and conditions.

Key personnel are the executive and non-executive directors, whose remuneration is disclosed in Note 20.

In April 2006, Ambit acquired 50% of Akals Properties (Proprietary) Limited in conjunction with Pinespring Properties (Proprietary) Limited, a wholly owned subsidiary of Highpine Properties (Proprietary) Limited, a company in which Mr J H Beare has an interest.

* AMS sub-contracts certain of these services to Absa and Marriott and remunerates them out of the fees received from Ambit Properties Limited.

Property Portfolio

30 September 2006

Address	Location	Site area m²	Rentable area m²	% Vacancy by rentable area	Major leases	Date of acquisition	Year-end valuation	% of fund by value
RETAIL								
Park Meadows Kensington	Gauteng	75 873	24 402	0	Pick 'n Pay Ackermans Furniture City Hi Fi Corporation Dischem Baby City Mr Price Weekend Mr Price Home Sportsmans Warehouse Home Etc and others	29/01/2004	327 500 000	39,7
Scottsville Mall Durban Road	Pietermaritzburg	19 326	14 501	4,6	Shoprite Checkers Ster Kinekor El Sombrero Spur Miladys Absa Bank Nedbank and others	26/01/2004	72 500 000	8,8
Lowveld Lifestyle Centre	Nelspruit	24 566	11 420	0	Wetherleys Beds 4 Africa Jumbo Cash & Carry	11/04/2006	43 700 000	5,3
cnr Oxford & Terminus Street	East London	2 007	1 932	0	Mr Price Total Sports Discom and others	11/02/2004	15 400 000	1,9
Old Main Road Pinetown (50%)	Durban	8 112	9 190	0	Midas Engen Wesbank	12/07/2006	14 150 000	1,7
Royal Palm Avenue Umgeni	Durban	4 461	927	0	Engen Steers and others	27/01/2004	10 200 000	1,2
Truworths Corner Mitchells' Plain	Cape Town	512	512	0	First National Bank	08/03/2004	4 500 000	0,5
Total Retail				**1,2**			**487 950 000**	**59,1**
OFFICES								
43 Bekker Road Vorna Valley Midrand	Gauteng	14 503	8 312	14,4	Wyeth South Africa Syngenta South Africa	03/02/2004	52 500 000	6,4
79 Hyde Park Lane Hyde Park	Gauteng	10 106	4 379	14,5	Marriott Universal Database Marketing	03/02/2004	26 500 000	3,2
Horizon Park Roodepoort	Gauteng	4 158	2 427	0	Absa Bank Limited	11/01/2006	26 000 000	3,1

Address	Location	Site area m²	Rentable area m²	% Vacancy by rentable area	Major leases	Date of acquisition	Year-end valuation	% of fund by value
OFFICES (continued) cnr Reserve Road & Biccard Street Braamfontein	Gauteng	991	5 984	1,2	Firstrand Bank The Gauteng Provincial Government	28/01/2004	18 600 000	2,3
2-4 Golf Course Drive Mount Edgecombe	Durban	3 014	3 042	25,4	Accord Education Trust Toplink	27/01/2004	18 200 000	2,2
36 Newport Avenue Glenashley	Durban	3 716	2 766	5,9	Engen Coimbra Splashes	26/01/2004	17 300 000	2,1
7 Derby Place Westville	Durban	4 826	2 158	18,9	Department of Health	29/01/2004	10 700 000	1,3
3 Sookhai Place Westville	Durban	3 596	1 848	1,1	Thebe Risk Services Volker Wattrus & De Witt	29/01/2004	10 000 000	1,2
1 Derby Place Westville	Durban	2 017	960	30,7	Ensign Shipping & Logistics Imperial Fleet Services	26/01/2004	4 900 000	0,6
2 George McFarlane Lane	Pietermaritzburg	596	572	36,6	Wesbank	26/01/2004	3 200 000	0,4
10 Derby Place Westville	Durban	516	554	0	The KZN Provincial Administration	26/01/2004	2 300 000	0,3
Total Offices				11,4			190 200 000	23,1
INDUSTRIAL 8 Jansen Road Jet Park	Gauteng	48 946	22 774	0	Picpack Grindrod	03/02/2004	59 200 000	7,2
12 Piet Rautenbach Street, Rosslyn	Gauteng	135 001	22 310	3,7	Dept of Public Works and others	15/07/2005	37 500 000	4,5
12 Nourse Avenue Epping	Cape Town	17 277	10 581	0	Rare Woods First Garment	04/01/2005	16 200 000	2,0
233 Hendrik Verwoerd Drive, Randburg	Gauteng	4 062	2 958	0	McCarthy Retail	27/02/2004	10 500 000	1,3
9 Montague Drive Montague	Cape Town	5 028	2 669	2,0	Progress Lighting and Fire	19/03/2004	8 000 000	1,0
2 Cardiff Road	Pietermaritzburg	10 480	3 114	0	Central African Seed Services	26/01/2004	5 200 000	0,6
110 Intersite Avenue Springfield	Durban	2 101	1 376	0	MacPhersons Office Plan	28/01/2004	4 500 000	0,6
94 Moore Road	Durban	1 095	1 197	0	Transworld Tyres Africa	29/01/2004	3 400 000	0,4
32 Intersite Avenue Springfield	Durban	1 157	600	0	Tactic Merchant Services	28/01/2004	1 900 000	0,2
Total Industrial				1,3			146 400 000	17,8
Total Portfolio				3,5 *			824 550 000	100,0

* Old Main Road Pinetown excluded as held for development.

Notice Of Annual General Meeting

AMBIT PROPERTIES LIMITED Reg. No. 2001/007003/06
JSE Code: ABT ISIN Code: ZAE000051645

PLEASE TAKE NOTICE that the Annual General Meeting of the Company will be held at the Quatermain Premier Boutique Hotel, 137 West Road South, Morningside, Johannesburg, on Wednesday 21st day of February 2007 at 10am.

AGENDA

1. Notice convening the Meeting.

2. Apologies.

3. Confirmation of the minutes of the Annual General Meeting held on the 7th day of February 2006.

4. Report of the Chairman.

5. To receive the audited Annual Financial Statements of the Company including the reports of the auditors and directors for the year ended 30 September 2006.

6. To approve the remuneration of the non-executive directors for the financial year ended 30 September 2006 and to approve a 10% increase in the remuneration of the non-executive directors for the year ahead as follows:

• Non-executive director	R55 000 p.a.
• Chairman of the Board, an additional	R38 500 p.a.
• Chairman of the Risk, Audit and Compliance Committee (RA&CC), an additional	R33 000 p.a.
• Member of the Risk, Audit and Compliance Committee (RA&CC), an additional	R16 500 p.a.
• Member of the Investment Committee, an additional	R11 000 p.a.

7. To consider and, if deemed fit, to pass, with or without modification, the following resolutions:

7.1 Ordinary Resolution number 1:

"Resolved that the unissued linked units of the Company be placed under the control of the directors, and that they are hereby authorised, subject to section 221 and 222 of the Companies Act of 1973, as amended, and to the Listings Requirements of the JSE Limited, to allot and/or issue linked units to such person or persons on such terms and conditions as they may determine, subject to the following limitations:

a) The authority will expire at the next Annual General Meeting of the Company.

b) The authority may be varied or revoked by any general meeting of the Company prior to such annual general meeting.

c) The authority shall not authorize the allotment or issue of any such shares or debentures to any director of the Company or his nominee, or to any body corporate which is or the directors of which are accustomed to act in accordance with the directions or instructions of such director or nominee, or at a general meeting of which such director or his nominee is entitled to exercise or control the exercise of one-fifth or more of the voting power, or to any subsidiary of such body corporate unless-

i) the particular allotment or issue has prior to the allotment or issue been specifically approved by the Company in general meeting; or

ii) such shares or debentures are allotted or issued under a contract underwriting such shares or debentures; or

iii) such shares or debentures are allotted or issued in proportion to existing holdings, on the same terms and conditions as have been offered to all the members or debenture-holders of the company or to all the holders of the shares or such debentures of the class or classes being allotted or issued; or

iv) such shares or debentures are allotted or issued on the same terms and conditions as have been offered to members of the public."

7.2 Ordinary Resolution number 2:

"Resolved to authorise the directors to re-appoint Deloitte & Touche as the auditors of the company and to determine the remuneration of the auditors for the past period."

7.3 Ordinary Resolution number 3:

"To re-elect retiring and confirm the appointment of any new directors in accordance with the Articles of Association. Such elections will be moved in a single motion, if a resolution that it be so moved is first agreed, without any vote being cast against it. Otherwise motions for re-election will be moved individually."

"In terms of the Company's Articles of Association, one third of the directors are required to retire annually on a rotation basis, but are eligible for re-election. Accordingly, Mr F Uys and Mr R R Emslie retire by rotation but being eligible, offer themselves for re-election."

"To ratify the resignation of Mr J Zidel (full director) who resigned from the board of directors on 3 May 2006."

"To ratify the resignation of Mr C J Ewin (full director) who resigned from the board of directors on 16 August 2006."

7.4. Ordinary Resolution number 4:

"To confirm the appointment of new directors nominated in accordance with the Articles of Association."

7.5 Ordinary Resolution number 5:

"Resolved that, subject to no less than 75% of linked unitholders, present in person or by proxy and entitled to vote at the Annual General Meeting at which this ordinary resolution is to be considered, voting in favour thereof, the directors of the Company be and are hereby authorised, by way of general authority, valid until the next Annual General Meeting of the Company, or for 15 months from the date of this Annual General Meeting, whichever is first, to issue all or any of the authorised but unissued linked units in the capital of the Company for cash as they in their discretion deem fit, subject to the following limitations:

- The securities must be of a class already in issue;
- The securities must be issued to public unitholders and not to related parties;
- The general issue of linked units for cash in the aggregate in any one financial year may not exceed 15% of the Company's issued linked unit capital of that class;
- The maximum discount at which the securities may be issued is 10% of the weighted average traded price of those securities over the 30 business days prior to the date that the price of the issue is determined or agreed by the directors of the Company; and
- That a press announcement giving full details, including the impact on net asset value and earnings per linked unit, will be published at the time of any issue representing, on a cumulative basis within one year, 5% or more of the number of linked units of that class in issue prior to the issues."

8. To transact any other business which under the Articles of Association, may be transacted at an Annual General Meeting.

9. General

AMBIT MANAGEMENT SERVICES (PROPRIETARY) LIMITED
COMPANY SECRETARY

Notice Of Annual General Meeting (continued)

AMBIT PROPERTIES LIMITED Reg. No. 2001/007003/06
JSE Code: ABT ISIN Code: ZAE000051645

NOTE:

1. A linked unitholder (certificated or own name dematerialised unitholder) entitled to attend and vote is entitled to appoint a proxy to attend, speak, vote, and on a poll, vote in his stead, and such proxy need not also be a linked unitholder of the Company.
2. The Proxy Form must be deposited at the Company Secretary's Office or with the Transfer Secretaries not less than 48 (FORTY-EIGHT) hours before the time of holding the meeting. Linked unitholders (other than own name dematerialised unitholders) who have dematerialised their units should instruct their broker or CSDP as to how they want to vote on the resolutions at the meeting. Alternatively should they wish to attend the meeting, they must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the Annual General Meeting and vote thereat. This must be done in terms of the agreement entered into between the linked unitholder and the CSDP or broker concerned.
3. Should you wish to nominate a director in terms of the company's Articles of Association, a directors nomination form, to be completed by the nominator and person(s) nominated as director, can be collected from Mrs M Peters at the Company Secretary's Office. The directors' nomination form together with the nominated director's curriculum vitae is to be lodged at the Company Secretary's Office by no later than 16:00 on 14 February 2006.

Dated at FOURWAYS on this 23rd day of November 2006.

Company Secretary's Office

First Floor, 4 Fricker Road	P O Box 618	Tel. 011 268 5062
Illovo	Melrose Arch	Fax. 011 252 7293
2196	2076	

Registered Office

First Floor, 4 Fricker Road	P O Box 618	Tel. 011 268 5062
Illovo	Melrose Arch	Fax. 011 252 7293
2196	2076	

Transfer Secretaries

Computershare Investor Services 2004	P O Box 61051	Tel. 011 370 5000
(Proprietary) Limited	Marshalltown	Fax. 011 688 5217
70 Marshall Street	2107	
Johannesburg, 2001		

8 Jansen Road, Jet Park, Gauteng

Proxy Form

AMBIT PROPERTIES LIMITED (AMBIT)
JSE Code: ABT ISIN Code: ZAE000051645

To be used by certificated or dematerialised linked unitholders with own name registration.

I/We ____
(Name/s in block letters)

of address ____

being the holder/s of ____________ linked units in AMBIT, as at 10am on Monday, the 19th February 2007,

hereby appoint ______________________________ of ______________________________

or failing him ______________________________ of ______________________________

or failing him THE CHAIRMAN OF THE MEETING

as my/our Proxy to act on my/our behalf at the Annual General Meeting of AMBIT to be held at the Quatermain, 137 West Road South, Morningside on Wednesday, the 21st February 2007 at 10am and at any adjournment thereof and to vote for or against the resolutions or to abstain from voting in respect of the units registered in my/our name/s, in accordance with the following instructions:

		FOR	AGAINST	ABSTAIN
1	Resolution to receive and adopt the audited annual financial statements of the Company and the reports of the auditors and the directors for the year ended 30 September 2006.			
2.1	Resolution to approve the remuneration of the non-executive directors for the financial year ended 30 September 2006; and			
2.2	to approve the remuneration of the non-executive directors for the year ahead, as per item 6 of the Notice of the Meeting.			
3	Ordinary Resolution number 1: Resolution to place the unissued linked units under the control of the directors.			
4	Ordinary Resolution number 2: Resolution to authorise the directors to re-appoint the auditors for the ensuing year and approve their remuneration for the past year.			
5	Ordinary Resolution number 3:			
5.1	To re-elect Mr F Uys as director;			
5.2	To re-elect Mr R R Emslie as director;			
5.3	To ratify the resignation of Mr J Zidel (full director);			
5.4	To ratify the resignation of Mr C J Ewin (full director); and			
6	Ordinary Resolution number 4: To consider the nominations (if any) and, if deemed fit, appoint any new directors nominated in terms of the Company's Articles of Association			
7	Ordinary Resolution number 5: Resolution to authorise the directors by way of general authority to issue the unissued linked units in the Company for cash.			

Proxy Form

Each linked unitholder is entitled to appoint one or more proxies (who need not be a linked unitholder of AMBIT) to attend, speak, and on a poll, vote in place of the linked unitholder at the Annual General Meeting.

Signed at ______________________________ on this ________ day of ____________________ 200___ .

Signature(s) ______________________________ Capacity ______________________________

Company Secretary's Office

First Floor, 4 Fricker Road	P O Box 618	Tel. 011 268 5062
Illovo	Melrose Arch	Fax. 011 252 7293
2196	2076	

Transfer Secretaries

Computershare Investor Services 2004 (Proprietary) Limited	P O Box 61051	Tel. 011 370 5000
70 Marshall Street	Marshalltown	Fax. 011 688 5217
Johannesburg, 2001	2107	

INSTRUCTIONS ON SIGNING AND LODGING OF THE PROXY FORM

1. The Proxy Form must be deposited at the Company Secretary's Office or with the Transfer Secretaries not less than 48 (FORTY-EIGHT) hours before the time of holding the meeting.

2. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialed. Any alteration must be signed in full.

3. The Chairman of the meeting shall be entitled to decline to accept the authority of the signatory:

   (a) under a power of attorney; or,

   (b) on behalf of a company or any other entity, unless the power of attorney or authority is deposited at the registered office of the company not less than 48 (FORTY-EIGHT) hours before the time scheduled for the meeting.

4. The authority of a person signing a Proxy in a representative capacity must be attached to the Proxy Form unless the authority has already been recorded by the Secretaries.

5. The signatory may insert the name of any person(s) whom the signatory wishes to appoint as his Proxy in the blank space(s) provided for that purpose.

6. When there are joint holders of units and if more than one such joint holder be present or represented, then the person whose name stands first in the register in respect of such units or his Proxy, as the case may be, shall alone be entitled to vote in respect thereof.

7. The completion and lodging of this Proxy Form will not preclude a signatory from attending the meeting and speaking and voting in person thereat, to the exclusion of any Proxy appointed in terms hereof should such signatory wish to do so.

8. The Chairman of the meeting may reject or accept any Proxy Form which is completed and/or submitted other than in accordance with these instructions, provided that he is satisfied as to the manner in which a member wishes to vote.

9. If the unitholding is not indicated on the Proxy Form, the Proxy will be deemed to be authorised to vote the total unitholding.

10. If unitholders have dematerialised their units with a CSDP or broker, other than own name dematerialised unitholders, they must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the Annual General Meeting and vote thereat or the unitholder concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the unitholder and the CSDP or broker concerned.

Directors' Traditional Income Statement & Balance Sheet

for the year ended 30 September 2006

Due to the number of accounting adjustments that have resulted from changes to accounting standards over the last three years, the directors of Ambit Properties Limited ("Ambit") have taken the decision to present a traditional income statement and balance sheet. This is for the benefit of users who wish to analyse the Ambit financials in a more user-friendly format.

The following balance sheet and income statement are therefore unaudited and are provided as additional information, in a format better suited to user analysis. They are identical to the audited financials with the following exceptions:

1) **Removal of the effects of straight lining of rentals**

IFRS requires rentals to be recognised on a straight-line basis over the period of the lease. This means that all escalations are taken into account upfront and smoothed over the period of the lease. In the audited financials this results in an increase to rentals in the first half of the lease and a decrease in the second half. The increase is recognised in the income statement as rental and in the balance sheet as a non-current receivable. There is a corresponding decrease in the revaluation of the investment properties. In the IFRS financials, the effects of straight lining of rentals are then moved to non-distributable reserves.

All straight lining adjustments have been removed in the traditional balance sheet and income statement as presented herein.

2) **Reduction of the provision for deferred taxation on revaluations**

IFRS requires deferred taxation to be raised on revaluations at the company tax rate of 29%. However, the buildings are valued using after tax rental streams, and the only tax payable would be the capital gains taxation on disposal of the buildings. The deferred taxation on revaluations has therefore been reduced to the capital gains tax rate of 14,5% in the financials below.

3) **Removal of the effects of reclassifying and amortising debenture premium**

IFRS requires that amounts that were classified as share premium are now allocated to debenture premium and reflected as a long-term liability. This amount is required to be amortised over the minimum contractual period of the debentures, being the remaining period of 25 years from February 2004. As the amount is not a liability, and is legally classified as share premium, the traditional financials have classified these amounts back to share premium and have removed the amortization thereof.

A reconciliation back to the audited IFRS financials is presented below both the income statement and balance sheet.

43 Bekker Road, Vorna Valley, Midrand, Gauteng

Directors' Traditional Group Balance Sheet

as at 30 September 2006

	Notes*	Group 2006 R'000	Group 2005 R'000
ASSETS			
Non-current assets			
Investment properties	7	824 550	671 000
Investment in associate company	9	110 927	82 944
		935 477	753 944
Current assets			
Trade and other receivables		5 776	9 404
Cash and cash equivalents	10	56 128	28 929
		61 904	38 333
TOTAL ASSETS		997 381	792 277
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	1 865	1 738
Share premium		53 255	32 986
Non-distributable reserves		219 224	123 543
Per IFRS	12	190 886	107 386
Additional deferred taxation on revaluations		32 005	18 048
Accumulated amortisation on debenture premium		(3 667)	(1 891)
Distributable reserves		364	330
		274 708	158 597
Non-current liabilities			
Debentures	13	335 669	312 866
Long-term borrowings	14	315 960	267 199
Deferred taxation		32 492	18 384
		684 121	598 449
Current liabilities			
Trade and other payables		9 087	9 890
Taxation payable		367	308
Linked unitholders for distribution		29 098	25 033
		38 552	35 231
TOTAL EQUITY AND LIABILITIES		997 381	792 277
Reconciliation of equity:			
Equity per traditional balance sheet above		274 708	158 597
Less:			
Additional deferred tax on revaluations		(32 005)	(18 048)
Reclassification of share premium to debenture premium		(53 255)	(32 986)
Add back:			
Amortisation of debenture premium		3 667	1 891
EQUITY PER AUDITED IFRS BALANCE SHEET		193 115	109 454
Net asset value per linked unit (before payment of distribution)		343	285

Directors' Traditional Group Income Statement

for the year ended 30 September 2006

	Notes*	Group 2006 R'000	Group 2005 R'000
REVENUE			
Rental	16	**99 813**	93 530
Property expenses	17	**(25 239)**	(24 229)
NET RENTAL INCOME		**74 574**	69 301
Investment income	18	**2 040**	2 373
Debenture interest income from associate company	9	**9 868**	8 338
Other expenses	19,20	**(7 292)**	(6 192)
OPERATING PROFIT BEFORE FINANCE COSTS		**79 190**	73 820
Less: Finance costs		**(23 902)**	(25 992)
NET PROFIT BEFORE TAXATION		**55 288**	47 828
Taxation		**(49)**	46
DISTRIBUTABLE EARNINGS		**55 239**	47 874
Debenture interest		**(55 199)**	(47 799)
UNDISTRIBUTED INCOME		**40**	75
Share of associate company's after tax profits	6,9	**12 465**	12 972
Capital profits		**83 211**	80 450
Profit on sale of investment properties		**72**	711
Capital gains taxation on disposals		**(160)**	(793)
Changes in fair value of investment properties		**97 257**	93 413
Deferred tax on revaluations at 14.5%		**(13 958)**	(12 881)
NET PROFIT FOR THE YEAR		**95 716**	93 497
Distribution per linked unit		**29,60**	27,50
Reconciliation to IFRS income statement:			
Net profit per traditional income statement above		**95 716**	93 497
Add back:			
Rental straight lining		**3 807**	5 918
Amortisation of debenture premium		**1 776**	1 191
Less:			
Revaluation straight lining adjustment		**(3 807)**	(5 918)
Additional deferred taxation on revaluations		**(13 958)**	(12 881)
NET PROFIT PER AUDITED IFRS INCOME STATEMENT		**83 534**	81 807

Notes*: Users are referred to the notes as included in the audited financials.

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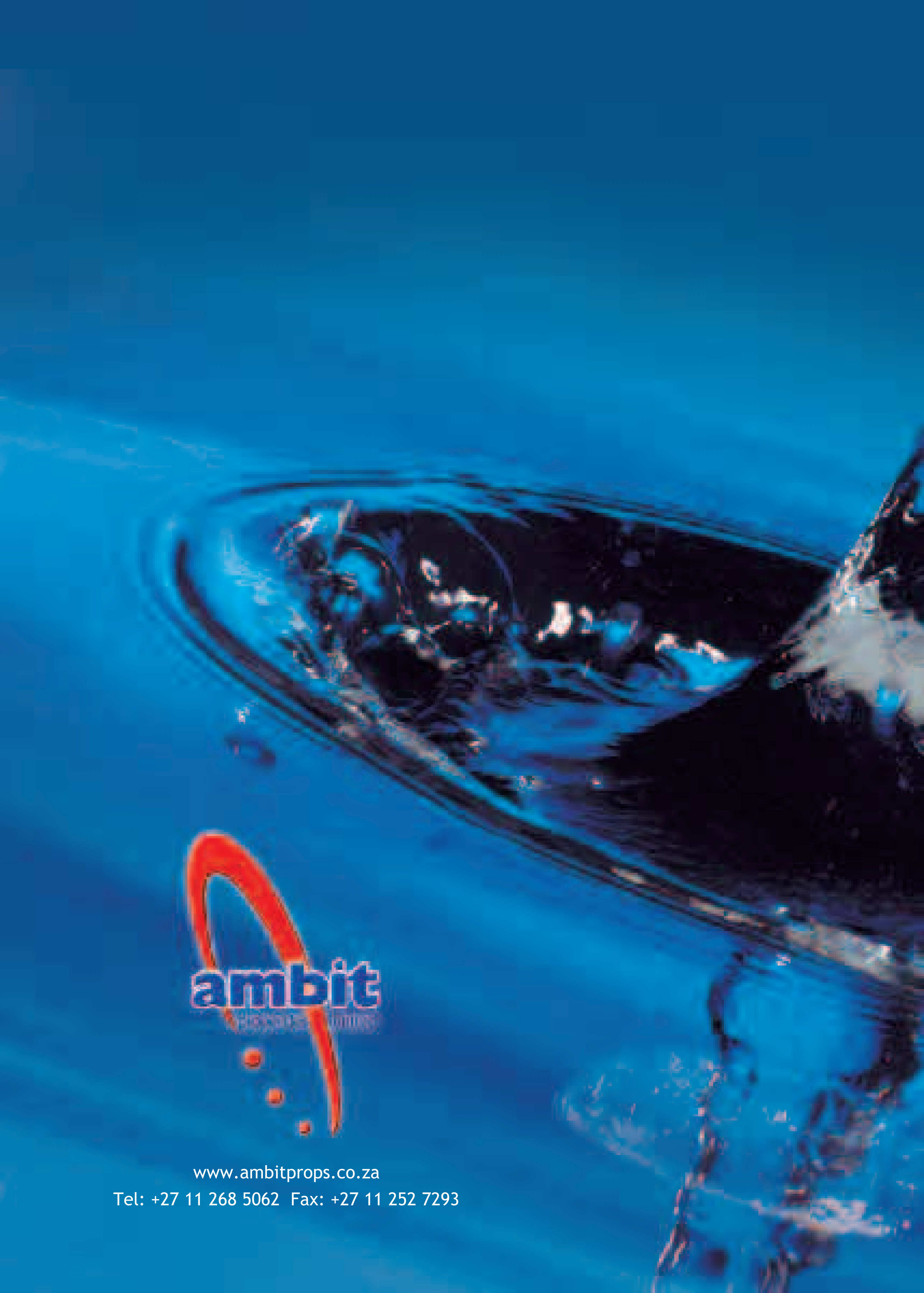

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