



**South Ocean Holdings Limited**  
 (Registration number 2007/002381/06)  
 Incorporated in the Republic of South Africa  
 ("South Ocean Holdings", "SOH", "the Group")  
 Share code: SOH    ISIN: ZAE000092748

**GROUP SUMMARISED CONSOLIDATED INTERIM FINANCIAL RESULTS ANNOUNCEMENT FOR THE SIX MONTHS  
 ENDED 30 JUNE 2021**

**SALIENT FEATURES**

Group revenue improved by 67.3% to R1 105.7 million  
 Headline earnings per share of 17.53 cents  
 Earnings per share of 17.56 cents  
 Tangible net asset value per share improved by 15.2% to 259.7 cents

**SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	30 June 2021 (Unaudited) R'000	30 June 2020 (Unaudited) R'000	31 December 2020 (Audited) R'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	219 314	213 952	229 611
Right-of-use assets		211 306	203 469	220 358
Deferred tax asset		7 503	10 483	8 703
		505	-	550
<b>Current assets</b>				
Inventories		716 246	489 164	464 737
Trade and other receivables		300 153	144 811	182 345
Current tax receivable		391 526	326 897	255 622
Cash and cash equivalents		11 915	3 767	6 025
<b>Disposal group held for sale</b>	7	12 652	13 689	20 745
		-	86 000	-
<b>Total Assets</b>		<b>935 560</b>	<b>789 116</b>	<b>694 348</b>
<b>Equity and Liabilities</b>				
<b>Total equity</b>				
Share capital	5	527 870	458 396	498 270
Reserves		461 343	461 343	461 343
Retained earnings/(accumulated loss)		428	730	434
		66 099	(3 677)	36 493
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Interest bearing borrowings	6	50 020	48 162	59 494
Lease liabilities		21 075	20 762	27 290
Deferred tax liabilities		5 225	9 271	6 872
Share-based payment liabilities		21 618	15 395	22 556
		2 102	2 734	2 776
<b>Current liabilities</b>				
Trade and other payables		357 670	282 558	136 584
Interest-bearing borrowings	6	234 540	140 291	115 793
Lease liabilities		12 465	10 022	16 575
Current tax payable		2 417	2 013	2 399
Share-based payment liabilities		619	-	619
Bank overdraft		2 742	-	1 198
		104 887	130 232	-
<b>Total liabilities</b>		<b>407 690</b>	<b>330 720</b>	<b>196 078</b>
<b>Total Equity and Liabilities</b>		<b>935 560</b>	<b>789 116</b>	<b>694 348</b>

**SUMMARISED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Notes	Six months ended			Year ended
		30 June 2021 (Unaudited) R'000	30 June 2020 (Unaudited) R'000	Change %	31 December 2020 (Audited) R'000
<b>Continuing operations</b>					
<b>Revenue</b>	14	1 105 738	661 053	67	1 743 027
Cost of sales		(1 018 300)	(639 130)		(1 658 733)
<b>Gross profit</b>		87 438	21 923	299	84 294
Other operating income		5 157	952		3 881
Administration expenses		(24 249)	(21 290)		(24 859)
Distribution expenses		(716)	(6 385)		(2 093)
Operating expenses		(14 823)	(9 803)		(23 135)
<b>Operating profit/(loss)</b>		52 807	(14 603)	462	38 088
Finance income		88	261		349
Finance costs		(3 728)	(4 599)		(9 725)
<b>Profit/(loss) before taxation</b>		49 167	(18 941)	360	28 712
Taxation	8	(13 463)	4 943		(7 128)
<b>Profit/(loss) for the period from continuing operations</b>		35 704	(13 998)	355	21 584
Profit for the period from discontinuing operations	7	-	767		5 355
<b>Profit/(loss) for the period</b>		35 704	(13 231)	370	26 939
<b>Other comprehensive profit/(loss)</b>					
Exchange differences on translating foreign operations		(6)	320		24
<b>Total items that may be reclassified to profit or loss net of taxation</b>		(6)	320		24
<b>Total comprehensive profit/(loss) attributable to equity holders of the Group</b>		35 698	(12 911)		26 963

**PER SHARE INFORMATION**

	Cents per share	Cents per Share		Cents per share
Earnings/(loss) per share – basic and diluted	17.56	(6.5)	370	13.25
Dividend per share	-	-		3.00

**SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

		<b>Six months ended</b>		<b>Year ended</b>
		<b>30 June 2021</b>	<b>30 June 2020</b>	<b>31 December 2020</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>Notes</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Share capital</b>				
Opening balance	<b>5</b>	<b>1 743</b>	1 743	1 743
Closing balance		<b>1 743</b>	1 743	1 743
<b>Share premium</b>				
Opening balance	<b>5</b>	<b>459 600</b>	459 600	459 600
Closing balance		<b>459 600</b>	459 600	459 600
<b>Foreign currency translation reserve</b>				
Opening balance		<b>434</b>	410	410
Exchange differences on translation of foreign operation		<b>(6)</b>	320	24
Closing balance		<b>428</b>	730	434
<b>Retained earnings/(accumulated loss)</b>				
Opening balance		<b>36 493</b>	9 554	9 554
Total comprehensive profit/(loss) for the period		<b>35 704</b>	(13 231)	26 939
Dividends		<b>(6 098)</b>	-	-
Closing balance		<b>66 099</b>	(3 677)	36 493

**SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Six months ended</b>		<b>Year ended</b>
	<b>30 June 2021</b>	30 June 2020	31 December 2020
	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<b>R'000</b>	R'000	R'000
<b>Cash flows from operating activities</b>			
Cash (utilised in) / generated from operations	<b>(83 109)</b>	(74 905)	1 898
Finance income	<b>88</b>	261	349
Finance costs	<b>(3 728)</b>	(4 599)	(9 725)
Taxation paid	<b>(6 380)</b>	(991)	(7 476)
<b>Net cash used in operating activities</b>	<b>(93 129)</b>	(80 234)	(14 954)
<b>Cash flows (used in)/generated from investing activities</b>			
Purchase of property, plant and equipment	<b>(2 008)</b>	(6 733)	(33 349)
Proceeds from sale of property, plant and equipment	<b>215</b>	-	86 120
<b>Net cash (used in)/ generated from investing activities</b>	<b>(1 793)</b>	(6 733)	52 771
<b>Cash flows (used in)/generated from financing activities</b>			
Repayment of interest bearing borrowings	<b>(10 325)</b>	(9 631)	(14 588)
Proceeds from interest bearing borrowings	<b>-</b>	-	18 038
Repayment of lease liabilities	<b>(1 629)</b>	(1 503)	(1 784)
Dividends paid	<b>(6 098)</b>	-	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(18 052)</b>	(11 134)	1 666
<b>Total cash and cash equivalents movements for the period</b>			
	<b>(112 974)</b>	(98 101)	39 483
Cash and cash equivalents at the beginning of the period	<b>20 745</b>	(18 762)	(18 762)
Effect of exchange rate movement on foreign entity balances	<b>(6)</b>	320	24
<b>Total cash and cash equivalents at end of the period</b>	<b>(92 235)</b>	(116 543)	20 745

## SELECTED NOTES TO THE SUMMARISED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 1. General information

South Ocean Holdings Limited and its subsidiaries ("SOH" or "Company" or "the Group") and its subsidiaries manufacture and distribute electrical cables and holds property investments in a property investment company. SOH is a public company listed on the JSE Limited ("JSE") and is incorporated and domiciled in the Republic of South Africa.

The unaudited summarised consolidated interim financial information was prepared by Mr WP Basson and was approved for issue by the directors on 4 August 2021.

### 2. Basis of preparation

The summary consolidated interim Financial Statements of SOH have been prepared in accordance with the JSE Listings Requirements for provisional reports and the requirements of the Companies Act, 2008 of South Africa applicable to summary Financial Statements. The summary consolidated interim Financial Statements should be read with the audited Annual Financial Statements for the year ended 31 December 2020. The JSE Listing Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued, by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 "Interim Financial Reporting".

The accounting policies applied in the preparation of the summary Consolidated Financial Statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous summary Consolidated Financial Statements, except as stated in note 3 below.

The directors take full responsibility for the preparation of the financial information.

### 3. Accounting policies

The accounting policies applied in the preparation of the summary Consolidated Financial Statements are in terms of IFRS and are consistent with those applied in the preparation of the audited Annual Financial Statements for the year ended 31 December 2020, except where indicated.

### 4. Property, plant and equipment

As a result of the general economic decline in recent years, an impairment test was performed on the carrying of assets held by the Group. Assets were allocated to the cash-generating unit ("CGU"). As a result of the impairment test performed on South Ocean Electric Wire Company Proprietary Limited ("SOEW") CGU, no impairment was recognised in 2021 (2020: Rnil).

During the first six months, the Group invested R2 million in capital expenditure relating to the acquisition of plant and machinery at South Ocean Electric Wire Company Proprietary Limited ("SOEW") as well as the replacement of vehicles at SOEW. The details of the changes in tangible assets are as follows:

	<b>30 June 2021</b>	30 June 2020	31 December 2020
	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<b>R'000</b>	R'000	R'000
Opening net carrying amount	<b>220 358</b>	204 839	204 839
Additions	<b>2 008</b>	6 733	33 349
Disposals	<b>(132)</b>	-	(316)
Depreciation	<b>(10 928)</b>	(8 103)	(17 514)
Closing net carrying amount	<b>211 306</b>	203 469	220 358

## 5. Share capital and share premium

	Number of Shares issued	Ordinary shares (R'000)	Share premium (R'000)	Total (R'000)
<b>At 30 June 2021 (Unaudited)</b>				
Opening balance	203 276 794	1 743	459 600	461 343
Closing balance	203 276 794	1 743	459 600	461 343
<b>At 30 June 2020 (Unaudited)</b>				
Opening balance	203 276 794	1 743	459 600	461 343
Closing Balance	203 276 794	1 743	459 600	461 343
<b>At 31 December 2020 (Audited)</b>				
Opening balance	203 276 794	1 743	459 600	461 343
Closing Balance	203 276 794	1 743	459 600	461 343

## 6. Interest bearing borrowings

The details of the total interest bearing borrowings balance are as follows:

	As at 30 June 2021 (Unaudited) R'000	As at 30 June 2020 (Unaudited) R'000	As at 31 December 2020 (Audited) R'000
<b>Secured loans</b>			
Non-current liabilities	21 075	20 762	27 290
Current liabilities	12 465	10 022	16 575
<b>Total secured loans</b>	<b>33 540</b>	<b>30 784</b>	<b>43 865</b>

	As at 30 June 2021 (Unaudited) R'000	As at 30 June 2020 (Unaudited) R'000	As at 31 December 2020 (Audited) R'000
<b>The movement in borrowings is analysed as follows:</b>			
Opening balance	43 865	40 415	40 415
Additional loans raised	-	-	18 038
Finance costs	1 299	1 515	2 976
Repayments	(11 624)	(11 146)	(17 564)
<b>Closing balance</b>	<b>33 540</b>	<b>30 784</b>	<b>43 865</b>

The Group's bankers, First National Bank Limited ("FNB"), is in the process of renewing the bank overdraft facility of R250.0 million (2020: R200.0 million). The facility is reviewed annually.

## 7. Disposal group held for sale

Radiant Group was disposed on 1 January 2019. As part of the disposal, the properties from which Radiant Group operates and which are owned by Anchor Park Investments 48 Proprietary Limited ("Anchor Park") were included for a net selling price of R86.0 million. The properties were derecognised on date of transfer and transferred during the months of August and September 2020. The disposal group consisted of the properties from which Radiant Group operates and which were owned by Anchor Park.

These are classified as held for sale in terms of IFRS 5 and are set out below:

	<b>30 June 2021</b>	30 June 2020	31 December 2020
	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<b>R'000</b>	R'000	R'000
<b>Assets</b>			
<b>Assets of disposal group</b>			
Property	-	86 000	-
<b>Total assets</b>	<b>-</b>	<b>86 000</b>	<b>-</b>
<b>Financial performance of discontinuing operations</b>			
Revenue	-	4 380	5 769
Operating expenses	-	(3 613)	(414)
<b>Profit for the period</b>	<b>-</b>	<b>767</b>	<b>5 355</b>
<b>Cash flow information</b>			
Net cash inflow from operating activities	-	-	5 355
Net cash inflow from financing activities	-	-	86 000
<b>Net increase in cash generated by disposal group</b>	<b>-</b>	<b>-</b>	<b>91 355</b>

## 8. Taxation

Income tax expense is recognised on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The effective tax rate calculated is 27.4% (2020: 26.1%). The effective tax rate is lower than the corporate tax rate due to deferred tax assets raised.

**9. Reconciliation of headline earnings/(loss)**

	<b>Six months ended</b> <b>30 June 2021</b> <b>(Unaudited)</b> <b>R'000</b>	30 June 2020 (Unaudited) R'000	<b>Year ended</b> <b>31 December 2020</b> <b>(Audited)</b> <b>R'000</b>
Profit/(loss) attributable to the equity holders of the Group for the period	<b>35 704</b>	(13 231)	26 939
Adjustment for:			
(Profit)/Loss on disposal of property, plant and equipment	<b>(83)</b>	-	196
Tax effect on adjustments	<b>23</b>	-	(55)
Headline earnings/(loss) for the period	<b>35 644</b>	(13 231)	27 080
Headline earnings/(loss) per share	<b>17.53</b>	(6.5)	13.32

**10. Weighted average number of shares**

	<b>Six months ended</b> <b>30 June 2021</b> <b>(Unaudited)</b>	30 June 2020 (Unaudited)	Year ended 31 December 2020 (Audited)
Number of shares in issue	<b>203 276 794</b>	203 276 794	203 276 794
Weighted average number of shares in issue at the beginning of the period	<b>203 276 794</b>	203 276 794	203 276 794
Weighted average number of shares in issue at the end of the period.	<b>203 276 794</b>	203 276 794	203 276 794

There are no dilutionary instruments in issue and therefore the diluted weighted average number of shares are similar to that disclosed above.

**11. Net asset value**

	<b>As at</b> <b>30 June 2021</b> <b>(Unaudited)</b>	As at 30 June 2020 (Unaudited)	As at 31 December 2020 (Audited)
Net asset value per share (cents)	<b>259.7</b>	225.5	245.1
Tangible net asset value per share (cents)	<b>259.7</b>	225.5	245.1

**12. Impairment of assets in subsidiaries**

To comply with IAS 36, the Group performed an impairment test of its assets in subsidiaries, as a result no impairment was recognised in the current period (2020: Rnil) in the Statement of Comprehensive Income.

No impairment of current and non-current assets was recognised (2020: Rnil) which relates to a reduction in the net realisable value of the assets held for sale.



**13. Interim dividend declaration**

The Company's policy is to consider the declaration of a final dividend after its financial year-end and no interim dividend is declared.

**14. Segment reporting**

The chief operating decision makers review the Group's internal reporting in order to assess performance and have determined the operating segments based on these reports.

The business performance of the operating segments: electrical cable manufacture and property investments, is evaluated from the market and product performance perspective.

The segment information has been prepared in accordance with IFRS 8 – "Operating Segments", which defines the requirements for the disclosure of financial information of an entity's segments.

The Standard requires segmentation on the Group's internal organisation and reporting of revenue and adjusted EBITDA based upon internal accounting presentation.

The segment revenue and EBITDA generated by the Group's reportable segments are summarised as follows:

<b>Six months ended</b>	<b>Revenue R'000</b>	<b>Adjusted EBITDA R'000</b>	<b>Segment Assets R'000</b>	<b>Segment liabilities R'000</b>
<b>30 June 2021 (Unaudited)</b>				
<b>Electrical cables manufacturing</b>	<b>1 105 510</b>	<b>57 187</b>	<b>889 457</b>	<b>433 474</b>
<b>Property investments</b>	<b>10 661</b>	<b>8 818</b>	<b>114 707</b>	<b>27 655</b>
	<b>1 116 171</b>	<b>66 005</b>	<b>1 004 164</b>	<b>461 129</b>
30 June 2020 (Unaudited)				
Electrical cables manufacturing	660 765	1 993	648 674	340 936
Property investments	12 993	8 248	200 017	36 711
	673 758	10 241	848 691	377 647
Year ended				
31 December 2020 (Audited)				
Electrical cables manufacturing	1 742 563	75 536	662 684	224 960
Property investments	23 420	18 640	113 815	30 516
	1 765 983	94 176	776 499	255 476

**Segment reporting (continued)**

Reconciliation of the total segment report to the statement of financial position and statement of comprehensive income is provided as follows:

	<b>Six months ended</b>		Year ended
	<b>30 June 2021</b>	30 June 2020	31 December 2020
	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<b>R'000</b>	R'000	R'000
<b>Revenue</b>			
Reportable segment revenue	<b>1 116 171</b>	673 758	1 765 983
Inter-segment revenue (property rentals)	<b>(10 433)</b>	(8 325)	(17 187)
Discontinuing operations	-	(4 380)	(5 769)
<b>Revenue per consolidated statement of comprehensive income</b>	<b>1 105 738</b>	661 053	1 743 027
<b>EBITDA</b>			
Adjusted EBITDA	<b>66 005</b>	10 241	94 176
Corporate and other overheads	<b>(5 580)</b>	(15 974)	(4 952)
Depreciation	<b>(10 928)</b>	(8 103)	(19 584)
Inter-segment expenses	<b>(7 168)</b>	-	(26 197)
Discontinuing operations	-	(767)	(5 355)
<b>Operating profit/(loss) per consolidated statement of comprehensive income</b>	<b>42 329</b>	(14 603)	38 088
Finance income	<b>88</b>	261	349
Finance costs	<b>(3 728)</b>	(4 599)	(9 725)
<b>Profit/(loss) before taxation per consolidated statement of comprehensive income</b>	<b>38 689</b>	(18 941)	28 712
<b>Assets</b>			
Reportable segment assets	<b>1004 164</b>	848 691	776 499
Corporate and other assets	<b>14 583</b>	15 272	14 405
Current tax receivable	<b>11 915</b>	3 767	6 025
Deferred tax	<b>505</b>	-	550
Inter-segment right-of-use asset	<b>(95 607)</b>	(78 614)	(103 131)
<b>Total assets per statement of financial position</b>	<b>935 560</b>	789 116	694 348
<b>Liabilities</b>			
Reportable segment liabilities	<b>461 129</b>	377 647	255 476
Corporate and other liabilities	<b>18 739</b>	21 931	17 129
Deferred tax	<b>22 618</b>	15 395	22 556
Taxation payable	<b>619</b>	-	619
Inter-segment lease liability	<b>(95 415)</b>	(84 253)	(99 702)
<b>Total liabilities per statement of financial position</b>	<b>407 690</b>	330 720	196 078

**15. Related party information**

There have been no transactions with related parties during the period ended 30 June 2021, save for various intercompany transactions in the ordinary course of business.

**16. Subsequent events**

The directors are not aware of any other matters of significant events arising since the end of the reporting period, which would materially affect the operations of the Company and Group or its operating segments not dealt with in the financial results.

## 17. **Going Concern**

The summary consolidated Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and liabilities, contingent obligations and commitments will occur in the ordinary course of the business.

At 30 June 2021, the Group's assets, fairly valued, exceeded its liabilities. Furthermore, management assessed the Group's liquidity forecasts for a period of twelve months. Various scenarios have been considered to test the Group's resilience against operational risks.

Management has concluded that the Group's ability to continue to meet its financial obligations as they fall due is dependent on the Group's ability to continue to improve its performance, and the Group's bankers, FNB, renewing the Group's working capital facilities (refer note 6). Each of these matters present a risk to the Group to remain a going concern.

The directors perform a property valuation every three years with the previous valuation having been performed at the end of 2020. The market valuation of the properties was in excess of the carrying value by R42.1 million at the time. The properties are stated at historical cost less accumulated depreciation and impairment losses, in line with the Group's accounting policy.

## **COMMENTARY**

### **Introduction**

The Board of SOH hereby announces its summary consolidated results for the six months ended 30 June 2021 ("the period").

SOH is an investment holding company, comprising of two operational subsidiaries, namely SOEW, a manufacturer of low voltage electrical cables, and Anchor Park, a property holding company.

### **Financial overview**

#### **Earnings**

Group revenue for the period ended 30 June 2021 increased by 67.3% (2020: 14.5% decrease) to R1 105.7 million (2020: R661.1 million). The Group's gross profit increased by 298.8% (2020: 53.6% decrease) to R87.4 million (2020: R21.9 million) and operating profit increased by R67.4 million (2020: R25.9 million) to a profit of R53.8 million (2020: R14.6 million, loss) compared to the prior period.

Group profit before tax increased by 360.3% (2020: 451.3%, decrease in earnings before tax) to a profit of R49.2 million (2020: R18.9 million, loss) compared to the prior period. Basic earnings per share increased by 370.1% (2020: 316.7%, decrease in earnings) to a profit of 17.56 cents (2020: 6.5 cents, loss) with headline earnings per share increasing by 369.7% (2020: 309.7%, increase in headline loss) to a profit of 17.53 cents (2020: 6.5 cents, loss) compared to the prior period. Headline earnings for the period amounted to R35.6 million (2020: R13.2 million, headline loss).

#### **Cash flow and working capital management**

Cash utilised in operations amounted to R83.1 million (2020: R74.9 million) during the period. Working capital increased by R125.7 million (2020: R157.4 million, increase) primarily due to the increase in stock and trade receivables. The stock and trade receivables continue to be well managed in an increasingly challenging credit environment. Working capital investment is currently at 41.3% (2020: 49.8%) of revenue.

The Group invested R2.0 million (2020: R6.7 million) in capital expenditure which was mainly financed by cash and cash equivalents during this period and utilised R11.6 million (2020: R11.1 million) to repay its interest-bearing borrowings.

The Group's net cash utilised during the period amounted to R112.9 million (2020: R98.1 million), improving the bank balance to a negative R92.2 million (2020: R116.5 million) as at end of the reporting period.

## **Segment results**

### ***Electrical cables manufacturing – SOEW***

SOEW reported revenue of R1 105.5 million (2020: R660.8 million), which is an increase of 67.3% (2020: 14.5% decrease) when compared to the same period in the prior year. The increase in SOEW's revenue is attributed mainly due to an increase in demand as a result of the economic conditions.

### ***Property investments – Anchor Park***

Anchor Park's revenue is mainly derived from Group companies, as it leases its properties to fellow subsidiaries.

### **COVID-19 Pandemic**

Whilst it is difficult to predict the impact of the COVID-19 virus on our people and our business we are focusing our daily co-ordination efforts at executive level. From the onset of the COVID-19 pandemic, the Group implemented a range of measures across its operations to manage its impact on the business effectively, while prioritising the health and wellbeing of employees and stakeholders.

The impact of the government's lockdown restrictions on the Group's operations has been challenging, and with the full effects of the crisis on the Group being uncertain, trading conditions have improved as the economy progressively improves in line with the government's risk-adjusted strategy.

The Group is adhering to the best practice measures published by both the World Health Organisation and the National Institute for Communicable Diseases. We believe that curbing the spread of the virus is a collective responsibility and, as a committed corporate citizen, the Group will actively play its part in doing so.

### **Seasonality**

The Group's earnings are affected by seasonality as earnings for the second half of the year are historically higher than the first six months. Management expects the historic seasonal trend to continue in future.

### **Prospects**

The macro-economic environment in which the Group operates is not expected to improve soon. With fundamental political and fiscal uncertainties, and the outbreak of the COVID-19 pandemic, remaining key drivers of economic reality. The Group is therefore focussing on customer service, on reducing costs and using technology to drive growth, productivity and greater efficiencies in a more sustainable manner, which will improve the profitability of the operating entities.

The Board will continue its journey towards improving B-BBEE, recognising the importance of transformation required by the market in which the Group operates. The current B-BBEE status of the Group is not reflective of its view on transformation and this process is receiving heightened attention from the Board.

Management is confident that the above actions will improve the Group's profitability.

#### Director changes

Andre Smith was appointed as Chief Executive Officer with effect from 1 March 2021. Johannes van Rensburg was appointed as a non-executive director with effect from 10 March 2021. Barend Petersen became the alternate to Johannes van Rensburg on the same date and resigned as alternate director on 12 July 2021.

#### Appreciation

The directors would like to express their appreciation towards the management and staff as well as all our valued customers, suppliers, advisors, business partners, shareholders and stakeholders for their continued support.

The above information, including any projections, included in this announcement have not been reviewed or reported on by SOH's independent auditors.

#### On behalf of the Board

KH Pon CA(SA)  
Chairperson

A Smith  
Chief Executive Officer

4 August 2021

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Directors: KH Pon<sup>#</sup> (Chairperson), HL Li<sup>#0</sup> (Deputy Vice-Chairperson), A Smith<sup>\*</sup> (Chief Executive Officer), WP Basson<sup>\*</sup> (Chief Financial Officer), N Lalla<sup>#</sup>, J van Rensburg<sup>√</sup>, CF Chen<sup>√0</sup>, M Chong<sup>#</sup>, JH Yeh<sup>#</sup>, DJC Pan<sup>√@</sup> (Alternate), J Liu<sup>√0</sup> (Alternate)

Company Secretary: WT Green

\* Executive      # Independent Non-executive      √ Non-executive  
   ° Taiwanese @ Brazilian

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#### Corporate Information

**Registered Office:** 12 Botha Street, Alrode 1451, P.O. Box 123738, Alrode, 1451, Telephone: +27(11) 864 1606, Telefax: +27(86) 628 9523, Website: www.southoceanholdings.co.za

**Company Secretary:** WT Green, 21 West Street, Houghton, 2198, P.O. Box 123738, Alrode, 1451

**Sponsor:** AcaciaCap Advisors Proprietary Limited (Registration No: 2006/033725/07), 20 Stirrup Lane, Woodmead Office Park, Woodmead, 2191 (Suite #439, Private Bag X29, Gallo Manor, 2052)

**Share Transfer Secretary:** Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Bierman Avenue, Rosebank, Johannesburg, 2196, P.O. Box 61051, Marshalltown, 2107, South Africa Telephone: +27(11) 370 5000, Telefax: +27(11) 688 5200 Website: www.computershare.com

**Auditors:** PricewaterhouseCoopers Inc. 4 Lisbon Lane, Waterfall City, Jukskei View, Johannesburg, 2090. Telephone: +27(12) 797 4000 Telefax +27(12) 797 5800, Website: www.pwc.co.za