UNAUDITED RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

WBHO

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WILSON BAYLY HOLMES-OVCON LIMITED
Building and civil engineering contractor
(Registration number: 1982/011014/06)
ISIN number: ZAE 000009932 Share code: WBO

BASIS OF PREPARATION

for the six months ended 31 December 2020

The consolidated interim financial statements are prepared in accordance with the JSE Limited Listings Requirements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and, at a minimum, contain the information required by IAS 34: *Interim Financial Reporting* and the requirements of the Companies Act of South Africa.

The accounting policies applied in the preparation of the consolidated interim financial statements are in terms of International Financial Reporting Standards and are consistent with the accounting policies applied in the preparation of the previous consolidated annual financial statements.

The consolidated interim financial statements have been compiled under the supervision of the Chief Financial Officer, Charles Henwood CA (SA), and were approved by the Board on 26 February 2021.

The consolidated interim financial statements for the period ended 31 December 2020 have not been audited or reviewed by the Group's auditors, BDO South Africa Incorporated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2020

	Unaudited December 2020 R'000	Unaudited December 2019 R'000	Audited June 2020 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	**1 883 805**	1 929 294	2 054 254
Right-of-use assets	**343 319**	373 913	406 690
Goodwill	**1 029 604**	934 465	1 085 894
Equity-accounted investees	**957 352**	955 738	1 105 159
Long-term receivables	**273 000**	389 775	283 598
Deferred tax	**735 135**	667 984	733 583
Total	**5 222 215**	5 251 169	5 669 178
Current assets			
Inventories	**361 137**	328 700	364 992
Contract assets	**805 998**	1 115 253	864 638
Trade and other receivables	**6 016 627**	5 693 495	6 212 471
Current tax assets	**210 720**	254 860	199 549
Cash and cash equivalents	**5 033 766**	5 108 412	7 599 344
Total	**12 428 248**	12 500 720	15 240 994
Total assets	**17 650 463**	17 751 889	20 910 172
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**28 565**	28 565	28 565
Reserves	**5 373 130**	5 946 216	5 647 882
Shareholders' equity	**5 401 695**	5 974 781	5 676 447
Non-controlling interests (NCI)	**181 610**	280 411	205 173
Total	**5 583 305**	6 255 192	5 881 620
Non-current liabilities			
Lease liabilities	**287 233**	255 109	352 336
Long-term liabilities	**269 524**	331 939	305 984
Deferred tax	**27 411**	25 317	27 979
Total	**584 168**	612 365	686 299
Current liabilities			
Contract liabilities	**3 104 366**	3 168 035	2 998 037
Trade and other payables	**6 448 021**	5 742 999	8 912 917
Provisions	**1 891 480**	1 967 771	2 368 563
Current tax liabilities	**39 123**	5 527	62 736
Total	**11 482 990**	10 884 332	14 342 253
Total equity and liabilities	**17 650 463**	17 751 889	20 910 172

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME

for the six months ended 31 December 2020

	% change	Unaudited December 2020 R'000	Unaudited December 2019 R'000	Audited June 2020 R'000
Revenue	(11,1)	**20 361 503**	22 894 398	43 080 295
Operating profit/(loss) before non-trading items	(57,9)	**110 971**	263 720	(541 341)
Deemed loss on disposal of equity-accounted investee		**(8 350)**	–	–
Impairment of loans		**(3 613)**	–	–
Impairment of goodwill		**(17 022)**	–	–
Share-based payment expense		**(16 194)**	(21 324)	(43 986)
Operating profit/(loss)		**65 792**	242 396	(585 327)
Share of profits and losses from equity-accounted investees		**69 409**	70 560	109 284
Finance income		**57 255**	101 490	200 864
Finance costs		**(18 425)**	(16 226)	(35 013)
Profit/(loss) before taxation		**174 031**	398 220	(310 192)
Income tax expense		**(130 280)**	(148 420)	(197 921)
Profit/(loss) for the period		**43 751**	249 800	(508 113)
Other comprehensive income (OCI)				
Items that may be reclassified through profit or loss:				
Translation of foreign operations		**(188 542)**	(26 477)	269 266
Translation of foreign operations reclassified through profit or loss on disposal		**–**	–	14 250
Translation of net investment in a foreign operation		**(71 320)**	31 376	178 549
Tax effect of the above items		**19 970**	(8 785)	(49 994)
Share of OCI from equity-accounted investees		**(64 966)**	(1 463)	55 476
Total comprehensive (loss)/income for the period		**(261 107)**	244 451	(40 566)
Profit/(loss) for the period attributable to:				
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		**17 155**	218 658	(497 827)
Non-controlling interests		**26 596**	31 142	(10 286)
		43 751	249 800	(508 113)
Total comprehensive (loss)/income attributable to:				
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		**(281 405)**	213 309	(53 860)
Non-controlling interests		**20 298**	31 142	13 294
		(261 107)	244 451	(40 566)
Earnings/(loss) per share (cents)				
Basic earnings/(loss) per share	(92,2)	**32,3**	411,7	(936,6)
Diluted earnings/(loss) per share	(92,2)	**32,3**	411,5	(936,4)
Headline earnings/(loss) per share	(80,2)	**81,3**	411,3	(923,3)
Diluted headline earnings/(loss) per share	(80,2)	**81,3**	411,2	(923,2)
Dividend per share	–	**–**	–	–

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2020

	Share capital R'000	Foreign currency translation reserve R'000	Equity-settled share-based payments reserve R'000	Retained earnings R'000	Shareholders' equity R'000
At 30 June 2019	28 565	160 572	(18 776)	5 701 825	5 872 186
Adoption of IFRS 16 net of tax	–	–	–	(2 084)	(2 084)
Profit for the period	–	–	–	218 658	218 658
Other comprehensive loss	–	(3 886)	–	–	(3 886)
Share of movement in equity-accounted investees' equity	–	(1 463)	–	–	(1 463)
Dividend paid	–	–	–	(105 501)	(105 501)
Share-based payment expense	–	–	21 324	–	21 324
Share-based settlement	–	–	(16 239)	–	(16 239)
Acquisition of NCI without a change in control	–	–	–	(8 214)	(8 214)
At 31 December 2019	28 565	155 223	(13 691)	5 804 684	5 974 781
Adoption of IFRS 16 net of tax	–	–	–	5 930	5 930
Profit for the period	–	–	–	(716 485)	(716 485)
Other comprehensive income	–	392 377	–	–	392 377
Share of movement in equity-accounted investees' equity	–	56 939	–	–	56 939
Dividend paid	–	–	–	(3 571)	(3 571)
Share-based payment expense	–	–	22 662	–	22 662
Share-based settlement	–	–	5 489	–	5 489
Acquisition of NCI without a change in control	–	–	–	(61 675)	(61 675)
At 30 June 2020	28 565	604 539	14 460	5 028 883	5 676 447
Profit for the period	**–**	**–**	**–**	**17 155**	**17 155**
Other comprehensive loss	**–**	**(239 892)**	**–**	**–**	**(239 892)**
Share of movement in equity-accounted investees' equity	**–**	**(64 966)**	**–**	**–**	**(64 966)**
Share-based payment expense	**–**	**–**	**16 194**	**–**	**16 194**
Acquisition of NCI without a change in control	**–**	**–**	**–**	**(3 242)**	**(3 242)**
At 31 December 2020	**28 565**	**299 680**	**30 654**	**5 042 796**	**5 401 695**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 31 December 2020

	Unaudited December 2020 R'000	Unaudited December 2019 R'000	Audited June 2020 R'000
Operating loss before working capital requirements	**(226 800)**	(36 629)	(329 137)
Working capital changes	**(2 028 530)**	(723 281)	1 119 537
Cash (utilised in)/generated from operations	**(2 255 330)**	(759 910)	790 400
Dividends received	**14 214**	–	72 606
Finance income	**45 013**	103 830	181 814
Finance costs	**(5 839)**	(3 399)	(5 895)
Income tax paid	**(164 202)**	(241 603)	(171 438)
Dividends paid	**(10 191)**	(111 047)	(113 707)
Cash (utilised in)/retained from operating activities	**(2 376 335)**	(1 012 129)	753 780
Cash flow from investing activities			
Advance of long-term receivables	**(425)**	(2 659)	(25 070)
Receipts from repayment of long-term receivables	**112 340**	14 178	57 148
Additional investment in equity-accounted investees	**(1 131)**	–	(24 292)
Loans advanced to equity-accounted investees	**(91 605)**	–	(279 197)
Loans repaid by equity-accounted investees	**227 139**	287 154	516 420
Proceeds on disposal of property, plant and equipment	**15 134**	14 200	30 247
Acquisition of property, plant and equipment	**(43 723)**	(103 614)	(137 044)
Cash flows from investing activities	**217 729**	209 259	138 212
Cash flow from financing activities			
Bank loans received	**–**	88 814	103 357
Acquisition of NCI without a change in control	**(8 456)**	(3 938)	(133 033)
Purchase of shares for equity-settled incentives	**–**	(16 220)	(11 422)
Instalments in respect of lease liabilities	**(90 016)**	(95 700)	(189 380)
Cash flows from financing activities	**(98 472)**	(27 044)	(230 478)
Net (decrease)/increase in cash and cash equivalents	**(2 257 078)**	(829 914)	661 514
Foreign currency translation effect on cash balances	**(312 228)**	(13 659)	985 845
Cash and cash equivalents at the beginning of the period	**7 599 344**	5 951 985	5 951 985
Cash and cash equivalents acquired	**3 728**	–	–
Cash and cash equivalents at the end of the period	**5 033 766**	5 108 412	7 599 344
Restricted cash balances that relate to monies held in trust on behalf of subcontractor retentions in Australia	**134 626**	77 537	141 618

NOTES TO THE SUMMARY CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the six months ended 31 December 2020

		Unaudited December 2020 R'000	Unaudited December 2019 R'000	Audited June 2020 R'000
1. SEGMENT INFORMATION				
Operating segments				
Revenue	% change			
Building and civil engineering	(4.4)	**3 853 140**	4 032 260	6 495 486
Roads and earthworks	(11.0)	**2 644 902**	2 970 508	4 979 575
Australia	(14.6)	**10 315 472**	12 073 218	24 656 604
United Kingdom	(10.4)	**3 128 903**	3 491 165	6 452 136
Total construction revenue	(11.6)	**19 942 417**	22 567 151	42 583 801
Property developments		**1 491**	609	2 537
Construction materials	27.8	**417 595**	326 638	493 957
Total revenue	(11.1)	**20 361 503**	22 894 398	43 080 295
Operating profit/(loss)	% margin			
Building and civil engineering	3.6	**138 783**	152 265	142 397
Roads and earthworks	5.8	**153 482**	136 413	236 859
Australia	(3.2)	**(329 658)**	(173 575)	(1 198 855)
United Kingdom	4.3	**133 520**	149 412	301 991
Total construction operating profit/(loss)	0.5	**96 127**	264 515	(517 608)
Property developments		**12 371**	446	510
Construction materials	0.6	**2 473**	(1 241)	(24 243)
Total operating profit before non-trading items	0.6	**110 971**	263 720	(541 341)
Geographical revenue	% growth			
South Africa	(11.7)	**5 376 134**	6 088 256	9 544 028
Rest of Africa	24.1	**1 540 994**	1 241 759	2 427 527
Australia	(14.6)	**10 315 472**	12 073 218	24 656 604
United Kingdom	(10.4)	**3 128 903**	3 491 165	6 452 136
		20 361 503	22 894 398	43 080 295
Geographical operating profit	% margin			
South Africa	4.1	**219 916**	199 087	201 736
Rest of Africa	5.7	**87 193**	88 796	153 787
Australia	(3.2)	**(329 658)**	(173 575)	(1 198 855)
United Kingdom	4.3	**133 520**	149 412	301 991
Total operating profit before non-trading items		**110 971**	263 720	(541 341)
Non-current assets excluding deferred tax				
South Africa		**1 702 036**	1 860 631	1 639 377
Rest of Africa		**399 387**	385 793	617 885
Australia		**1 277 937**	1 191 315	1 404 427
United Kingdom		**1 107 720**	1 145 446	1 273 906
		4 487 080	4 583 185	4 935 595

		Unaudited December 2020 R'000	Unaudited December 2019 R'000	Audited June 2020 R'000
2. DISAGGREGATION OF REVENUE				
Geographical revenue	% growth			
South Africa	(11.7)	**5 376 134**	6 088 256	9 544 028
Building and civil engineering		**3 542 348**	3 876 901	6 029 157
Roads and earthworks		**1 309 052**	1 710 369	2 743 422
Construction materials		**523 243**	500 377	768 912
Property developments		**1 491**	609	2 537
Rest of Africa	24.1	**1 540 994**	1 241 759	2 427 527
Building and civil engineering		**310 791**	155 968	466 331
Roads and earthworks		**1 174 191**	1 085 791	1 926 675
Construction materials		**56 012**	–	34 521
Australia	(14.6)	**10 315 472**	12 073 218	24 656 604
Building and civil engineering		**7 924 157**	8 514 260	17 659 827
Roads and earthworks		**2 391 315**	3 558 958	6 996 777
United Kingdom	(10.4)	**3 128 903**	3 491 165	6 452 136
Building and civil engineering		**3 128 903**	3 491 165	6 452 136
		20 361 503	22 894 398	43 080 295
3. RECONCILIATION OF HEADLINE EARNINGS				
Attributable profit		**17 155**	218 658	(497 827)
Adjusted for:				
Loss on deemed disposal of equity-accounted investment		**8 350**	–	–
Impairment of loans		**3 613**	–	–
Impairment of goodwill		**17 022**	–	–
Loss on disposal of property, plant and equipment		**(4 553)**	(381)	(4 510)
FCTR recycled through OCI		**–**	–	14 250
Non-controlling interest in above transactions		**550**	206	150
Tax effect of above transactions		**1 081**	3	(2 786)
Equity-accounted investees:				
Profit on disposal of property, plant and equipment		**45**	–	(64)
Tax effect of the above transactions		**(13)**	–	18
Headline earnings		**43 250**	218 486	(490 769)
4. ORDINARY SHARES				
Ordinary shares in issue		**59 890**	59 890	59 890
Weighted average number of shares		**53 181**	53 116	53 151
Diluted weighted average number of shares		**53 186**	53 138	53 162

5. JUDGEMENTS AND ESTIMATES

In preparing these consolidated interim financial statements, management has made judgements and estimates in the application of the accounting policies that affect the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last consolidated annual financial statements.

6. BUSINESS COMBINATION

The principle activities performed by iKusasa SA (Pty) Ltd include the construction and maintenance of railway lines, overhead track equipment, track related civil works and the supply of related concrete products. In 2017, the Group sold a 51% interest in iKusasa Rail SA (Pty) Ltd to a black partner via a vendor financing arrangement. A number of prominent rail opportunities in South Africa were on the horizon and these were to be pursued by the business. Regrettably, none on these opportunities materialised and the rail market in South Africa has been exceptionally quiet resulting in the business incurring losses over the last two financial years. On 1 July 2020, the Group acquired 100% control of iKusasa Rail SA (Pty) Ltd. The revised business value has been applied against the vendor loan and the outstanding balance is to be settled in cash within the current financial year. Despite the significant losses incurred over recent years, the Group still believes in the long-term prospects of the local rail market and the viability of the business. In obtaining control of the business, the Group is better able to obtain economies of scale in anticipation of increased future activity.

The investment has been accounted for as an equity-accounted investment up until the date of the change in shareholding. In terms of IFRS 3: Business combinations, where control is achieved in stages, a deemed disposal of the Group's investment in the equity-accounted investee is recognised as follows:

	R'000
Fair value of the group's interest in the business at the date of deemed disposal	7 215
Less: Carrying value at 1 July 2020	(15 565)
Loss on deemed disposal	**(8 350)**

The controlling interest of the Group in the fair value of the identifiable assets and liabilities (including any identified intangible assets) of the subsidiary is subsequently recognised in terms of the provisions of IFRS 3. No new intangible assets were identified.

The following provisional information summarises the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date:

	R'000
ASSETS	
Non-current assets	
Property,plant and equipment	6
Long term receivables	500
Contract debtors	3 669
Contract assets	1 453
Other current assets	4 365
Cash and cash equivalents	3 728
	13 721
LIABILITIES	
Intercompany loans	1 896
Contract liabilities	606
Trade and other payables	5 298
Contract accruals	4 373
Payroll accruals	1 578
Provisions	2 267
	16 018

	R'000
Consideration paid to obtain control	7 510
Fair value of previously held interest	7 215
	14 725
Fair value of identifiable net liabilities	2 297
Goodwill recognised on acquisition	**17 022**

7. EVENTS AFTER THE REPORTING DATE

On 14 January 2021, the non-controlling shareholders of Russell-WBHO Limited exercised their put options in terms of the share purchase agreement. The transaction was concluded on 11 February 2021 for a consideration of £6,6 million (R136 million) and will increase the Group's shareholding in Russell-WBHO Limited from 80% to 90%. A true-up of £337 thousand (R6,9 million) was paid on the second put option exercised in January 2020.

The Board is not aware of any other matter or circumstance arising since the end of the reporting period not otherwise dealt with in the consolidated interim financial statements, that could significantly affect the financial position of the Group at 31 December 2020 or the results of its operations or cash flows for the six months then ended.

COMMENTARY

OVERVIEW

The Group's operations in Africa and the United Kingdom (UK) once again produced solid results over the first six months of the financial year amidst a challenging environment. Despite further losses incurred within the infrastructure business in Australia, both the Australian building operations and the wider Group returned to profitability.

Although both operational performance and new work procurement improved significantly over the course of the current reporting period, COVID-19 continued to exert some influence. From a health and safety perspective, a further 175 employees contracted the virus over the six-month period to 31 December 2020.

FINANCIAL REVIEW

REVENUE AND OPERATING PROFIT

Group revenue declined by 11% from R22,9 billion at 31 December 2019 to R20,4 billion for the current six-month period. Within the African operations, a decrease of 12% in revenue from South Africa was offset to some extent by a 24% increase in revenue from the rest of Africa, largely due to strong activity in Mozambique. Revenue from Australia declined by 27% in Australian dollar terms partially due to the lock down restrictions implemented in Melbourne, but also a result of strict project selection aimed at securing more manageable and lower-risk projects for the right clients. Activity from the UK operations also declined, resulting in a 22% decrease in revenue from the region in pound terms. The impact of lower foreign revenues from Australia and the UK was somewhat mitigated by a weaker local currency resulting in a positive foreign currency translation effect on revenue of R1,9 billion.

Operating profit before non-trading items declined to R111 million at 31 December 2020 from R264 million in the comparative period. This decrease is primarily a result of the impact of COVID-19 on the Australian building business and an additional loss of AU$28 million provided for on WRU, where in the comparative period a loss of AU$20 million was recognised. The combined profitability from the remaining operations of the Group was broadly in line with the comparative reporting period. The operating margin was 0,6% compared to 1,2% in the prior period. The operating margin was 2,1% when the impact of the WRU loss is excluded.

EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

At 31 December 2020, the Group generated earnings per share of 32 cents per share compared to earnings per share of 412 cents at 31 December 2019. The headline earnings per share amounted to 81 cents per share versus headline earnings per share of 411 cents in the comparative period. These earnings equate to a 92% and 80% decrease respectively.

Significant income earned from equity-accounted investees during the reporting period comprised of earnings of R24,4 million from the Gigajoule group of companies engaged in the supply of gas and electricity in Mozambique, and a profit after tax of R33,5 million arising from the transfer of units within the Glen Sky Gardens development in Australia.

CASH AND CASH EQUIVALENTS

Cash reserves in excess of R5 billion have been successfully maintained and are comparable with the cash reserves of the prior reporting period. Foreign cash balances decreased from R5,7 billion at 30 June 2020 to R3,4 billion at 31 December due to the seasonal early settlement of subcontractors in Australia ahead of the holiday season. This reduction is illustrated in the working capital cash outflows of R2 billion in the statement of cash flows and a decrease of R2,5 billion in the trade and other payables balance in the statement of financial position. Since 30 June 2020, local cash balances have decreased by R215 million to R1,7 billion, due to the funding of Australia.

Capital expenditure declined from R141 million to R49 million, of which R44 million was acquired for cash and R5 million was financed. Depreciation amounted to R165 million (Dec 2019: R167 million), of which R42 million was recognised in respect of right-of-use assets.

CONTINGENT LIABILITIES

Financial guarantees issued to third parties, amount to R10,2 billion compared to R10,1 billion in issue at 30 June 2020.

EQUITY-ACCOUNTED INVESTEES

The table below provides information on the different types of investments over which the Group has significant influence but not control:

				Investment and loans		Share of after-tax profit/(loss)		
Entity	Industry	Country	Effective %	**31 Dec 2020 Rm**	30 June 2020 Rm	**31 Dec 2020 Rm**	31 Dec 2019 Rm	30 June 2020 Rm
CONSTRUCTION:								
Edwin Construction	Infrastructure construction	South Africa	49	**84,5**	84,0	**4,7**	0,6	4,6
iKusasa Rail SA*	Railway maintenance and construction	South Africa	49	**–**	3,3	**–**	(7,4)	(8,0)
Ilembe Airport Construction Services	Airport construction	South Africa	26	**3,8**	3,8	**–**	–	–
CONCESSIONS:								
Dipalopalo	Serviced accommodation	South Africa	27,5	**55,6**	57,8	**–**	–	–
DFMS Joint Venture	Serviced accommodation	South Africa	14,6	**6,2**	4,6	**1,6**	0,9	2,3
Tshala Bese Uyavuna (RF)	Serviced accommodation	South Africa	32,5	**0,3**	–	**–**	–	–
Gigajoule International	Gas supply	Mozambique	26,6	**188,5**	246,1	**16,0**	11,7	23,2
Gigajoule Power	Power	Mozambique	13	**173,3**	164,9	**8,4**	11,5	9,5
PROPERTY DEVELOPMENTS:								
Catchu Trading	Residential	South Africa						
Phase 1			50	**16,6**	28,7	**–**	7,3	22,6
Phase 2			50	**30,7**	30,6	**–**	–	–
Caulfield	Residential	Australia	30	**–**	53,2	**–**	46,8	56,0
The Glen Sky Gardens	Residential	Australia	20	**170,8**	131,1	**33,5**	–	–
PROPERTY DEVELOPER:								
Russell Homes Limited	Residential schemes and house builder	United Kingdom	31,7	**227,8**	298,1	**5,2**	(0,9)	0,2
Total				**958,1**	1 106,1	**69,4**	70,5	109,3
Expected credit loss				**(0,7)**	(0,9)	**–**	–	–
Total				**957,4**	1 105,2	**69,4**	70,5	109,3

** iKusasa Rail SA became a subsidiary on 1 July 2020.*

OPERATIONAL REVIEW

BUILDING AND CIVIL ENGINEERING

	% change	31 December 2020 Rm	31 December 2019 Rm	30 June 2020 Rm
Revenue	4,4% decline	**3 853**	4 032	6 495
Operating profit	3,6% margin	**139**	152	142
Capital expenditure		**1**	26	27
Depreciation		**11**	12	26

Revenue from the Building and civil engineering division decreased by 4,4% over the preceding period and while operating profit decreased by a 8,5%, the operating margin of 3,6% was comparable with that at 31 December 2019.

BUILDING

Overall building revenues improved by 60% over the second half of FY2020 which was severely impacted by the COVID-19 lockdown period in South Africa. As such, revenue in the current period was supported by deferred activity from H2:FY2020 as well as the award of a number of delayed projects from the same period. These factors contributed to revenue being only 4% down over the six-month period to 31 December 2019, which was prior to the onset of COVID-19.

In Gauteng, the division produced a solid result for the period. However new work procurement continues to prove challenging. The industrial buildings and warehousing sectors remain a strong source of activity comprising 50% of revenue over the six months and continues to offer construction opportunities with a new large-scale project secured subsequent to the current reporting period. Commercial office and mixed-use development activity in the region has halved over the last two years and now comprises 33% of revenue generated. The division continues to target and secure smaller developments in the sub-R250 million market of this sector.

In the coastal regions, both the Western and Eastern Cape divisions continued to deliver robust performances off of strong order book levels. In the Western Cape, mixed-use developments, commercial offices and hotel projects were the main drivers of activity while in the Eastern Cape the industrial building and warehouse sector again featured strongly supported by various social housing developments.

In KwaZulu-Natal, a competitive tender market and fewer available projects have resulted in declining revenue over recent reporting periods. While revenue decreased by 44% over the comparative reporting period, the division secured a number of significant new projects both during and subsequent to the reporting period that will substantially improve activity levels over the second half of the financial year and well into future periods. Completion of various warehousing projects as well as the division's flagship project, the Umhlanga Arch mixed-use development, were the key sources of revenue to 31 December 2020.

In the rest of Africa, the refurbishment of a hotel in Lusaka, Zambia remains the only active project. However construction of a new logistics container depot for Grindrod in Mozambique should commence in the second half of the financial year and the division is the preferred bidder on another new project in Botswana.

CIVIL ENGINEERING

Revenue from the Civil engineering division improved by 29% over the second half of FY2020 but remained 19% down on the comparative period. Following a strict and prolonged lockdown due to COVID-19 at the 9 500-man camp in Mozambique, the project only regained full productivity in September 2020. This, together with minimal new work opportunities both locally and in Zambia have hindered the division's efforts to replace completed projects and contributed toward the lower revenue generated for the current six-month period.

In South Africa, the commercial crude oil terminal facility at Saldanha (undertaken in conjunction with the Roads and earthworks division) reached final completion during the period as well as settling all outstanding commercial positions. The contract for the manufacture and supply of 80 concrete towers standing 100 metres tall for the Copperton and Garob wind farm near Prieska in the Northern Cape is also nearing completion. The Vlakfontein Reservoir entailing construction of a 158m diameter concrete reservoir with associated pipework and valve chambers in joint venture with VRP partner, Motheo Construction and another emerging contractor, the re-access works at the Kusile Power Station and a recently awarded new silo for Exxaro at the Matla Mine in Mpumalanga, made up the balance or works undertaken locally.

In Mozambique, having resumed full productivity at the 9 500-man camp, the project finally gained some momentum over the second quarter of FY2021 with 1 536 beds and associated infrastructure handed over by 31 December 2020. During the reporting period, the division was also awarded a new marine project on the same gas project for the construction of a new quay.

The sluggish economic environment in Zambia together with the imminent nationalisation of the Mopani copper mine has resulted in a scarcity of any new work opportunities within the division's target markets. While the completion of the existing larger projects during the current reporting period resulted in revenue from the region declining by 50%, the division continues to secure smaller sundry contracts sufficient to cover its overhead cost.

ROADS AND EARTHWORKS

	% change	31 December 2020 Rm	31 December 2019 Rm	30 June 2020 Rm
Revenue	11,0% decline	**2 645**	2 971	4 980
Operating profit	5,8% margin	**153**	136	237
Capital expenditure		**35**	75	116
Depreciation		**53**	71	113
Right-of-use assets recognised in the period		**–**	–	6
Right-of-use assets depreciation		**1**	–	2

Revenue from the Roads and earthworks division improved by 32% over the second half of the previous financial year but decreased by 11% when compared to 31 December 2019. Unlike the building operations, the division did not benefit significantly from any deferred activity in the current period. A 25% decrease in activity in South Africa and a 50% decline in activity from Botswana were mostly offset by strong growth of 88% in Mozambique and 74% in Ghana, albeit that the growth in Ghana was achieved from a relatively low base. Pleasingly, the division delivered a 13% increase in operating profit at a margin of almost 6% compared to 4,6% at the same time last year.

In South Africa, the completion of a number of projects, a more conservative bidding strategy within Roadspan, the division's road surfacing and asphalt and bitumen supply business, the ongoing suspension of the Zulti South Pipeline for Richard's Bay Minerals and a lower order intake over the second half of FY2020 as well the current reporting period were the main causes behind the decrease in revenue. Roadwork projects and infrastructure projects for the mining and energy sectors continue to be the primary drivers behind activity accounting for 85% of revenue, followed by pipeline infrastructure and low-cost housing.

In the rest of Africa, the division experienced exceptionally strong growth in Mozambique both through the award of new projects as well as additional works secured on existing projects at Total's Area 1 of the LNG gas project at Palma. Through its 20-year presence in the country and on-the-ground knowledge of local conditions, the division has provided various innovative solutions for its clients and the in-country team continues to demonstrate their value.

In Botswana, the division simultaneously secured a number of large-scale mining infrastructure projects in previous reporting periods. These projects led to record levels of revenue being reported in FY2019 and FY2020. Activity levels have normalised in the current reporting period as these projects have reached completion.

Projects in West Africa are limited to Ghana where the division is active at the Ahafo and Obuasi mines as well as on two public sector road projects in partnership with citizen-owned companies. With limited mining infrastructure opportunities in the region, the West African team successfully targeted a new project in Madagascar which will commence in earnest in the second half of the financial year.

AUSTRALIA

	% change	31 December 2020 Rm	31 December 2019 Rm	30 June 2020 Rm
Revenue				
Probuild		**7 924**	8 514	17 660
Infrastructure – Western region		**1 003**	1 257	2 039
Infrastructure – Eastern region		**1 388**	2 302	4 958
Total	14,6% decline	**10 315**	12 073	24 657
Operating loss				
WBHO Australia		**(7)**	–	–
Probuild		**2**	11	(133)
Infrastructure – Western region		**30**	45	93
Infrastructure – Eastern region		**(355)**	(230)	(1 159)
Total	(3,2%) margin	**(330)**	(174)	(1 199)
Capital expenditure		**7**	36	89
Depreciation		**34**	24	58
Right-of-use assets recognised in the period		**–**	69	83
Right-of-use assets depreciation		**15**	11	25

Revenue from Australia declined by 15% in rand terms but by 27% in Australian dollar terms. This was primarily due to productivity being affected by a seven-week, COVID-19 related hard lockdown implemented in Victoria that prohibited any physical construction works, decreased revenue from the winding down of WRU and a lower order intake due to applying stricter bid requirements on new projects. The combined operating loss worsened to R330 million from R174 million at 31 December 2019. Further details in respect of the loss recognised for the reporting period are provided in the relevant sections below.

BUILDING

Revenue from the building business declined from AU$846 million in the comparative period to AU$673 million at 31 December 2020 which can be attributed to softer markets in Australia's two largest states, where the business experienced a 17% decrease in Victoria and a 40% decrease in New South Wales. New work procurement has been affected by COVID-19 in terms of business uncertainty in general as well as additional uncertainty from a developer perspective around residential and commercial office space. A wait-and-see approach as to the outcome of the pending sale of the business may also have been a factor in awarding contracts over the period. Having said that, the business was still able to secure approximately AU$800 million of new work over the six-month period to 31 December 2020.

Operating profit was affected by a more conservative approach toward reliance on certain contractual positions arising from a new business strategy developed for the business after the unsuccessful outcome of the potential sale of Probuild, as well as AU$3,4 million of COVID-19 related costs as a consequence of the seven-week lockdown.

While residential activity in Victoria has softened over recent years it continues to provide a number of projects each year and comprised 36% of revenue during the period. Commercial activity continues to improve and with a number of prominent projects under construction contributed the bulk of the region's revenue at 52%. The retail sector is also beginning to revive and Probuild has secured a sizeable portion of the AU$160 million refurbishment and expansion project at the Karingal Hub located at the Mornington peninsula.

In New South Wales, Probuild successfully achieved practical completion of the Greenland Centre during the period, Sydney's tallest residential tower at 237m. Work is also progressing well on the MLC Centre redevelopment, an iconic 67 storey landmark in Sydney's CBD. The project comprises the refurbishment of 41 000m^2 over 10 levels, including three levels of bespoke retail and six basement levels.

The 443 Queen Street project in Queensland continues to track its revised programme and is due for completion in October 2021. In Western Australia (WA), Probuild is busy with the Greater Curtin Stage One Student Accommodation project in Perth. The AU$300 million project is made up of two student accommodation buildings, a third building housing 38 apartments and 60 hotel rooms. The buildings sit over a mixed-use precinct of retail, commercial and recreational spaces. Under the new business strategy developed for Probuild, a permanent presence in these two regions will cease and select projects will be pursued where the stricter bidding requirements can be achieved.

INFRASTRUCTURE AND CIVIL ENGINEERING

Revenue from the overall infrastructure business decreased by 43% as revenue from WRU fell sharply. The business reported a AU$29 million loss for the six-month period due to further cost overruns on WRU.

WESTERN ROADS UPGRADE PROJECT (EASTERN REGION)

WRU, a single design and construct project consisting of eight packages for the widening of roads and upgrade of various intersections in suburban Melbourne, had substantially reached physical completion by the end of the reporting period, with only one package extending into February 2021 on which physical construction is now also complete. The project team is now progressing with the quality handover certification and commercial acceptance.

Regrettably, in the current reporting period and subsequent to the finalisation of the last forecast of the expected cost-to-completion, the business terminated the contracts of two underperforming subcontractors, one of which entered insolvency proceedings. The quality reviews currently underway to reach commercial acceptance identified a number of defects requiring rectification at significant cost. As the roads are now under traffic, the cost of traffic management necessary to safely remedy the defects is also a contributing factor. The project also continued to experience utility clashes and increased utility charges. As a result of the defect rectification and staff retention challenges due to the project being physically complete, the contractual date for achieving commercial acceptance is considered to be at risk. All known costs for a further two-month prolongation of the project have been provided for.

During the reporting period, WBHO Infrastructure reached a settlement agreement with the State Government of Victoria of which 80% was paid before the end of the reporting period with the balance to be settled on commercial acceptance. The settlement has provided the project with certainty in respect of revenue recognition and mitigating any further cost overruns as far as possible is now the primary focus, together with advancing the business's claim against the design consultant which has now entered into litigation.

WESTERN REGION

Revenue from the Western Region declined by 32% and the operating profit achieved dropped to AU$2,6 million. Most contracts that had commenced construction before the onset of COVID-19 continued to be executed during the current reporting period under COVID-19-safe protocols, however a lower order intake over the second half of FY2020 impacted revenue for the first half of FY2021. New orders were affected by the delayed award, and in some case cancellation, of new contracts, particularly those located in the remote geographical areas of WA that were affected more severely by regional travel restrictions.

UNITED KINGDOM

	% change	31 December 2020 Rm	31 December 2019 Rm	30 June 2020 Rm
Revenue	10,4% decline	**3 129**	3 491	6 452
Operating profit	4,3% margin	**134**	149	302
Capital expenditure		**5**	4	13
Depreciation		**22**	22	44
Right-of-use assets recognised in the period		**1**	290	291
Right-of-use assets depreciation		**22**	20	42

Overall revenue from the UK declined by 10% in rand terms and 22% in pound terms. Delays in the awarding of projects together with fewer available projects in building markets have negatively affected new orders which is reflected in the declining order book both at 30 June 2020 and at the end of the current six-moth period. Despite operating profit declining by 12% in rand terms and 16% in pound terms, the operating margin was maintained at 4,3%.

BYRNE GROUP

Revenue from the Byrne Group declined by 32% from £115 million to £78 million. All of the decline was attributable to Ellmers Construction as Byrne Bros. produced solid results in line with the comparative period. While sourcing new work within Ellmers' target markets was particularly challenging during the period, these circumstances were anticipated and activity remains in line with management expectations. An overall operating profit of £2,8 million for the group at a margin of 3,7% remains comparable with the £3,6 million operating profit achieved in H1:FY2020 at a margin of 3,2%.

Major projects under construction within Byrne Bros. include Project Iodine – Unity Place, a new digital hub for Santander Bank in Milton Keynes awarded toward the end of FY2020, ongoing construction of the basement and cores for the new Google Headquarters, the Newhurst waste-to-energy plant secured on the back of the successful execution of the Rookery Pits project for the same client, One Nine Elms, a twin tower, mixed-use skyscraper scheme and 1-5 Grosvenor Place, a 189 room hotel and 24 residential apartment scheme. This project is also key for Ellmers who are responsible for a £36 million contract related to the residential apartments.

RUSSELL-WBHO

Russell-WBHO delivered a steadfast performance with revenue declining by 7% from £74 million in H1:FY2020 to £69 million in the current reporting period. Operating profit declined from £5,5 million at a margin of 7,4% to £4,8 million and a margin of 7%.

The residential and hotel sectors remain the primary drivers of activity supported by smaller projects within the commercial office and industrial sectors.

Within the Manchester CBD, hotel developments include the Motel One at Peterloo Square and the Clayton Hotel on Portland Street, both of which are progressing well alongside the luxury Oxygen Tower residential development on Store Street.

Outside of Manchester, the £33 million residential project forming part of the regeneration of the Chatham Docks in Kent also contributed strongly while the newly awarded £40 million contract for the conversion of historic listed municipal buildings in Liverpool into a 180 room boutique hotel commenced construction.

CONSTRUCTION MATERIALS

	% change	31 December 2020 Rm	31 December 2019 Rm	30 June 2020 Rm
Revenue	30,3% increase	**529**	406	713
Inter-company sales		**(112)**	(79)	(219)
Revenue to external customers		**417**	327	494
Operating profit/(loss)	0,6% margin	**2,5**	(1,2)	(24)
Capital expenditure		**0,3**	0,9	16
Depreciation		**4**	4	7
Right-of-use assets recognised in the period		**2**	39	40
Right-of-use assets depreciation		**4**	3	7

The trading environment of the Group's Construction Materials businesses remains exceptionally competitive with very few sizeable longer-term contracts in the market. However, through a successful marketing strategy focussing strongly on the cash sales and sundry markets, Reinforced Mesh Solutions increased turnover and returned to profitability. VSL Solutions, which provides post-tensioning for concrete slabs as well as concrete repairs to the construction market saw revenue declined by 12% in an environment where competitor pricing is extremely aggressive and often below cost.

The combined businesses generated revenue of R529 million before the elimination of inter-company transactions, an increase of 30% over the comparative period. The competitive environment is clearly reflected in the 0,6% margin achieved by the businesses.

ORDER BOOK AND OUTLOOK

Order book by segment	%	At 31 December 2020 Rm	To 30 June 2021 Rm	Beyond 30 June 2021 Rm	%	At 30 June 2020 Rm
Building and civil engineering	**20**	**7 079**	3 653	3 426	17	5 858
Roads and earthworks	**12**	**4 656**	1 985	2 671	13	4 523
Australia	**56**	**19 866**	9 391	10 475	55	19 573
United Kingdom	**12**	**4 177**	2 389	1 788	15	5 407
Total	**100**	**35 778**	17 418	18 360	100	35 361
Order book by geography						
South Africa	**27**	**9 626**	4 423	5 203	24	8 484
Rest of Africa	**5**	**2 109**	1 215	894	6	1 896
Australia	**56**	**19 866**	9 391	10 475	55	19 574
United Kingdom	**12**	**4 177**	2 389	1 788	15	5 407
Total	**100**	**35 778**	17 418	18 360	100	35 361

The Group maintained the total order book of R35 billion at the same level as that at 30 June 2020, thus effectively replacing the work executed over the current reporting period. The African order book increased by 13% comprising a 14% increase in South Africa and an 11% increase in the rest of Africa that offset the 23% decrease in the order book of the UK operations.

AFRICA (INCLUDING SOUTH AFRICA)

The Building and civil engineering division secured over R3 billion in new work over the period, including a number of prominent large-scale building projects, thus boosting its order book by 17% back above R7 billion. These include the large-scale Harbour Arch residential development in the Western Cape and the retail component of the Oceans development in Umhlanga alongside two new industrial buildings, also in KZN. Following these awards, both the Western Cape and KZN regions have healthy order books well into FY2022, with further prospects in their markets. In Gauteng, the division secured various new projects from the sub-R250 million building market. Subsequent to the end of the reporting period, the division also secured a large-scale industrial building project for the Ford Motor Corporation as part of their multi-billion rand investment announced by the President in his SONA address and the public-private partnership (PPP) contract for the design, build, operation and maintenance of a new serviced working environment for the Department of Agriculture, Land Reform and Rural Development finally reached commercial close. This large-scale building project valued at almost R2 billion, together with the Ford project, will bolster the order book further and provide a baseload of building work in Gauteng into FY2022. In the Eastern Cape, activity levels will remain strong through the remainder of FY2021, but taper sharply thereafter. With the timing of potential replacement projects scheduled after the tapering of existing work, activity levels will likely return to normalised levels in the region in FY2022. In the rest of Africa, as previously mentioned, construction of a new logistics container depot for Grindrod in Mozambique is expected to commence in March 2021 and the division is the preferred bidder on a new project in Botswana. The division is also waiting for adjudication on projects in Ghana, however timing remains uncertain. In light of the subdued building activity in South Africa, the division has dedicated some senior resources to explore opportunities in select new territories in the rest of Africa.

At 31 December 2020, the order book of the Civil engineering division had declined by 15%. A number of subsequent awards from within the renewable energy and mining sectors as well as a new project for Transnet have since strengthened this position. Further water infrastructure projects for Rand Water as well as possible additional work at the Kusile Power Station are some of the other local opportunities the division is pursuing. In the rest of Africa, activity on the 9 500-man camp in Mozambique was again disrupted with the project suspended in January 2021 due to the security situation worsening. The heightened threat-level saw construction activity confined to essential works only, one of which is the erection of the security perimeter fence, a project undertaken by the Group's Roads and earthworks division. It is anticipated construction of the camp will resume in March 2021. Despite these disruptions, activity at the LNG gas project is expected to continue generating further new work for the division. Zambia is expected to remain quiet over the short-term.

The Roads and earthworks division has successfully sourced new projects to replace the work performed over the current six-month period. As a result, the order book increased by 3% since 30 June 2020 although the weighting toward the rest of Africa has increased following the sizeable amount of additional work secured in Mozambique. In South Africa, SANRAL activity has definitely improved over the period and while the division disappointingly missed out on two large-scale road projects on which it had tendered, these projects have absorbed significant construction capacity from within the sector and a number of multi-billion Rand projects remain either out for tender or subject to adjudication. In addition, various other promising opportunities exist in the division's traditional road, mining infrastructure and energy sectors. In Botswana, although the division has secured further mining infrastructure work for Debswana at Jwaneng, activity in the region will remain at lower levels until additional new work is secured. In Mozambique, the new work secured on the gas-infrastructure project near Palma, will support activity through the first half of FY2022. The final investment decision from ExxonMobil in respect of Area 4 may also be as early as 2022. Should this materialise, it will further strengthen opportunities in the region. West Africa continues to remain quiet, however a design contract for new roads in Liberia and further works at the Ahafo mine in Ghana are potential projects that may occur in the second half of FY2021.

AUSTRALIA

The unsuccessful conclusion of the sale of Probuild necessitated the implementation of the Group's revised strategy for the business which entails refocusing on the largest two states of Victoria and New South Wales (NSW). Victoria has historically always delivered healthy profitability and NSW is considered to offer the strongest opportunities for sustainable growth. Over recent years, operations in these states have comprised over 80% of the total revenue generated by the Probuild. Building operations in Queensland and Western Australia will be wound down as existing projects are completed and the regional offices have been closed. This strategy should reduce the current overhead structure and circumvent the adverse impacts of over-stretching the management team's oversight of these further away regions. The recent impacts of COVID-19, and in particular the limitations on staff mobility between Australian states and management's ability to visit and influence operations in Western Australia and Queensland, have also been a relevant factor in this decision.

New awards during the period include a AU$190 million build to rent tower in Melbourne for the Caulfield joint venture in which Probuild is a 30% co-owner, a AU$200 million fit out of the CSL Head Office and a AU$270 million project in NSW at the Ribbon, a distressed project previously being constructed by Grocon. A further AU$120 million has been secured through various new projects within Monaco Hickey as well as additional scope of works being added to the Greenland project in respect of the penthouses and the Richmond Malt extensions and demolition works. Probuild has also been awarded preferred contractor positions on a AU$70 million project at 130 Collins Street for Golden Age, a repeat client, and a AU$41 million project at Edmonson Park in NSW.

The Infrastructure and civil engineering order book at 31 December 2020 amounts to AU$106 million down from AU$189 million at 30 June 2020. AU$82 million relates to the Western Region up from AU$74 million at 30 June 2020 and the balance of AU$24 million relates to a construction-only road project in Queensland. In the Western Region there is currently a strong pipeline of work where the State Government is utilising infrastructure development as a primary driver for economic stimulus and as a result, has fast-tracked a number of projects into earlier delivery. Furthermore, stronger commodity prices over the period have translated into an increased pipeline of new work from within the resources industry. Both of these sectors are expected to provide opportunities over next six months as well as looking forward into FY2022.

UNITED KINGDOM

Despite a lull in securing new work over the preceding two six-month periods resulting in a 23% decrease in the combined order book of the UK operations, future work prospects remain promising.

A strong operational performance and sound working relationship with the client on the new Santander project in Milton Keys, elicited an invitation from the client to Byrne Bros to bid upon and potentially negotiate other imminent projects within the client's portfolio. In addition, there are two further waste-to-energy plants currently being bid upon for the same client as the recently completed Rookery Pits contract and current Newhurst project. A revival in infrastructure projects is also evident – in particular the HS2 rail project. Byrne Bros has maintained its strong relationships with the various EPC contractors responsible for construction of this massive project and is expecting to be awarded its first contract in the forthcoming weeks. Byrne Bros has also secured a further £20 million of work since the end of the reporting period. Ellmer Construction has tender for three new packages on the existing 1-5 Grosvenor project and is also bidding on new projects adjacent to the Nine Elms project on which Byrne Bros has a presence. In addition, a new £60 million hotel project in Marylebone has commenced under a letter of limited authority and it is expected that contract will be signed in the coming months.

In Manchester, Russell-WBHO has sufficient work on hand to sustain current activity levels through the second half of the year. A number of projects extend into FY2022 which together with a number of promising prospects at South Heywood, a regional regeneration scheme within the Rochdale Council in Greater Manchester as well as ongoing opportunities within the city itself will continue to support activity through the next financial year.

OUTLOOK

As worldwide vaccination programmes gain momentum over the second half of the financial year and northern hemisphere countries enter their warmer summer months, we are hopeful that the spread of the COVID-19 pandemic will show signs of being contained which, alongside numerous economic revival packages, will stimulate the global economy and begin to restore business confidence.

These initiatives will likely take time to filter through to private sector construction markets and we expect fixed investment from this sector to remain at subdued levels across all regions over the short-term. While this is especially prevalent within the hotel, leisure and commercial building markets, pockets of activity still exist and the Group will vigorously target these opportunities. We have also observed increased activity within the mining sector in South Africa and Australia.

On the other hand, public sector infrastructure spending has been fast-tracked with many shovel-ready projects accelerated across all of the Group's operations. In South Africa, there has been a noticeable increase in the availability of new projects from state-owned entities including Sanral, Eskom, Transnet, Prasa and Rand Water as well public-private partnership projects for serviced accommodation. Renewable energy projects have also gained momentum under Eskom's emergency energy round and bidding in respect of Round 5 is expected to be launched in the second quarter of 2021. In Australia, in the wake of the substantial losses often running into hundreds of millions of Australian dollars being incurred by numerous contractors on public infrastructure projects, state governments have in some instances acknowledged the shortcomings of onerous design and construct contracts. With public infrastructure spending considered a key element in reviving future economic growth, state governments are revising the terms of these contracts and incorporating shared risk on certain items which include utilities. In respect of our UK operations, civil engineering projects stemming from the HS2 rail project as well as other infrastructure projects will likely offer good opportunities over the forthcoming years.

Mozambique is expected to remain the dominant source of activity in the rest of Africa with existing and still to commence gas-infrastructure projects providing future construction opportunities. The Group will continue to target the lower-risk ancillary civil works.

SAFETY

The Group's safety statistics at 31 December 2020 have shown further improvement over those reported at 30 June 2020. The lost-time injury frequency rate (LTIFR) improved from 0,59 injuries per million man hours to 0,55 in the current period, primarily due to a new record low LTIFR of 0,3 within the African operations. Regrettably, the Group suffered a fatality over the period where Mr Siphiwe Kgatla, a subcontractor employee, sadly passed away from injuries sustained on a building project in Johannesburg.

APPRECIATION

The Board and management offer their sincere appreciation to all our employees for their commitment and dedication in support of the Group, through what continues to be uncertain times. We also extend our thanks and support to our clients and understand and acknowledge the difficulties inherent in getting new construction projects to fruition in the current economic environment.

DIVIDEND DECLARATION

In light of the continued losses incurred in Australia and the associated parent company funding required to support the Australian operations, the Board has elected not to declare a dividend in respect of the reporting period ended 31 December 2020.

PRESENTATION OF THE FINANCIAL RESULTS AT 31 DECEMBER 2020

Shareholders and interested parties are advised that a virtual presentation of the Company's unaudited consolidated financial results for the period ended 31 December 2020 will be held on Wednesday, 3 March 2021 at 10:00. The presentation will also be made available on the Company's website at www.wbho.co.za.

WP Neff	CV Henwood	EL Nel
Chief Executive Officer	**Chief Financial Officer**	**Chairman**

2 March 2021

Sponsor: Investec Bank Limited

NOTES

ADMINISTRATION

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