

Argent Industrial Limited
Registration number 1993/002054/06
(Incorporated in the Republic of South Africa)
Share code: ART ISIN code: ZAE000019188
('Argent' or 'the group' or 'the company')

ABRIDGED AUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2020,
NOTICE OF ANNUAL GENERAL MEETING AND DISTRIBUTION OF ANNUAL REPORT

Financial Highlights

Headline earnings per share	133.4 cents
Gearing	12.3%
Net asset value per share	1 674 cents
Earnings before interest, taxation, depreciation and amortisation 'EBITDA'	R188.8 million

The abridged audited financial statements are presented on a consolidated basis.

Consolidated Statement of Profit or Loss for the year ended 31 March	Audited 2020 R 000	Audited 2019 R 000
Revenue	1 727 721	1 721 578
Cost of sales	(1 274 361)	(1 299 966)
Gross profit	453 360	421 612
Net operating expenses	(319 977)	(301 920)
Operating profit before finance costs	133 383	119 692
Net interest expense	(14 721)	(4 498)
Profit before taxation	118 662	115 194
Taxation	(20 748)	(29 730)
Profit for the year	97 914	85 464
Attributable to owners of the		
- Parent	96 221	83 763
- Non-controlling interest	1 693	1 701
	97 914	85 464
Basic earnings per share (cents)	130.8	101.2
Diluted earnings per share (cents)	130.1	101.2
Headline earnings per share (cents)	133.4	104.4
Diluted headline earnings per share (cents)	132.8	104.4
Dividends per share (cents)	0.0	10.0

Supplementary information

Shares in issue (000)		
- at end of period excluding treasury shares	61 370	77 686
- at end of period including treasury shares	64 916	82 369
- weighted average	73 589	82 741
- diluted weighted average	73 947	82 741
Interest expense on lease liabilities (R 000)	12 140	-
Amortisation of right-of-use assets (R 000)	27 030	-
Depreciation and amortisation (R 000)	28 464	24 940
Calculation of headline earnings (R 000)		
Earnings attributable to ordinary shareholders	96 221	83 763
Adjusted for:		
Loss/(profit) on disposal of property, plant and	2 504	(1 757)

equipment		
Impairment of property, plant and equipment	177	3 889
Total tax effects of adjustments	(701)	492

Headline earnings attributable to ordinary shareholders	98 201	86 387
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Consolidated Statement of other Comprehensive Income or Loss for the year ended 31 March	Audited 2020 R 000	Audited 2019 R 000
Profit for the period	97 914	85 464
Other comprehensive income for the period		
Items that may be reclassified subsequently to profit and loss		
Exchange differences on translating foreign operations	19 454	9 493
Total other comprehensive income for the year	117 368	94 957
Attributable to owners of the		
- Parent	115 675	93 256
- Non-controlling interest	1 693	1 701
	117 368	94 957

Consolidated Statement of Financial Position as at 31 March	Audited 2020 R 000	Audited 2019 R 000
ASSETS		
Property, plant and equipment	466 120	450 736
Intangible assets	4 314	3 798
Goodwill	150 144	150 144
Right-of-use assets	100 945	-
Long-term receivables	15 928	17 785
Deferred taxation	2 537	4 683
Non-current assets	739 988	627 146
Inventories	366 565	381 473
Trade and other receivables	309 129	314 814
Current portion of long-term receivables	3 304	6 128
Bank balance and cash	158 570	73 679
Current assets	837 568	776 094
Non-current assets held for sale	-	10 500
TOTAL ASSETS	1 577 556	1 413 740

EQUITY AND LIABILITIES

Capital and reserves		
Stated capital and treasury shares	297 830	392 809
Reserves	27 641	7 666
Retained earnings	701 834	613 664
Attributable to owners of the parent	1 027 305	1 014 139
Non-controlling interest	20 176	18 483
Total shareholders' funds	1 047 481	1 032 622
Interest-bearing borrowings	115 782	4 708
Long-term loans	15	2 621
Lease liabilities	94 661	-
Other liabilities	35 383	29 832

Deferred tax	46 840	51 883
Non-current liabilities	292 681	89 044
Trade and other payables	193 706	216 195
Taxation	12 389	9 840
Bank overdraft	–	53 802
Current portion of lease liabilities	18 744	–
Current portion of interest-bearing borrowings	12 555	12 237
Current liabilities	237 394	292 074
TOTAL EQUITY AND LIABILITIES	1 577 556	1 413 740
Net asset value per share (cents)	1 674.0	1 305.4

Abridged Consolidated Statement of Cash Flows for the year ended 31 March	Audited 2020 R 000	Audited 2019 R 000
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CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations	173 071	164 387
Finance income	1 857	1 578
Finance costs	(16 578)	(6 076)
Dividends paid	–	(8 471)
Normal taxation paid	(19 396)	(13 338)
Net cash inflow from operating activities	138 954	138 080

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(41 048)	(43 744)
Additions to intangible assets	(8)	(768)
Proceeds on disposal of property, plant and equipment	19 918	38 062
Acquisition of subsidiaries net of cash acquired	–	(77 423)
Long-term receivables advanced	4 681	5 666
Net cash outflow from investing activities	(16 457)	(78 207)

CASH FLOWS FROM FINANCING ACTIVITIES

Share buy-back	(94 979)	(28 980)
Repayment of leasing liabilities	(12 877)	–
Proceeds from long-term loans	–	962
Repayment of long-term loans	(2 606)	–
Proceeds from interest-bearing borrowings	129 713	4 878
Repayment of interest-bearing borrowings	(16 461)	(33 758)
Net cash inflow/(outflow) from financing activities	2 790	(56 898)

Net increase in cash and cash equivalents	125 287	2 975
Cash and cash equivalents at beginning of year	19 877	6 855
Exchange differences on cash and cash equivalents	13 406	10 047
Cash and cash equivalents at end of year	158 570	19 877

Consolidated Statement of Changes in Equity for the year ended 31 March 2020	Stated capital R 000	Treasury shares R 000	Employee share incentive reserve R 000
Balance at 31 March 2018	514 835	(93 046)	440
Share-based payments	–	–	301

Share buy-back	(28 980)	-	-
Transfer of reserve to retained earnings	-	-	(289)
Total comprehensive income	-	-	-
Dividends - current interim and prior final	-	-	-
Less dividend on treasury shares	-	-	-
Balance at 31 March 2019	485 855	(93 046)	452
Adjustment from the adoption of IFRS 16	-	-	-
Adjusted balances at 1 April 2019	485 855	(93 046)	452
Share-based payments	-	-	521
Share buy-back	(99 834)	4 855	-
Total comprehensive income	-	-	-
Balance at 31 March 2020	386 021	(88 191)	973

Consolidated Statement of Changes in Equity for the year ended 31 March 2020 (continued)	Revaluation reserve	Foreign currency translation reserve	Retained earnings
	R 000	R 000	R 000
Balance at 31 March 2018	8 068	(10 347)	538 083
Share-based payments	-	-	-
Share buy-back	-	-	-
Transfer of reserve to retained earnings	-	-	289
Total comprehensive income	-	9 493	83 763
Dividends - current interim and prior final	-	-	(8 846)
Less dividend on treasury shares	-	-	375
Balance at 31 March 2019	8 068	(854)	613 664
Adjustment from the adoption of IFRS 16	-	-	(8 051)
Adjusted balances at 1 April 2019	8 068	(854)	605 613
Share-based payments	-	-	-
Share buy-back	-	-	-
Total comprehensive income	-	19 454	96 221
Balance at 31 March 2020	8 068	18 600	701 834

Consolidated Statement of Changes in Equity for the year ended 31 March 2020 (continued)	Total attributable to owners of the parent	Non-controlling interest	Total shareholders' funds
	R 000	R 000	R 000
Balance at 31 March 2018	958 033	16 782	974 815
Share-based payments	301	-	301
Share buy-back	(28 980)	-	(28 980)
Transfer of reserve to retained earnings	-	-	-
Total comprehensive income	93 256	1 701	94 957
Dividends - current interim and prior final	(8 846)	-	(8 846)
Less dividend on treasury shares	375	-	375
Balance at 31 March 2019	1 014 139	18 483	1 032 622

Adjustment from the adoption of IFRS 16	(8 051)	-	(8 051)
Adjusted balances at 1 April 2019	1 006 088	18 483	1 024 571
Share-based payments	521	-	521
Share buy-back	(94 979)	-	(94 979)
Total comprehensive income	115 675	1 693	117 368
Balance at 31 March 2020	1 027 305	20 176	1 047 481

The initial application of IFRS 16 has led to an adjustment of R8 million.

Segmental review	Manufacturing	Steel trading	Properties	Consolidated
	R 000	R 000	R 000	R 000
Business segments for the year ended 31 March 2020				
Revenue from external sales	1 226 997	499 970	754	1 727 721
Inter-segment sales	63 639	118 475	25 123	
Total revenue	1 290 636	618 445	25 877	
Profit before taxation	99 283	10 933	8 446	118 662
Taxation				(20 748)
Profit for the year				97 914
Segment assets	1 015 923	315 368	246 265	1 577 556
Segment liabilities	276 899	133 271	119 905	530 075
Capital expenditure	5 102	1 937	34 017	41 056
Depreciation / amortisation	26 420	2 035	9	28 464
Depreciation on right-of-use assets	15 518	11 512	-	27 030
Interest paid on lease liabilities	4 662	7 478	-	12 140
Net interest expense*	(5 236)	(1 177)	8 994	2 581
* As per the group policy, finance costs and finance income derived from primary banking is netted off.				

Segmental review (continued)	Manufacturing	Steel trading	Properties	Consolidated
	R 000	R 000	R 000	R 000
for the year ended 31 March 2019				
Revenue from external sales	1 199 290	518 403	3 885	1 721 578
Inter-segment sales	67 119	125 375	26 336	
Total revenue	1 266 409	643 778	30 221	
Profit before taxation	86 691	18 551	9 952	115 194
Taxation				(29 730)
Profit for the year				85 464

Segment assets	931 038	257 104	225 598	1 413 740
Segment liabilities	239 091	45 259	96 768	381 118
Capital expenditure	9 150	16 629	18 733	44 512
Depreciation / amortisation	22 519	2 388	33	24 940
Net interest expense*	(4 923)	(1 739)	11 160	4 498

* As per the group policy, finance costs and finance income derived from primary banking is netted off.

Segmental review (continued)	South Africa	Rest of the world	Consolidated
	R 000	R 000	R 000
Geographical segments for the year ended 31 March 2020			
Revenue from external sales	1 329 485	398 236	1 727 721
Profit before taxation	42 912	75 750	118 662
Taxation			(20 748)
Profit for the year			97 914
Segment assets	1 192 786	384 770	1 577 556
Segment liabilities	418 506	111 569	530 075
Capital expenditure	20 138	20 918	41 056
Depreciation / amortisation	18 865	9 599	28 464
Depreciation on right-of-use assets	18 793	8 237	27 030
Interest paid on lease liabilities	10 781	1 359	12 140
Net interest expense *	3 148	(567)	2 581
for the year ended 31 March 2019			
Revenue from external sales	1 413 517	308 061	1 721 578
Profit before taxation	67 002	48 192	115 194
Taxation			(29 730)
Profit for the year			85 464
Segment assets	1 173 166	240 574	1 413 740
Segment liabilities	315 846	65 272	381 118
Capital expenditure	37 449	7 063	44 512
Depreciation / amortisation	18 200	6 740	24 940
Net interest expense *	4 782	(284)	4 498

Fair value measurement of financial instruments

Assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

The following table sets out the group's assets and liabilities that are measured and recognised at fair value:

31 March 2020	Level 1	Level 2	Level 3	Total
	R 000	R 000	R 000	R 000
Recurring fair value measurements				
Financial assets:				
BEE minority shareholder loan	-	-	12 737	12 737
Forward exchange contracts	-	814	-	814
Total recurring financial assets	-	814	12 737	13 551
Non-financial assets:				
Land and buildings	-	-	288 426	288 426
Total non-recurring financial assets	-	-	288 426	288 426
Recurring fair value measurements				
Financial liabilities:				
Contingent consideration	-	-	35 383	35 383
Total recurring financial liabilities	-	-	35 383	35 383
31 March 2019	Level 1	Level 2	Level 3	Total
	R 000	R 000	R 000	R 000
Recurring fair value measurements				
Financial assets:				
BEE minority shareholder loan	-	-	12 316	12 316
Forward exchange contracts	-	520	-	520
Total recurring financial assets	-	520	12 316	12 836
Non-financial assets:				
Land and buildings	-	-	279 053	279 053
Total non-recurring financial assets	-	-	279 053	279 053
Non-recurring fair value measurements				
Land and buildings held for sale	-	-	10 500	10 500
Total non-recurring financial assets	-	-	10 500	10 500

Recurring fair value
measurements

Financial liabilities:

Contingent consideration	-	-	29 832	29 832
Total recurring financial liabilities	-	-	29 832	29 832

The group has measured land and buildings at fair value on a non-recurring basis as a result of the reclassification of land and buildings as held for sale.

There have been no transfers between Level 1 and Level 2 recurring fair value measurements during 2019 and 2020.

The group's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

Measurement of fair value of financial and non-financial instruments

The group's finance team performs valuations of financial items for financial reporting purposes, including Level 3 fair values, in consultation with third party valuation specialists for complex valuations. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the financial director (FD) and to the audit and risk committee. Valuation processes and fair value changes are discussed among the audit and risk committee and the valuation team at least every year, in line with the group's reporting dates. The valuation techniques used for instruments categorised in Level 2 and 3 are described below.

Foreign currency forward contracts (Level 2)

The group's foreign currency forward contracts are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

BEE minority shareholder loan (Level 3)

The fair value of the loan was based on unobservable inputs. The fair value has been calculated by discounting the loan at a market related interest rate going forward and with reference to the underlying value of the shares.

The reconciliation of the carrying amounts of financial assets classified within Level 3 is as follows:

	2020 R 000	2019 R 000
Opening balance	12 316	17 051
Adjustment from the adoption of IFRS 9	-	(5 155)
Recognised in profit or loss		
Fair value adjustment	421	420

BEE minority shareholder loan	12 737	12 316
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Contingent consideration (Level 3)

The fair value of the contingent consideration related to the acquisition of Fuel Proof Limited and Roll-Tec Safety Limited based on unobservable inputs. The fair value of the contingent consideration is based on the fair value of probable cash outflow. This reflects management's estimate of a 100% probability that targets will be achieved. The deferred and contingent considerations were discounted using a rate of 0.1% (2019 - 0.75%) with reference from the Bank of England.

The reconciliation of the carrying amounts of financial liabilities classified within Level 3 is as follows:

	2020 R 000	2019 R 000
Opening balance	29 832	-
New business combination	-	29 832
Recognised in profit or loss		
Fair value of deferred consideration	694	-
Fair value of contingent consideration	4 857	-
Contingent consideration	35 383	29 832

Land and buildings (Level 3)

The group's land and buildings is estimated based on appraisals performed by the directors. The valuation processes and fair value changes are reviewed by the board of directors and audit and risk committee at each reporting date.

The fair values of the land and buildings is estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields and take into account the type of property and the property's location.

The most significant inputs, all of which are unobservable, are the estimated rental value assumptions about vacancy levels and the discount rate. The estimated fair value increases if the estimated rental increases, vacancy levels decline or if discount rates (market yields) decline. Management considers the range of reasonably possible alternative assumptions is greatest for rental values and vacancy levels and that there is also an interrelationship between these inputs. The assumed discount rates applied for the future income streams range between 9.0% and 11.75% (2019 - 9.5% and 10.7%).

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:

	2020 R 000	2019 R 000
Opening balance	279 053	279 367
New business combinations	-	1 207
Additions	6 799	19 260

Disposals	-	(8 008)
Reclassification to non-current assets held for sale	-	(10 500)
Recognised in other comprehensive income		
Exchange difference on translation of foreign operation	3 314	2 087
Recognised in profit or loss		
Impairments	-	(3 889)
Depreciation	(740)	(471)
Land and buildings	288 426	279 053

The following table sets out the group's assets that are measured and recognised at fair value:

31 March 2020	Level 1	Level 2	Level 3	Total
	R 000	R 000	R 000	R 000
Recurring fair value measurements				
Financial assets:				
Employee share incentive scheme loan	-	-	12 922	12 922
Total recurring financial assets	-	-	12 922	12 922

Employee share incentive scheme loan (Level 3)

The fair value of the loan is linked to the market price of shares in Argent Industrial Limited. The fair value of the employee share incentive scheme loan has been fair valued based on observable market share prices of Argent Industrial Limited.

The reconciliation of the carrying amounts of financial assets classified within Level 3 is as follows:

	2020	2019
	R 000	R 000
Opening balance	20 425	14 478
Recognised in profit or loss		
Loan repaid - dividends	-	(375)
Share options exercised	(4 853)	-
Fair value adjustment	(2 650)	6 322
Employee share incentive scheme loan	12 922	20 425

Financial overview

Argent Industrial is a South African group with both local and international manufacturing and commodity trading interests. The group has interests in South Africa, the United Kingdom, and the United States of America.

Results

The group achieved its objectives for the 2020 financial year due to its investments in stable, developed international markets and, via the repurchase of its own shares.

Argent will continue to disinvest out of its South African companies where it believes that the funds would be better invested offshore, buy back its own shares, and/or return the excess funds to its shareholders.

The consolidated results after taxation attributable to owners amounted to R96.2 million, which is after accounting for a R2.3 million IFRS 16 expense, loss on sale of assets of R2.5 million, retrenchment costs of R1.2 million, and R2.1 million closure costs of Gammid Johannesburg. In addition, the arrival of COVID-19 closed the South African companies three days before year end.

Headline earnings per share amounted to 133.4 cents based on weighted average shares in issue over the financial year of 73.589 million. The actual shares in issue as at 31 March 2020, was 61.370 million (excluding treasury shares) which will give us a headline earnings of 160 cents.

During this financial year, the group sold Excalibur Vehicle Accessories for an amount of R1.4 million and its property in Sebenza (127 - 131 Terrace Road) for R10.5 million. Gammid Johannesburg was closed resulting in a stock loss of R1.3 million. This loss is attributable to the write down of customer specific extrusions which was sold at a scrap value. In addition, the group has a vacant industrial property for sale in Klerksdorp (15 Vulcan Street).

In line with Argents share repurchase strategy, 17.5 million shares were cancelled at a cost of R99.8 million, equating to an average price of R5.72 per share.

Prospects

On 1 June 2020, the group acquired Partington Engineering Limited (Partington) for an amount of GBP3.1 million.

Partington is a major supplier of bespoke trolleys to both the traditional and e-commerce retail industries in the United Kingdom. The acquisition brings our number of offshore entities to five. The current offshore businesses made up 64 percent of the group's pre-taxation profit for the year ending March 2020.

All conditions relating to the balance of the purchase consideration for the Fuel Proof Limited and Roll-Tec Safety Limited acquisition have been met. The performance target over the 24-month period from effective date was an average profit before taxation of GBP1.25 million. The average achieved is GBP1.56 million.

The effect of COVID-19 has resulted in the group making a consolidated pre-retrenchment loss of R19 million before taxation for the months of April and May. The vast majority of this relates to our South African companies who are subject to the realities of a Monopoly Government. The ongoing cost of this crisis is difficult to estimate however all our operations worldwide are fully operational.

COVID-19 has drastically changed the way we do business and as a result of this and in keeping ourselves aligned with the South African economy, our local companies have and are in the process of retrenching 212 people at a cost of R5.4 million.

COVID-19 aside, we are confident that our South African manufacturing brand companies, trading companies and niche operating companies are appropriately positioned with the correct operational focus. We are monitoring the return on capital on both Allan Maskew and Toolroom Services and will adjust our current strategy, if required.

We are totally satisfied with our overseas operations and will continue to develop them.

Dividend

No dividends were declared by the Board of Directors for the year ended 31 March 2020. Excess funds will be utilised for the share buy-back programme.

Basis of preparation

The abridged audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the presentation and disclosure requirements of IAS 34 - Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and in compliance with the Companies Act of South Africa (No. 71 of 2008) and the Listing Requirements of the JSE Limited.

The results have been prepared in terms of IFRS on the historical cost basis, except for the revaluation of land and buildings and certain financial instruments which are carried at either fair value or amortised cost. The abridged audited consolidated financial statements have been prepared under the supervision of the Financial Director, Ms SJ Cox CA (SA).

The accounting policies are consistent with those of the previous annual financial statements, except for the adoption of IFRS 16 Leases, which was effective from 1 April 2019. Further information is available in the annual report.

The adoption of improved, revised, or new standards and interpretations, besides IFRS 16 Leases, did not have any significant impact on the financial statements.

Events after the reporting period

The group has purchased the entire issued share capital of Partington Engineering Limited, through Argent Industrial UK Limited, a 100% held subsidiary of Argent.

The initial purchase consideration of GBP2 500 000 was settled in cash in the buyer's solicitor's account on 16 June 2020. Two additional purchase

considerations of GBP300 000 each will be settled in cash on 29 January 2021 and 28 January 2022, respectively, if sales to its major customer have grown cumulatively by 15% for each 12-month period. The first period is 1 January 2020 to 31 December 2020 and the second period is 1 January 2021 to 31 December 2021.

A claw back payment of GBP150 000 is payable from the Sellers if sales to its major customer have decreased by 15% for each 12-month period mentioned above when compared to the actual for the 12-month period ended December 2019.

The companies' expected after taxation earnings are GBP554 850 per year.

On 15 March 2020, a national state of disaster was declared in South Africa due to the COVID-19 pandemic and subsequently on 23 March 2020, all South African citizens and businesses were to adhere to a nationwide lockdown for 21 days, effective from midnight on 26 March 2020 to midnight on 16 April 2020. This was then extended for a further 14 days to 30 April 2020. On 1 May 2020, certain restrictions on economic activities were lifted.

The effect of COVID-19 has resulted in the group making a loss of R19 million before taxation for April and May 2020, mainly due to the South African companies. The ongoing cost of the pandemic is difficult to estimate, however all our operations worldwide are fully operational.

Going concern

Shareholders are advised that the audited results for the year ended 31 March 2020 have been prepared on the going concern concept. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Changes to the board

During the reporting period there were no changes to the board of directors.

Annual Report and Notice of Annual General Meeting

The annual report including full audited consolidated financial statements for the financial year ended 31 March 2020, has been distributed to shareholders today ("the Annual Report"). The annual report is available on the company's website, www.argent.co.za/info/annual_reports.

Notice is hereby given that Argent's Annual General Meeting (AGM) of shareholders will be held in the company's boardroom at First floor, Ridge 63, 8 Sinembe Crescent, La Lucia Ridge Office Estate, Umhlanga, on Friday, 4 September 2020 at 10:00 to transact the business as stated in the notice of AGM circulated together with the annual report. The date on which shareholders must be recorded as such in the share register to be eligible to vote at the AGM is Friday, 28 August 2020, with the last day to trade being Tuesday, 25 August 2020.

Audit opinion

The auditors, BDO South Africa Inc. (Mrs G Bass as designated auditor), have audited the group's financial statements for the year ended 31 March 2020 and their unqualified audit report is available for inspection at the company's registered office.

These abridged results are extracted from audited information but are not in itself audited. The directors therefore take full responsibility for the

preparation of the abridged results and that the financial information has been correctly extracted from the underlying financial statements.

The auditor's report does not necessarily cover all the information contained in this announcement. Shareholders are therefore advised that to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the registered office of the company.

On behalf of the board

TR Hendry CA (SA) Umhlanga Rocks
Chief Executive Officer 6 August 2020

Registered Office: First floor, Ridge 63,8 Sinembe Crescent,
La Lucia Ridge Office Estate, 4019
Tel: +27 (0) 31 791 0061

Auditors: BDO South Africa Inc. (Mrs G Bass as designated
auditor)

Sponsors: PSG Capital

Transfer Secretaries: Link Market Services South Africa

Company Secretary: Jaco Dauth

Directors: CD Angus (Independent Non-executive), PA Christofides
(Independent Non-executive), Ms SJ Cox (Financial Director), TR Hendry
(Chief Executive Officer), AF Litschka, K Mapasa (Independent Non-
executive), T Scharrighuisen (Non-executive Chairman).