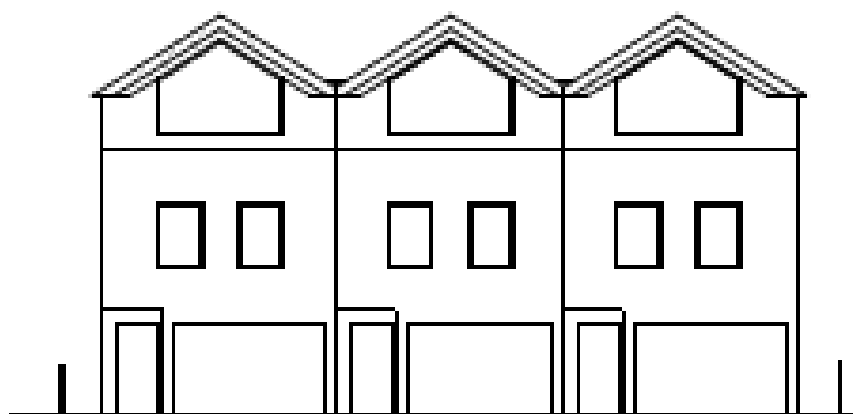


ANNUAL REPORT

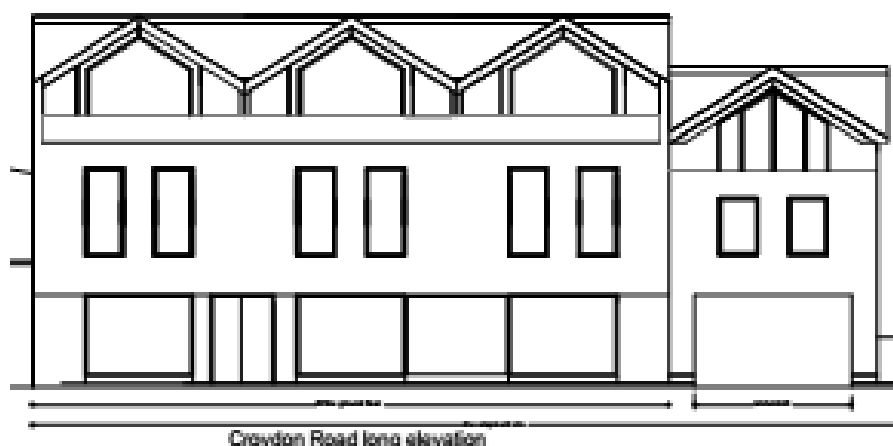
1ST JUNE 2015—31ST MAY 2016

409—411 Croydon Road, Caterham, Surrey

Pre Planning Meeting Illustration, 24 May 2016



Rear building



Croydon Road long elevation

Front building

London, 25th July 2016

MANAGING DIRECTOR'S STATEMENT

This is the twentieth Annual Report we put together, and it has been a stimulating experience running the business with external shareholders.

The first years we were purchasing good B-location retail freeholds with leases which had been agreed after the 1990-1991 financial crises, and sold them later on with profit. In 1998, we went into offices development in Midtown with funding assistance from family Ljungberg.



CG Pettersson during Chelsea Flower Show

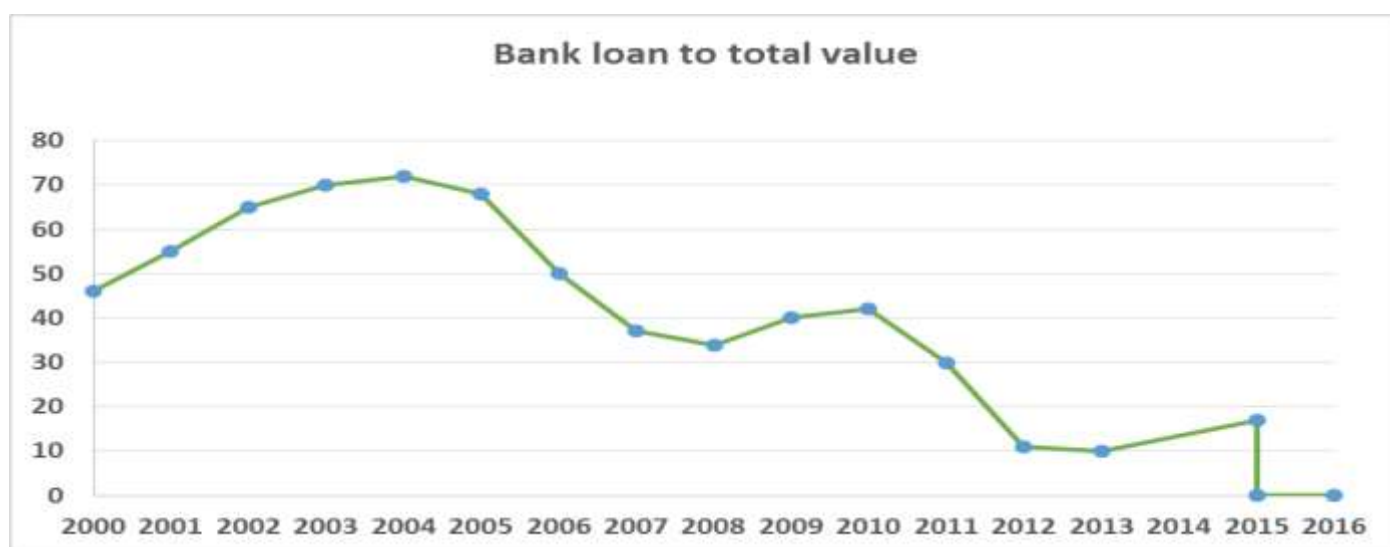
From 2008, we have become involved in residential and built back a lot of capital after we were hit hard in the financial crises years of 2008-2011.

Since January 2014, we have been in a good cash situation, without managing to find potential purchases because the prices have rocketed on properties with development potentials.

We managed to purchase The Esplanade and got Planning Consent. As soon as it became public knowledge that we got Planning Consent in late April 2016, a number of developers have contacted us to buy us out.

We have not sold the property but we are listening to presentations from others.

409-411 Croydon Road has a very good potential to be a good development. So far, we have had good response in Pre Planning Application discussions with the local Council.



MANAGING DIRECTOR'S STATEMENT

What happens thereafter?

We are still looking for similar purchases as above but also planning for closing down the business in 2018 when I turn 70 years young.

First, we will start this autumn to repay older subordinated loans and loans to previous **shareholders who doesn't hold shares anymore in order to reduce costs in the company** (interest payments), subject to receiving payment from sale of The Esplanade.

Second, the company will continue to repurchase shares at 87.5% of Net Asset Value, with 12.5% going into a Reserve Account to meet future costs for closing the business completely, which will take some years. Inland Revenue tracks companies for six years after trading has stopped.

Looking back and analysing what Redab has achieved in London over 20 years, we can **say that a number of old buildings have been redeveloped with another 50 years' life span**, using approximately 350,000 man hours, equal to 218 man years of local professionals, builders, suppliers plus employing 2—3 people in the office over this **time. In addition, Redab's shareholders have been paid interest and most have got a number of bonus shares.**

The 23 June 2016 Referendum result means that the UK will leave the EU. The political **confusion resulting from the Brexit vote and David Cameron's immediate resignation** was resolved faster than expected, with Theresa May being elected as Leader of the Conservative party and becoming the Prime Minister on 13 July 2016. The Prime **Minister's Brexit Schedule has not yet been finalised but it is anticipated she will consult** with Scottish, Welsh and Northern Irish leaders, as well as European leaders before triggering Clause 50 for Brexit in 2017. The negotiation period to leave the EU is two years, meaning the first possible practical date for the UK to leave the EU will be around 2019. A General Election will follow in 2020. Redab will not be affected in my view, because both The Esplanade and 409-411 Croydon Road projects target the normal English London market.

That market has purchasers who without too much problem can pay £400,000 - £600,000 per unit. The market is turbulent when this is written but uncertainty will be more acceptable after a while. Salaries will not downsize in the foreseeable future, in my opinion, while taxes perhaps need to be increased if European workers slowly start to move home where they came from.

Redab's downsizing future planning was made well before the referendum result was known but there was a funny smell in the air about what could happen, in addition to what was written earlier in my statement.

Our long-term goal continues, this is to create

LONG TERM SHARE VALUE

Figures

Loss for the business year £317,706, because no properties have been sold.

The Net Asset Value per share has increased from 55.4 pence as at 31st May 2015 to 57.3 pence as at 31st May 2016, with 409-411 Croydon Road, Caterham, booked to cost.

The value per share has increased by **+3.4%**.

Prognosis 31st May 2017

The Penthouse at Jubilee Heights, Kilburn, is let until 31 May 2017 and 409-411 Croydon Road is let until November 2016.

Subject to a sale of The Esplanade, there will be a positive result as at 31 May 2017.

The Net Asset Value has a good possibility to increase subject to a potential sale of The Esplanade and Planning Consent for 409-411 Croydon Road.

Our target is to continue to increase the

NET ASSET VALUE per share

and create

LONG TERM SHAREHOLDERS' VALUE



THE LONDON MARKET

MAYOR OF LONDON

LONDON'S ECONOMY TODAY - 30 JUNE 2016 - ISSUE 166

LONDON'S ECONOMY TODAY SUPPLEMENT: LONDON LABOUR MARKET PROJECTIONS 2016

- Jobs in London are projected to grow by more than 1.2 million by 2041. Fastest growing sectors are in business services, education and health.
- Professional occupations, and managers, directors and senior officials are projected to account for three quarters of additional jobs. This translates into a demand for a more highly skilled workforce in terms of qualifications.
- The report also considers the projected increase in London's population and the extent to which the demand for, and supply of, labour is likely to be in balance in the longer term, both in terms of absolute numbers, and numbers with degree level qualifications.

EMPLOYMENT

- London's unemployment rate in April 2016 was 5.9%. This has decreased by 0.4 percentage points from April 2015. London's unemployment rate is normally slightly above the UK average. The gap is currently 0.9 percentage points.
- The total number of jobs in London has increased by 2.0% over the last year, compared with a 1.3% increase for the UK overall. In the last year the number of employee jobs in London increased by 1.0% while self-employment increased by 8.3%.

LONDON AS A WORLD CITY

- The number of international visits to London in 2015 Q4 was 4.63 million, up 12.3% from the same quarter a year before.

ENERGY & SUSTAINABILITY



Structure.

In residential developments we have used timber structures for sustainability. Low transmission values have been achieved, approximately 50% of the normal UK standard requirements.

U-Values.

Windows — Triple glazed with a U-value of 0.6

Walls — U-value 0.16

Roof — U-value 0.15

Air-conditioning.

Used to meet top market requirements of standard, but with advanced control so each user gets to know how much energy is used and the temperature can be set separately for different rooms. Heat pumps will produce heating, cooling and warm water which will reduce energy consumption.

Warm water.

Firstly produced via solar panels.

Rain water.

Rainwater is saved for watering the garden and use in WC.

Ventilation with energy recovery.

The Esplanade will have mechanical ventilation in the apartments with energy recovery. Southend Planning Department did not like the solar panels, so we have removed them from the planning application.

SHARE TRADING

Trading of shares in Redab Properties Plc

You sell at 87.5% of NAV

Redab Properties Plc holds a stock of up to 100,000 shares

Buy

Buy

OPTION 1

Payment for One Unit =
£1,450

2,000 shares at 87.5% of NAV
(£1,000)

£450 loan with 6.5% interest,
due date 31 December 2018

OPTION 2

SHARES ONLY

92.5% of NAV

*If you wish to buy or sell your
shares in Redab Properties Plc
please contact us directly.
Telephone: +44 (0)20 7730 0213
Email: info@redab.com*

This offer is valid to 31st October 2016

REMINDER FOR SHAREHOLDERS

Annual General Meeting 26th August 2016
11-13 Cavendish Square
London W1G 0AN

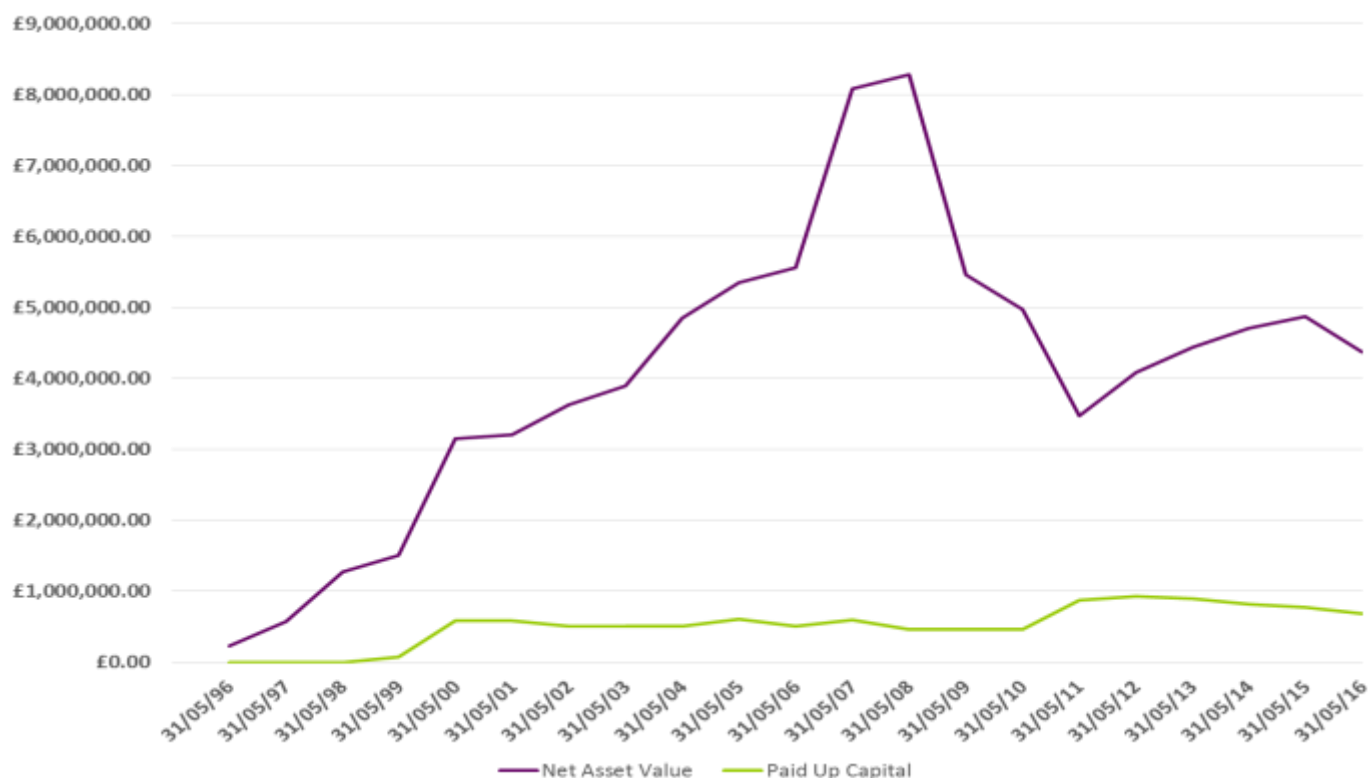
Registration 16.00h. Meeting starts 16.30h

(This is the same venue as in 2014 but is now refurbished)

Have you let us know that you are coming?
If not, please ensure you return your proxy to us.

DEVELOPMENT OF NET ASSET VALUE PER SHARE

31ST MAY 2016



DEVELOPMENT OF NET ASSET VALUE PER SHARE

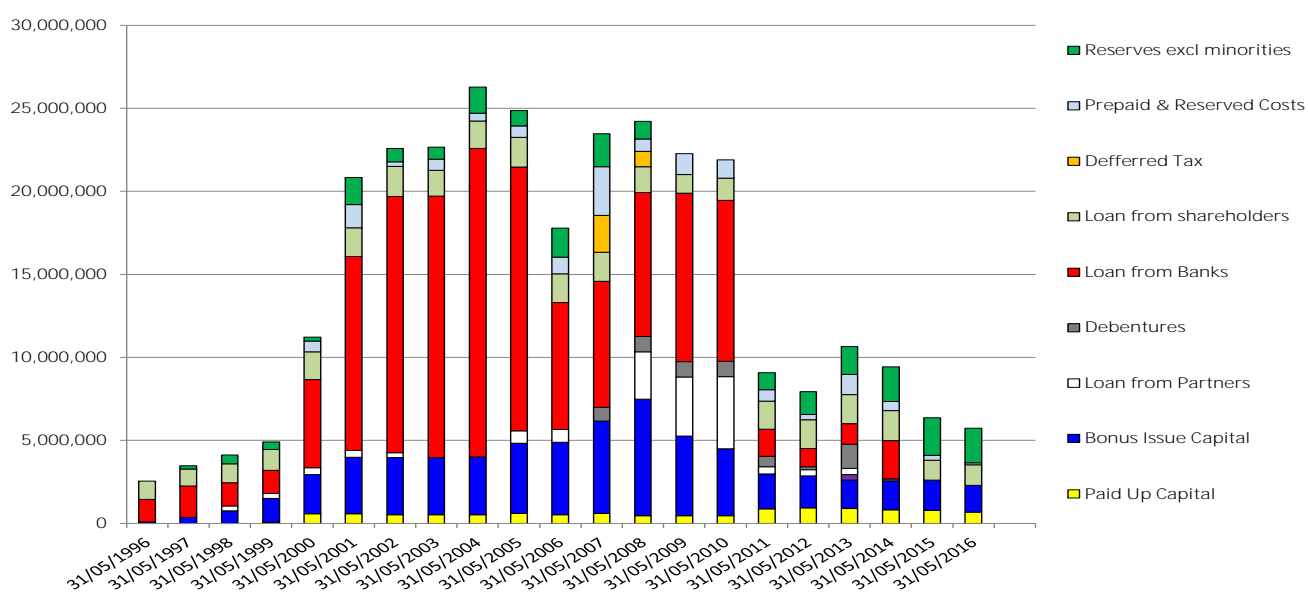
31ST MAY 2016

Net Asset Value (NAV) 31st May 2016

Value per share	31st May 2013	31st May 2014	31st May 2015	31st May 2016
Net Asset Value	£4,442,123	£4,715,853	£4,871,497	£4,375,898
Per share: 9,217,215	48.2 pence			
Per share: 8,830,743		53.4 pence		
Per share: 8,680,743			56.1 pence	
Per share: 8,834,257			55.4 pence	
Per share: 7,634,069				57.3 pence

CAPITAL STRUCTURE

31ST MAY 2016



THE DEVELOPMENT OF SHARE CAPITAL

31ST MAY 2016 (POUND STERLING)



Graham K Jacob
Senior Partner of
Brindley Jacob
Company Auditor

Year	Changes	Shares issued	Increase in Share Capital	Total Nos of Shares	Total issued Share Capital
1994	The company is formed				
1997	Bonus Issue 1:2	50,000	50,000	150,000	150,000
1998	Bonus Issue 3:2	225,000	225,000	375,000	375,000
1998	Bonus Issue 1:3	125,000	125,000	500,000	500,000
1998	Bonus Issue 1:2	250,000	250,000	750,000	750,000
1999	Bonus Issue – lieu of interest	6,674	6,674	756,674	756,674
1999	Bonus Issue 2:5	302,669	302,669	1,059,343	1,059,343
1999	Bonus Issue 1:3	353,114	353,114	1,412,457	1,412,457
1999	Bonus Issue – lieu of interest	15,251	15,251	1,427,708	2,011,435
1999	New Issue – loan conversion	72,205	72,205	1,499,913	1,499,913
2000	New Issue	511,522	511,522	2,011,435	1,622,564
2000	Bonus Issue 4:9	893,971	893,971	2,905,406	2,905,406
2000	Bonus Issue – lieu of interest	41,776	41,776	2,947,182	2,947,182
2001	Bonus Issue 1:3	982,394	982,394	3,929,576	3,929,576
2001	Bonus Issue – lieu of interest	63,296	63,296	3,992,872	3,992,872
2002	Repurchase shares	- 75,850	- 75,850	3,917,022	3,917,022
2002	Bonus Issue – lieu of interest	34,874	34,874	3,951,896	3,951,896
2002	New Issue	6,639	6,639	3,958,535	3,958,535
2004	Bonus Issue – lieu of interest	51,540	51,540	4,010,075	4,010,075
2004	Repurchase shares	- 322	- 322	4,009,753	4,009,753
2004	Bonus Issue 1:6	668,345	668,345	4,678,098	4,678,098
2005	Bonus Issue – lieu of interest	54,567	54,567	4,732,665	4,732,665
2005	New Issue – loan conversion	96,894	96,894	4,829,559	4,829,559
2006	Bonus Issue – lieu of interest	59,063	59,063	4,888,622	4,888,622
2007	Bonus Issue – lieu of interest	49,497	49,479	4,938,119	4,938,119
2007	Bonus Issue 1:4	2,777,591	2,777,591	7,715,710	7,715,710
2007	Repurchase shares	- 10,140	- 10,140	7,705,570	7,705,570
2008	Bonus Issue – lieu of interest	60,523	60,523	7,766,093	7,766,093
2008	Net repurchase shares	- 138,068	- 138,068	7,628,025	7,628,025
2011	Mark down in nominal value from £1 to 30 pence per share				2,288,407
2011	New Issue	1,381,268	414,381	9,009,293	2,702,788
2012	New Issue	177,874	53,361	9,187,167	2,756,150
2013	New Issue	30,048	9,015	9,217,215	2,765,165
2013	Repurchase	- 152,935	- 45,081	9,064,280	2,719,284
2014	Repurchase	- 233,537	- 70,061	8,830,743	2,649,223
2015	Repurchase	- 150,000	- 45,000	8,680,743	2,604,223
2015	Repurchase and conversion options	- 376,674	- 113,002	8,304,069	2,491,221
2015	Repurchase shares	- 100,000	- 30,000	8,204,069	2,461,221
2016	Repurchase	- 570,000	- 171,000	7,634,069	2,290,221

PROFIT & LOSS ACCOUNT AND BALANCE SHEET

31ST MAY 2016 (POUND STERLING)

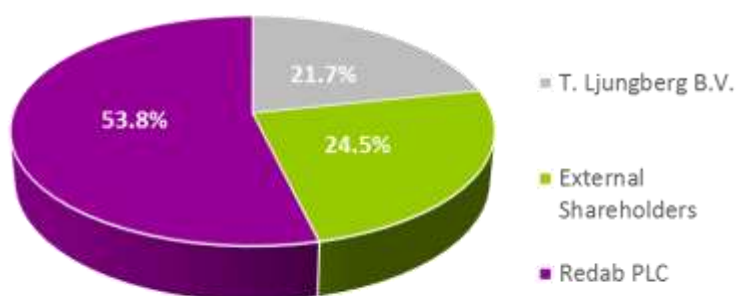
CONSOLIDATED PROFIT AND LOSS	31/05 2013	31/05 2014	31/05 2015	31/05 2016
Costs	- 920,539	- 5,332,812	- 7,124,904	- 335,044
Income	793,828	6,333,016	7,534,782	59,003
P/(L) before finance	- 126,711	1,000,204	409,878	- 276,041
Finance	- 169,834	- 625,600	- 125,029	- 41,665
P/(L) before taxation	- 296,545	374,604	284,849	- 317,706
Tax	0	0	0	0
<i>P/(L) after taxation</i>	- 296,545	374,604	284,849	- 317,706
CONSOLIDATED BALANCE SHEET	31/05 2013	31/05 2014	31/05 2015	31/05 2016
Properties with Plant and Machinery	10,291,740	7,768,742	2,330,519	3,916,085
Debtors	302,839	1,683,701	257,564	41,692
Bank	207,875	76,397	3,773,461	1,780,859
<i>Total Assets</i>	10,802,454	9,528,840	6,361,544	5,738,636
Creditors	1,209,156	548,792	160,994	125,497
Taxation	0	0	0	0
Loan from Shareholders	1,746,205	1,814,539	1,329,053	1,237,241
Loan from partners	373,119	0	0	0
Debentures – profit share loan	1,453,576	0	0	0
Private loan	330,000	150,000	0	0
Loan from banks	1,248,275	2,299,656	0	0
Share capital	2,765,165	2,649,223	2,604,223	2,290,221
Reserves	1,676,958	2,066,630	2,267,274	2,085,677
Potential tax on hidden Capital Gain	0	0	0	0
Minority Shareholders' interests in subsidiaries	0	0	0	0
<i>Total Liabilities, Capital and Reserves</i>	10,802,454	9,528,840	6,361,544	5,738,636

THIS IS REDAB PROPERTIES PLC

Track record

Redab Properties Plc was incorporated on the 27th October 1993, and began trading on the 14th February 1994.

Ownership 31st May 2016



Number of shareholders: **257** (31/05 2016)

Redab Properties Plc team have great experience in development and property management in London since 1983. Achieved planning consent for 23 apartments and 7,000 sq.ft. restaurant in Southend-on-Sea in March 2016.

Redab Properties Plc has purchased and developed with good profits, a number of properties in London.

Redab Properties Plc have converted assets to cash to enable new developments.

Redab Properties Plc are well placed to handle future profits.

Redab Properties Plc are offering a new investment possibility of a unit or more (a unit consists of shares and subordinated loan where the loan generates an annual interest of 6.5%). Please take a look at our website www.redabproperties.com

To become a shareholder in Redab Properties Plc please contact the Managing Director for further information.

Redab Properties Plc, 83 Lower Sloane Street, London SW1W 8DA, England

Telephone: +44 (0)20-7730 0213 Fax: +44 (0)20-7730 0227

Email: info@redab.com www.redabproperties.com

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