

**HULISANI LIMITED**  
**Registration number 2015/363903/06**  
**(Incorporated in the Republic of South Africa)**  
**("the Group" or "the Company")**  
**Share code: HUL**  
**ISIN: ZAE000212072**

**Condensed consolidated interim financial results for the six months ended 31 August 2019**

# Hulisani Group

(Registration number 2015/363903/06)

Trading as Hulisani Limited

Financial Results for the six months ended 31 August 2019



## Results Overview

### 1. Group overview

Hulisani management is pleased to present the group results for the six months ended 31 August 2019. The Company has reported a significant reduction in losses in a challenging macroeconomic environment, despite an increase in expected loss provisions on certain financial assets. A key contributor to the improved results was an increase in the fair value of our investments in Avon and Dedisa Peaking Power Plants, (through our investment in a convertible loan with Legend Power Solutions (Pty) Ltd (“LPS”)) as a result of increased revenue projections following an increase in the projected utilisation of the power plants. A further contributor to the reduced loss is our investment in GRI Wind Steel South Africa (Pty) Ltd (“GRI”), where a fair value gain in the value of our investment in GRI was realised as a result of the valuation of a written put option (“GRI Option”).

#### Revenue

	Unaudited August 2019 R'000	Unaudited August 2018 R'000	Variance R'000	Variance %
Revenue	25,388	23,593	1,795	8

Revenue for the period under review is reported at R25.4m, an increase of R1.8m from the prior half-year period. Revenue arose from the sale of electricity to Eskom, backed by the PPA contract.

#### Operating expenses

	Unaudited August 2019 R'000	Unaudited August 2018 R'000	Variance R'000	Variance %
Operating expenses	(45,453)	(34,369)	(11,084)	(32)

Operating expenses increased by 32% compared to the prior half-year unaudited results to R45.4m. Included in the operating expenses is an expected loss provision of R17m. Management performed an assessment on the classes of assets which are impacted by the provision of IFRS 9 expected credit losses. The process focused on individual counterparties credit risks in reference to the reported financial assets. The outcome of the assessment classified the assets to have a significant increase in credit risk. The increase in risk has resulted in a change in the categorisation of the financial assets from 12 months to lifetime expected credit loss provision, hence the R17m increase in reported expected loss provision.

#### Net finance costs

	Unaudited August 2019 R'000	Unaudited August 2018 R'000	Variance R'000	Variance %
Finance income	6,680	2,430	4,250	>100
Finance cost	(7,441)	(7,552)	111	2

Finance income of R6.7m earned consists of R0.8m interest in cash balances and R5.9m interest earned on financial investments. The group incurred interest expenses of R7.4m on long term borrowings.

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## Results Overview

### Share of the profit/(loss) from equity accounted investments

	Unaudited August	Unaudited August Restated		
	2019 R'000	2018 R'000	Variance R'000	Variance %
Share of the profit/(loss) from equity accounted investments	3,552	2,248	1,304	58
Kouga Wind Farm (Pty) Ltd	3,552	2,248	1,304	58

Hulisani's share of profit from equity accounted investments for the six months period under review is R3.6m, an increase of 58% from the prior year period.

### Fair value gain

	Unaudited August	Unaudited August Restated		
	2019 R'000	2018 R'000	Variance R'000	Variance %
Fair value gain	8,615	2,535	6,080	>100

In the current half year under review a fair value gain of R6.4m was recognised in the statement of profit or loss in relation to the LPS convertible loan. This was driven by higher revenue projections in line with increased activity of the Avon and Dedisa plants.

An additional R2.2m increase in fair value relates to a derivative put option ("GRI Option"). This is a put option for minorities, which gives Pele SPV13 the right to sell GRI shares to the majority shareholder on the 5<sup>th</sup> anniversary of the acquisition of the investment. Prior period results were restated to account for this option outlined in note 15.

### Loss for the year

	Unaudited August	Unaudited August Restated		
	2019 R'000	2018 R'000	Variance R'000	Variance %
Loss for the year	(6,911)	(10,226)	3,315	32

The Company has shown pleasing growth over the comparative period, reporting a reduced loss of R6.9m relative to the restated loss of R10.2m.

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## Results Overview

### Loss and headline loss per share

	Unaudited August	Unaudited August Restated	Variance R'000	Variance %
	2019 R'000	2018 R'000		
Loss per share	(17)	(23)	6	26
Headline loss per share	(17)	(22)	5	23

Loss per share improved by 26% to 17 cents per share, from the restated 23 cents per share in the prior corresponding period. Headline loss per share improved by 23% to 17 cents per share, from the restated 22 cents per share in the prior corresponding period.

### Cash and cash equivalents

	Unaudited August	Unaudited August Restated	Variance R'000	Variance %
	2019 R'000	2018 R'000		
Cash and cash equivalents	21,218	26,240	(5,022)	(19)

Cash balances have reduced to R21m in the current period compared to R26m in the comparative prior year period. This is mainly due to the Kouga dividend which was timely received in the prior half year period but slightly delayed, and received in September, in comparison to the period under review.

## 2. Strategic and operational highlights

- The Integrated Resource Plan 2019 has been gazetted and the Eskom Roadmap for electricity 2019 has provided certainty in the market and has resulted in a more positive outlook, which we expect to translate to growth opportunities for Hulisani.
- Hulisani maintains a positive outlook on the South African energy sector, notwithstanding uncertainty in the economy and in electricity supply, we believe this presents uncapped growth in the sector.
- We remain committed to our objective of simplifying the business, building up scale and growth over the long term and cost containment.
- We have taken decisive action to focus the business on operational opportunities,
- Strategies to consolidate assets through share for share transactions over the short to medium term are progressing, we believe these will deliver optimal value to existing shareholders.

## 3. Outlook

Our pipeline remains robust and we expect growth opportunities to come through in the next financial year. With a team able to manage significantly more transactions than currently held, we expect to further reduce costs per asset under management and deliver the benefits of focus and simplicity to our shareholders. Despite the challenging economic environment, we remain committed to revenue growth, cost containment and improving long-term shareholder returns.

## 4. Going concern

The unaudited condensed consolidated interim results for the period ended 31 August 2019, have been prepared on a going concern basis.

## 5. Directors

No changes to the board of directors took effect during the period under review.

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## Condensed consolidated statements of financial position

		Unaudited August	Unaudited August Restated	Audited February Restated
	Note(s)	2019 R '000	2018 R '000	2019 R '000
<b>Assets</b>				
<b>Non-current asset</b>				
Property, plant and equipment	8	124,877	129,519	125,771
Intangible assets		142,532	149,397	145,965
Investment in associate	4,15	107,112	114,639	103,560
Investment at fair value through profit and loss	5	83,218	77,599	76,786
Derivatives	15	69,509	63,002	67,326
Loans receivable	6	7,473	6,050	10,127
Investment at amortised cost	7	10,087	-	19,276
Investment at fair value through other comprehensive income	3	-	16,461	-
		<b>544,808</b>	<b>556,667</b>	<b>548,811</b>
<b>Current Assets</b>				
Trade and other receivables		14,399	22,139	22,475
Cash and cash equivalents		21,218	26,240	31,697
		<b>35,616</b>	<b>48,379</b>	<b>54,172</b>
<b>Total Assets</b>		<b>580,425</b>	<b>605,046</b>	<b>602,983</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Stated capital		500,000	500,000	500,000
Other reserves	15	6,562	7,335	6,562
Accumulated loss		(130,477)	(107,253)	(122,106)
Equity attributable to equity holders of parent		376,085	400,082	384,456
Non-controlling interest		27,605	31,767	29,078
		<b>403,690</b>	<b>431,849</b>	<b>413,534</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Long term borrowings	9	118,028	125,492	114,695
Lease liability		2,177	-	-
Deferred tax liability		38,868	35,066	39,616
		<b>159,073</b>	<b>160,558</b>	<b>154,311</b>
<b>Current Liabilities</b>				
Trade and other payables		12,091	9,160	15,382
Borrowings	9	3,876	3,479	11,470
Lease liability		1,695	-	-
Dividend payable		-	-	3,247
Bank overdraft		-	-	5,039
		<b>17,662</b>	<b>12,639</b>	<b>35,138</b>
<b>Total Liabilities</b>		<b>176,735</b>	<b>173,197</b>	<b>189,449</b>
<b>Total Equity and Liabilities</b>		<b>580,425</b>	<b>605,046</b>	<b>602,983</b>

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## Condensed consolidated statements of profit or loss and other comprehensive income

		Unaudited August 2019 R '000	Unaudited August Restated 2018 R '000	Audited February Restated 2019 R '000
	Note(s)			
Revenue	11	25,388	23,593	50,371
Other income		1,000	136	17
Operating gains /(losses)		8,615	2,535	5,996
Operating expenses		(45,453)	(34,369)	(73,303)
<b>Operating loss</b>		<b>(10,450)</b>	<b>(8,105)</b>	<b>(16,919)</b>
Investment income		6,680	2,430	7,485
Finance costs		(7,441)	(7,552)	(14,863)
Share of the profit/(loss) from equity accounted investments	4	3,552	2,248	5,318
<b>Loss before taxation</b>		<b>(7,659)</b>	<b>(10,979)</b>	<b>(18,979)</b>
Taxation		748	753	(3,797)
<b>Loss for the year</b>		<b>(6,911)</b>	<b>(10,226)</b>	<b>(22,776)</b>
<b>Other comprehensive income</b>		-	-	-
<b>Total comprehensive loss for the year</b>		<b>(6,911)</b>	<b>(10,226)</b>	<b>(22,776)</b>
<b>Loss for the year attributable to:</b>				
Owners of the parent		(8,734)	(11,734)	(24,843)
Non-controlling interest		1,823	1,508	2,067
		<b>(6,911)</b>	<b>(10,226)</b>	<b>(22,776)</b>
<b>Total comprehensive loss attributable to:</b>				
Owners of the parent		(8,734)	(11,734)	(24,843)
Non-controlling interest		1,823	1,508	2,067
		<b>(6,911)</b>	<b>(10,226)</b>	<b>(22,776)</b>
<b>Basic and diluted loss per share (c)</b>	12	<b>(17)</b>	<b>(23)</b>	<b>(50)</b>

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## Condensed consolidated statements of changes in equity

31 August 2019

	Stated capital	Other reserves <sup>1</sup>	Accumulated loss	Total attributable to equity holders to the company	Non-controlling interest	Total equity
	R '000	R '000	R '000	R '000	R '000	R '000
<b>Balance at 01 March 2018</b>	<b>500,000</b>	<b>773</b>	<b>(122,874)</b>	<b>377,899</b>	<b>34,625</b>	<b>412,524</b>
Adjustments						
Change in accounting policy	-	(773)	(1,744)	(2,517)	-	(2,517)
Correction of error (Note 15)	-	6,562	27,355	33,917	(1,292)	32,620
<b>Balance at 01 March 2018 as restated</b>	<b>500,000</b>	<b>6,562</b>	<b>(97,263)</b>	<b>409,299</b>	<b>33,333</b>	<b>442,632</b>
Loss for the year	-	-	(24,843)	(24,843)	2,067	(22,776)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(24,843)</b>	<b>(24,843)</b>	<b>2,067</b>	<b>(22,776)</b>
Disposal of a subsidiary	-	-	-	-	272	272
Dividends	-	-	-	-	(6,594)	(6,594)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,322)</b>	<b>(6,322)</b>
<b>Balance at 28 February 2019 as restated</b>	<b>500,000</b>	<b>6,562</b>	<b>(122,106)</b>	<b>384,456</b>	<b>29,078</b>	<b>413,534</b>
Change in accounting policy (Note 2)			363	363	-	363
<b>Balance at 01 March 2019 as restated</b>	<b>500,000</b>	<b>6,562</b>	<b>(121,743)</b>	<b>384,819</b>	<b>29,078</b>	<b>413,897</b>
Loss for the year	-	-	(8,734)	(8,734)	1,823	(6,911)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(8,734)</b>	<b>(8,734)</b>	<b>1,823</b>	<b>(6,911)</b>
Dividends paid	-	-	-	-	(3,296)	(3,296)
<b>Balance at 31 August 2019</b>	<b>500,000</b>	<b>6,562</b>	<b>(130,477)</b>	<b>376,085</b>	<b>27,605</b>	<b>403,690</b>

<sup>1</sup> Other reserves consist of R773 fair value gains on financial assets at fair value through other comprehensive income. The R6.5m balance relates to a call option granted by Hulisani, the option will be settled through the issue of ordinary shares in group entity when exercisable.

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## Condensed consolidated statements of changes in equity

31 August 2018

	Stated capital	Other reserves	Accumulated loss	Total attributable to equity holders to the company	Non-controlling interest	Total equity
	R '000	R '000	R '000	R '000	R '000	R '000
<b>Group</b>						
<b>Balance at 01 March 2018</b>	500,000	773	(122,874)	377,899	34,625	412,524
Adjustments						
Correction of error ( <b>Note 15</b> )	-	6,562	27,355	33,917	(1,292)	32,620
<b>Balance at 01 March 2018 as restated</b>	500,000	7,335	(95,519)	409,299	33,333	442,632
Loss for the year	-	-	(11,734)	(11,734)	1,508	(10,226)
<b>Total comprehensive loss for the year</b>	-	-	(11,734)	(11,734)	1,508	(10,226)
Disposal of a subsidiary	-	-	-	-	272	272
Dividends	-	-	-	-	(3,346)	(3,346)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	-	-	-	-	(3,074)	(3,074)
<b>Balance at 31 August 2018 as restated</b>	500,000	7,335	(107,253)	400,082	31,767	431,849



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## Condensed consolidated statements of cash flows

	Unaudited August 2019 Note(s) R '000	Unaudited August 2018 R '000	Audited February 2019 R '000
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	2,036	1,293	11,044
<b>Net cash from operating activities</b>	<b>2,036</b>	<b>1,293</b>	<b>11,044</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(17)	(167)	(1,148)
Sale of property, plant and equipment	-	-	109
Subscription of debt investments at amortised cost	-	(7,500)	(12,500)
Interest received	4,757	2,176	4,866
Dividends received	6,914	9,921	17,156
<b>Net cash from investing activities</b>	<b>11,654</b>	<b>4,430</b>	<b>8,483</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	-	-	622
Repayment of borrowings	(4,262)	(7,084)	(10,512)
Principal elements of lease payments	(815)	-	-
Dividends paid	(6,543)	(3,346)	(3,347)
Interest paid	(7,510)	(4,570)	(15,149)
<b>Net cash from financing activities</b>	<b>(19,130)</b>	<b>(15,000)</b>	<b>(28,386)</b>
<b>Total cash movement for the year</b>	<b>(5,440)</b>	<b>(9,277)</b>	<b>(8,859)</b>
Cash at the beginning of the year	26,658	35,517	35,517
<b>Total cash at end of the year</b>	<b>21,218</b>	<b>26,240</b>	<b>26,658</b>

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## Notes to the condensed consolidated interim financial statements

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### 1. Basis for presentation

The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standard, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous annual financial statements, except for changes arising from the adoption of IFRS 16 *Leases*.

The condensed consolidated interim financial results for the six months ended 31 August 2019 have not been audited or reviewed. The condensed consolidated interim financial results have been prepared under the supervision of MP Dem (CA)SA, in his capacity as Chief Financial Officer.

### 2. Change in accounting policies

This section explains the impact of the adoption of the new accounting standard on Hulisani and group's financial statements, as issued by IASB, which was effective for the group from 01 March 2019:

- IFRS 16 *Leases* (IFRS 16).

#### (i) Impact on the financial statements

The group did not need to restate prior year financial statements due to changes in accounting policies due to adoption of IFRS 16.

#### (ii) Adoption of IFRS 16

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

IFRS 16 allows a lessee to elect not to apply the recognition requirements to:

- Short-term leases; and
- Leases for which the underlying asset is of low value.

At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

#### (iii) Lessee:

##### **Recognition**

At the *commencement date*, a lessee shall recognise a right-of-use asset and a lease liability.

##### **Measurement**

##### *Initial measurement of the right-of-use asset*

At the commencement date, a lessee shall measure the right-of-use asset at cost.

The cost of the right-of-use asset shall comprise:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any *lease incentives* received;
- any *initial direct costs* incurred by the lessee; and

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### 2. Change in accounting policies (continued)

- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

#### *Initial measurement of the lease liability*

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the *interest rate implicit in the lease*, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the *lessee's incremental borrowing rate*.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- *fixed payments* (including in-substance fixed payments as described in paragraph B42 (IFRS 16)), less any lease incentives receivable;
- *variable lease payments* that depend on an index or a rate, initially measured using the index or rate as at the commencement date (as described in paragraph 28);
- amounts expected to be payable by the lessee under *residual value guarantees*;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option (assessed considering the factors described in paragraphs B37–B40 (IFRS 16)); and
- payments of penalties for terminating the lease, if the lease reflects the lessee exercising an option to terminate the lease.

#### *Subsequent measurement of the right-of-use asset*

After the commencement date, a lessee shall measure the right-of-use asset applying a cost model, unless it applies fair value model in terms of IAS 40 Investment Property, or the right-of-use assets relates to the class of property, plant and equipment to which the lessee applies the revaluation model in IAS 16.

#### *Subsequent measurement of the lease liability*

A lessee shall measure the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications specified in paragraphs 39–46 (IFRS 16), or to reflect revised in-substance fixed lease payments.

### (iv) Hulisani and the group

Hulisani and the group have adopted IFRS 16 retrospectively from 1 March 2019 but have not restated comparatives for the prior reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 March 2019.

On adoption of IFRS 16, Hulisani and the group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. Lessee's incremental rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

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## Notes to the condensed consolidated interim financial statements

### 2. Change in accounting policies (continued)

At 1 March 2019, the carrying values of the right-of-use assets were set to equal the lease liabilities as permitted by the standard. Comparatives have not been restated. Hulisani and the group as lessee recognised right-of-use assets of R4.4m, with corresponding lease liabilities of R4.4m, with the right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. Lessor accounting is not applicable to the company and the group.

Other Hulisani group companies (RustMo1 and Umhlaba) have elected not to apply the provision of IFRS 16 as these are short term leases. Instead the *lease payments* associated with those leases have been recognised as an expense on a straight-line basis over the lease term.

Depreciation on right-of-use assets of R0.7m and interest costs of R0.3m on lease liabilities have been recognised in profit or loss during the period ended 31 August 2019.

IFRS 16 was adopted without restating comparative information. The reclassifications and the adjustments arising from the new impairment rules are therefore not reflected in a restated balance sheet as at 28 February 2019 but are recognised in the opening balance sheet on 1 March 2019.

	01 March 2019 R'000
<b>Operating lease commitments disclosed as at 28 February 2019</b>	<b>5,293</b>
- Within one year	1,630
- Later than one year but not later than 5 years	3,663
<b>Present value of operating leases at 28 February 2019</b>	<b>4,423</b>
Less: Short -term leases	-
Less: Low-value leases	-
<b>Lease liability recognised as at 1 March 2019 (previous operating lease)</b>	<b>4,423</b>
Of which are:	
Current lease liabilities	1,630
Non-current lease liabilities	2,793
<b>Total lease liabilities</b>	<b>4,423</b>
Represented by	
Right-of-use assets – Property, plant and equipment	4,423
<b>Total right-of-use assets</b>	<b>4,423</b>

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## Notes to the condensed consolidated interim financial statements

### 2. Change in accounting policies (continued)

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be reconciled from the numbers provided.

	28 February 2019	IFRS 16	01 March 2019
	R'000	R'000	Restated R'000
<b>Balance sheet (Extract)</b>			
<b>Assets</b>			
Property, plant and equipment	-	4,423	4,423
<b>Total assets</b>	-	<b>4,423</b>	<b>4,423</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained earnings	(363)	363 <sup>1</sup>	-
<b>Liabilities</b>			
Trade and other payables	363	(363)	-
Lease liability	-	4,423	4,423
<b>Total equity and liability</b>	-	<b>4,423</b>	<b>4,423</b>

<sup>1</sup> This consists of reversal of operating lease smoothing impact.

### 3. Reclassification of assets

#### *Reclassification of Ignite preference shares from available-for-sale to amortised cost*

In line with IFRS 9 requirements management assessed the classification of the preference shares with reference to the business model of the group. The financial asset meets both criteria of hold to collect business model test; and solely payments of principal and interest (SPPI) contractual cash flow characteristics test, as such it has been classified as subsequently measured at amortised cost under IFRS 9. This resulted in a reclassification of the Ignite preference shares from available-for-sale to investment at amortised cost.

### 4. Investment in associates

	Unaudited August	Unaudited August Restated	Audited February Restated
	2019 R '000	2018 R '000	2019 R '000
<b>Summary - Balances</b>			
Kouga	107,112	114,639	103,560
<b>Total investments in associates</b>	<b>107,112</b>	<b>114,639</b>	<b>103,560</b>
<b>Summary - Movements</b>			
Beginning of the period	103,560	122,312	122,312
Share of profits/(loss)	3,552	2,248	5,318
Dividends received	-	(9,921)	(24,070)
<b>End of the period</b>	<b>107,112</b>	<b>114,639</b>	<b>103,560</b>

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### 5. Financial assets and at fair value through profit and loss

	Unaudited August 2019 R '000	Unaudited August Restated 2018 R '000	Audited February Restated 2019 R '000
<b>Financial assets at fair value through profit and loss:</b>			
Convertible loan	83,218	77,599	76,786
Derivative assets – GRI Option	69,509	63,002	67,326
	<b>152,727</b>	<b>140,601</b>	<b>144,112</b>

#### (i) Convertible loan to Legend Power Solution (Pty) Ltd

Hulisani Limited has a convertible loan to Legend Power Solution (Pty) Ltd (“LPS”), a company with an underlying investment in Avon and Dedisa Peaking Power. The loan participates in 9% of distributable profits available to LPS shareholders and will convert to a 9% equity stake in LPS. The loan will convert when senior funding in LPS has been fully repaid to the lender. Management has elected to measure the financial asset at fair value through profit or loss.

#### (ii) GRI Option

Pele SPV13 (Pty) Ltd (“Pele SPV13”) entered into an agreement (the “Share Purchase Agreement”) to acquire 25% shareholding in GRI Wind Steel South Africa (Pty) Ltd (“GRI”) from GRI Renewables Industries, SL for an amount of R82,5 million (the “Purchase Price”). In legal form Pele SPV13 is owned in equal proportions by Hulisani and Pele198 (RF) (Pty) Ltd (“Pele SPV198”) and in substance is owned 100% by Hulisani.

In terms of the Share Purchase Agreement, on the fifth anniversary of the acquisition of the investment, Pele SPV13 (by extension Hulisani) has an option in terms of which it may oblige GRI Renewable Industry, S.L., the co-shareholder and majority shareholder in GRI, to acquire all (and not a portion) of Hulisani’s shares in GRI for an amount equal to the purchase price of R82,5m less any dividends paid to Pele SPV13 (the “Put Option”). The option provides downside protection of value of the investment. Dividends received from GRI are applied against the purchase price if the put option is exercised, and as a result Hulisani does not have upside potential in the value of the investment if the put option is exercised.

Based on the facts above Hulisani, has concluded that the risks and rewards associated with the current ownership interest in GRI have not transferred to Hulisani. The substance of the transaction is that Hulisani has prepaid its strike price for an option to acquire 25% ownership interest in GRI in the future for a fixed price. This instrument therefore meets the definition of a derivative within the scope of IAS 39 and IFRS 9.

Refer to Note 10 for further information on valuation inputs.

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## Notes to the condensed consolidated interim financial statements

### 6. Loan receivables

Loan receivables are presented at amortised cost, which is net of their expected credit loss allowance, as follows

#### 31 August 2019

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
		R'000	R'000	R'000
Pele Green Energy (Pty) Ltd	Lifetime ECL	7,062	(1,589)	5,473
Ignite Energy Projects (Pty) Ltd	Lifetime ECL	5,000	(3,000)	2,000
		<b>12,062</b>	<b>(4,589)</b>	<b>7,473</b>

#### 28 February 2019

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
		R'000	R'000	R'000
Pele Green Energy (Pty) Ltd	12m ECL	6,679	(802)	5,877
Ignite Energy Projects (Pty) Ltd	12m ECL	5,000	(750)	4,250
		<b>11,679</b>	<b>(1,552)</b>	<b>10,127</b>

### 7. Investment at amortised cost

The investment is presented at amortised cost, which is net of its expected credit loss allowance, as follows:

#### 31 August 2019

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
		R'000	R'000	R'000
Ignite Energy Projects (Pty) Ltd	Lifetime ECL	25,217	(15,130)	10,087
		<b>25,217</b>	<b>(15,130)</b>	<b>10,087</b>

#### 28 February 2019

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
		R'000	R'000	R'000
Ignite Energy Projects (Pty) Ltd	Lifetime ECL	22,678	(3,402)	19,276
		<b>22,678</b>	<b>(3,402)</b>	<b>19,276</b>

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## Notes to the condensed consolidated interim financial statements

### 8. Property, plant and equipment

#### 31 August 2019

	Cost	Accumulated depreciation	Carrying value
	R'000	R'000	R'000
Land	2,212	-	2,212
Plant and machinery	135,496	(19,083)	116,413
Furniture and fixtures	2,811	(1,065)	1,746
Right-of-use asset (property)	4,423	(737)	3,686
Motor vehicles	595	(98)	497
Office equipment	377	(155)	222
IT equipment and software	344	(243)	101
<b>Total</b>	<b>146,258</b>	<b>(21,381)</b>	<b>124,877</b>

#### Reconciliation of property, plant and equipment – 31 August 2019

	Opening balance	Additions	Disposals	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000
Land	2,212	-	-	-	2,212
Plant and machinery	120,665	-	-	(4,252)	116,413
Furniture and fixtures	1,956	-	-	(210)	1,746
Right-of-use asset (property)	-	4,423	-	(737)	3,686
Motor vehicles	555	-	-	(58)	497
Office equipment	252	3	-	(33)	222
IT equipment and software	131	14	-	(44)	101
	<b>125,771</b>	<b>4,440</b>	<b>-</b>	<b>(5,334)</b>	<b>124,877</b>

#### 31 August 2018

	Cost	Accumulated depreciation	Carrying value
	R'000	R'000	R'000
Land	2,212	-	2,212
Plant and machinery	135,176	(10,593)	124,583
Furniture and fixtures	2,783	(643)	2,140
Motor vehicles	248	(92)	156
Office equipment	372	(91)	281
IT equipment and software	294	(147)	147
<b>Total</b>	<b>141,085</b>	<b>(11,566)</b>	<b>129,519</b>



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## Notes to the condensed consolidated interim financial statements

### 8. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment – 31 August 2018

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Land	2,212	-	-	-	2,212
Plant and machinery	128,669	151	-	(4,237)	124,583
Furniture and fixtures	2,349	-	-	(209)	2,140
Motor vehicles	192	-	-	(36)	156
Office equipment	312	-	-	(31)	281
IT equipment and software	180	16	-	(49)	147
	<b>133,914</b>	<b>167</b>	<b>-</b>	<b>(4,562)</b>	<b>129,519</b>

#### 28 February 2019

	Cost R'000	Accumulated depreciation R'000	Carrying value R'000
Land	2,212	-	2,212
Plant and machinery	135,496	(14,831)	120,665
Furniture and fixtures	2,810	(854)	1,956
Motor vehicles	595	(40)	555
Office equipment	375	(123)	252
IT equipment and software	330	(199)	131
<b>Total</b>	<b>141,818</b>	<b>(16,047)</b>	<b>125,771</b>

#### Reconciliation of property, plant and equipment – 28 February 2019

	Opening balance R'000	Additions R'000	Disposals R'000	Depreciation R'000	Total R'000
Land	2,212	-	-	-	2,212
Plant and machinery	128,669	471	-	(8,475)	120,665
Furniture and fixtures	2,349	27	-	(420)	1,957
Motor vehicles	192	595	(139)	(93)	555
Office equipment	312	3	-	(63)	252
IT equipment and software	180	52	-	(101)	131
	<b>133,914</b>	<b>1,148</b>	<b>(139)</b>	<b>(9,152)</b>	<b>125,771</b>

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## Notes to the condensed consolidated interim financial statements

### 9. Borrowings

	Unaudited August	Unaudited August Restated	Audited February Restated
	2019	2018	2019
	R '000	R '000	R '000
<b>Held at amortised cost</b>			
<b>Secured</b>			
Nedbank loan	61,071	64,873	62,874
IDC loan	60,833	64,098	62,669
<b>Unsecured</b>			
Lead Africa Capital loan	-	-	622
	<b>121,904</b>	<b>128,971</b>	<b>126,165</b>
<b>Split between non-current and current portions</b>			
Non-current liabilities	118,028	125,492	114,695
Current liabilities	3,876	3,479	11,470
	<b>121,904</b>	<b>128,971</b>	<b>126,165</b>

### 10. Financial assets and liabilities at fair value

#### Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

**Level 1:** Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

**Level 2:** Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** Unobservable inputs for the asset or liability. This is the case for unlisted equity securities.

#### Levels of fair value measurements

The following presents the group's financial instruments measured and recognised at fair value at 31 August 2019. The group has classified its financial instruments into the three levels prescribed under the accounting standards.

#### Level 3

	Unaudited August	Unaudited August Restated	Audited February Restated
	2019	2018	2019
	R '000	R '000	R '000
<b>Financial assets</b>			
<b>Recurring fair value measurements</b>			
<b>Financial assets at fair value through profit (loss)</b>			
Convertible loan	83,218	77,599	76,786
Derivatives – GRI Option	69,509	63,002	67,326
	<b>152,727</b>	<b>140,601</b>	<b>144,112</b>

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## Notes to the condensed consolidated interim financial statements

### 10. Financial assets and liabilities at fair value (continued)

#### Transfers of assets and liabilities within levels of the fair value hierarchy

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

#### Reconciliation of assets and liabilities measured at level 3

	Opening balance	Purchases	Gains/(losses) recognised in profit(loss)	Closing balance
31 August 2019	R'000	R'000	R'000	R'000
<b>Financial assets</b>				
<b>Financial assets at fair value through profit and loss</b>				
Convertible loan	76,786	-	6,432	83,218
Derivatives – GRI Option	67,326	-	2,183	69,509
	<b>144,112</b>	<b>-</b>	<b>8,615</b>	<b>152,727</b>

	Opening balance	Purchases	Gains/(losses) recognised in profit(loss)	Closing balance
31 August 2018 restated	R'000	R'000	R'000	R'000
<b>Financial assets</b>				
<b>Financial assets designated at fair value through profit and loss</b>				
Convertible loan	75,143	-	2,456	77,599
Derivatives – GRI Option	62,923	-	79	63,002
<b>Financial assets designated at fair value through other comprehensive income</b>				
Cumulative preference shares	8,961	7,500	-	16,461
	<b>157,027</b>	<b>7,500</b>	<b>2,535</b>	<b>157,062</b>

	Opening balance	Purchases	Gains/(losses) recognised in profit(loss)	Closing balance
28 February 2019 restated	R'000	R'000	R'000	R'000
<b>Assets</b>				
<b>Financial assets designated at fair value through profit and loss</b>				
Convertible loan	75,143	-	1,643	76,786
Derivative – GRI Option	62,923	-	4,403	67,326
	<b>138,066</b>	<b>-</b>	<b>6,046</b>	<b>144,112</b>

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## Notes to the condensed consolidated interim financial statements

### 10. Financial assets and liabilities at fair value (continued)

#### Information about valuation techniques and inputs used to derive level 3 fair values Convertible loan

The key unobservable inputs, together with the weighted average range of probabilities, are as follows:

Description	Fair value at 31 August 2019	Unobservable inputs	Actual inputs	Relationship of unobservable inputs to fair value
<b>R'000</b>				
Convertible loan	83,218	Discount rate	13.1%	A 1% increase in discount rates results in a further reduction in fair value of R6m.
		Base revenue from plant operation	R3 billion	A 5% decrease in base revenue results in a further reduction in fair value of R18m
		Remaining period of operation	25 years	A 5 years reduction in period of operation results in a further reduction in value of R6m.
Derivative – Put Option	69,509	Spot price	Rnil	An increase in the spot price will result in a reduction in fair value of the put option.
		Interest rate	6.56%	An increase in interest rate will result in a reduction in fair value of the put option.
		Time to maturity	2.6 years	Shorter time to maturity increases the value of the put option.

#### Valuation processes applied by the Group

The group finance department obtains input from independent valuation experts in performing valuations of financial assets required for financial reporting purposes, including level 3 fair values. The valuations expert communicates directly with the chief financial officer (CFO).

The convertible loan is valued by using the Dividend Discount Model. The discount rates used for the valuations are the prevailing market rates at the time of the valuations.

The options have been valued using the widely accepted Binomial Option Valuation Model. The model is used to value options and rights traded openly in the market.

The group conducts valuations twice a year, at the interim financial reporting period and also at the year-end reporting period.

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## Notes to the condensed consolidated interim financial statements

### 11. Revenue

	Unaudited August 2019 R '000	Unaudited August 2018 R '000	Audited February 2019 R '000
<b>Revenue from contracts with customers</b>			
Sale of electricity	25,388	23,593	50,371
	<b>25,388</b>	<b>23,593</b>	<b>50,371</b>

(a) Disaggregation of revenue from contracts with customers

The group derives revenue from the sale of electricity over time, to a single external customer, Eskom.

### 12. Earnings per share

Reconciliation between earnings and headline earnings is as follows:

	Unaudited August 2019 R '000	Unaudited August Restated 2018 R '000	Audited February Restated 2019 R '000
Basic and diluted loss per share (cents)	(17)	(23)	(50)
Basic and diluted headline loss per share (cents)	(17)	(22)	(50)

The calculation of earnings per share for the year ended 31 August 2019 was based on the loss attributable to ordinary shareholders of Hulisani Limited, and a weighted average number of ordinary shares.

	Unaudited August 2019 R '000	Unaudited August Restated 2018 R '000	Audited February Restated 2019 R '000
<b>Reconciliation of profit or loss for the year to headline earnings</b>			
Profit or loss for the year attributable to equity holders of the parent	(8,734)	(11,734)	(24,842)
<b>Adjustments:</b>			
Effects of remeasurements for subsidiaries, net of NCI and tax:		688	14
Impairment loss	-	-	-
Loss on sale of property, plant and equipment	-	-	20
Loss on disposal of a subsidiary	-	688	-
Tax effect	-	-	(6)
<b>Headline earnings</b>	<b>(8,734)</b>	<b>(11,046)</b>	<b>(24,828)</b>
<b>Weighted average number of ordinary shares ('000)</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>

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## Notes to the condensed consolidated interim financial statements

### 13. Segmental information

The group's executive committee examines the group's performance both from the nature of investment perspective and has identified the following reportable segments of its business:

- **RustMo1:** This is a material subsidiary of Hulisani. RustMo1 generates and sells electricity.
- **Kouga:** This is an investment Hulisani has significant influence over. Kouga generates and sells electricity.
- **GRI:** This is an investment Hulisani has significant influence over. GRI is a manufacturing plant of towers used in energy production.
- **LPS:** Hulisani participates in 9% of the distributable profits of the investee. LPS has invested in the energy production industry.
- **Other:** The segment represents activities within the holding company. This includes investment holding entities in the group.

The executive committee uses dividends received/receivable to assess the performance of the operating segments. Information about the segments' revenue and assets is received by the executive committee on a monthly basis.

#### 31 August 2019

Revenue	Separately disclosable items						
	Revenue	Net profit	Non-cash items in comprehensive income	Depreciation and amortisation	Interest income	Finance cost	Dividends received
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
RustMo1	25,388	7,694	-	(8,766)	754	(7,167)	6,349
Kouga	-	3,552	-	-	-	-	-
GRI	-	2,183	2,183	-	-	-	-
LPS	-	10,383	6,432	-	3,951	-	-
Other/Eliminations	-	(30,723)	(16,949)	(1,014)	1,975	(274)	-
	<b>25,388</b>	<b>(6,911)</b>	<b>(8,334)</b>	<b>(9,780)</b>	<b>6,680</b>	<b>(7,441)</b>	<b>6,349</b>

Assets and liabilities	Equity accounted investments	Property, plant and equipment	Financial assets at fair value	Financial assets at amortised cost	Intangible assets	Current assets	Total liabilities
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
RustMo1	-	119,193	-	-	142,532	31,895	165,337
Kouga	107,112	-	-	-	-	-	-
GRI	-	-	69,509	-	-	-	-
LPS	-	-	83,218	-	-	-	-
Other/Eliminations	-	5,684	-	17,560	-	3,722	11,398
<b>Total</b>	<b>107,112</b>	<b>124,877</b>	<b>152,727</b>	<b>17,560</b>	<b>142,532</b>	<b>35,617</b>	<b>176,735</b>

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## Notes to the condensed consolidated interim financial statements

### 13. Segmental information (continued)

31 August 2018 restated

Revenue	Separately disclosable items						
	Revenue	Net profit	Non-cash items in comprehensive income	Depreciation and amortisation	Interest income	Finance cost	Dividends received
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
RustMo1	23,593	7,049	-	(7,049)	746	(7,549)	6,496
Kouga	-	2,248	-	-	-	-	9,921
GRI	-	79	79	-	-	-	-
LPS	-	3,694	2,456	-	1,238	-	-
Other/Eliminations	-	(23,296)	(688)	(286)	446	(3)	-
	<b>23,593</b>	<b>(10,226)</b>	<b>(1,847)</b>	<b>(7,995)</b>	<b>2,430</b>	<b>(7,552)</b>	<b>16,417</b>

Assets and liabilities	Equity accounted investments	Property, plant and equipment	Financial assets at fair value	Financial assets at amortised cost	Intangible assets	Current assets	Total liabilities
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
RustMo1	-	126,972	-	-	149,397	32,053	165,010
Kouga	114,639	-	-	-	-	-	-
GRI	-	-	63,002	-	-	-	-
LPS	-	-	77,599	-	-	-	-
Other/Eliminations	-	2,547	16,461	6,050	-	16 326	8,187
<b>Total</b>	<b>114,639</b>	<b>129,519</b>	<b>157,062</b>	<b>6,050</b>	<b>149,397</b>	<b>48 379</b>	<b>173,197</b>

28 February 2019 restated

Revenue	Separately disclosable items						
	Revenue	Net profit	Non-cash items in comprehensive income	Depreciation and amortisation	Interest income	Finance cost	Dividends received
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
RustMo1	50,371	11,119	(19)	(15,448)	1,497	(14,759)	12,800
Kouga	-	5,318	-	-	-	-	24,070
GRI	-	4,403	4,403	-	-	-	-
LPS	-	4,730	1,643	-	3,087	-	-
Other/Eliminations	-	(48,345)	(31)	(569)	2,901	(104)	-
	<b>50,371</b>	<b>(22,775)</b>	<b>5,996</b>	<b>(16,017)</b>	<b>7,485</b>	<b>(14,863)</b>	<b>36,870</b>

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## Notes to the condensed consolidated interim financial statements

### 13. Segmental information (continued)

	Equity accounted investments	Property, plant and equipment	Financial assets at fair value	Financial assets at amortised cost	Intangible assets	Current assets	Total liabilities
Assets and liabilities	R'000	R'000	R'000	R'000	R'000	R'000	R'000
RustMo1	-	123,496	-	-	145,965	41,805	175,259
Kouga	103,560	-	-	-	-	-	-
GRI	-	-	67,326	-	-	-	-
LPS	-	-	76,786	-	-	-	-
Other/Eliminations	-	2,275	-	29,403	-	12,367	14,190
<b>Total</b>	<b>103,560</b>	<b>125,771</b>	<b>144,112</b>	<b>29,403</b>	<b>145,965</b>	<b>54,172</b>	<b>189,449</b>

### 14. Related parties

#### Related party balances

	Unaudited August 2019 R '000	Unaudited August 2018 R '000	Audited February 2019 R '000
Trade receivables (a)	650	-	650
Loan receivables (a)	7,062	6,050	6,679
Other receivables (b)	5,151	5,201	5,201

- (a) A subsidiary of Pele Green (Pty) Ltd, Pele SPV198 (Pty) Ltd entered into an agreement with Hulisani Limited to jointly subscribe for ordinary shares in Pele SPV13 (Pty) Ltd. Hulisani Limited subscribed for cumulative preference shares in Pele SPV198 (Pty) Ltd for the entity's funding of the ordinary shares subscription in Pele SPV13 (Pty) Ltd. Other receivables are due from Pele Green Energy (Pty) Ltd, a parent company to Pele SPV198 (Pty) Ltd.
- (b) Sponsor fees refundable to Hulisani by Nibira (Pty) Ltd. The payment was rendered invalid and the amount remains owing to the group at the end of the financial period.

### 15. Correction of error

#### (i) GRI Wind Steel South Africa (Pty) Ltd

In the current period it was identified that an existing written Put Option in the Share Purchase Agreement for the investment in GRI was not considered in the accounting for the investment. The Put Option on the GRI transaction provides downside protection on the investment, refer to note 5 for further details.

The accounting treatment of investment in GRI was accordingly reassessed and the initial accounting treatment of GRI as 'an equity investment in associate' required correction. Management has concluded that the substance of the transaction is that Hulisani, through Pele SPV13, has prepaid a strike price of R82,5m, for an option to acquire a 25% ownership interest in GRI for a fixed price. The equity investment in GRI has therefore been derecognised and a derivative financial asset ("GRI Option") has been recognised, refer to note 5 for further details. The derivative financial asset is held at fair value with gains and losses relating to the fair value measurement recognised through profit and loss.

The restatement above also necessitated the valuation of the existing Call Option with Pele SPV198 to be revisited and adjusted accordingly. In the prior reporting periods, the Call Option had been determined to have an immaterial value.



# Hulisani Group

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## Notes to the condensed consolidated interim financial statements

### 15. Correction of error (continued)

#### (ii) Borrowings

In prior period the group incorrectly under accrued for finance costs to the value of R3.8m. The correction has been made to opening retained earnings at 01 March 2018.

The impact of retrospective correction of the prior period errors is as follows:

	28 February 2018	Increase/ (Decrease)	01 March Restated 2018	31 August 2018	Increase/ (Decrease)	31 August Restated 2018	28 February 2019	Increase/ (Decrease)	28 February Restated 2019
Statement of Financial Position (extract)	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Derivatives – put option	-	62,923	62,923	-	63,002	63,002	-	67,326	67,326
Investments in associates	148,810	(26,498)	122,312	131,445	(16,806)	114,639	118,829	(15,269)	103,560
<b>Total assets</b>	<b>584,315</b>	<b>36,425</b>	<b>620,740</b>	<b>558,850</b>	<b>46,196</b>	<b>605,046</b>	<b>550,926</b>	<b>52,057</b>	<b>602,983</b>
Accumulated loss	122,874	(27,355)	95,519	144,379	(37,126)	107,253	165,093	(42,987)	122,106
Non-controlling interest	(34,625)	1,292	(33,333)	(33,059)	1,292	(31,767)	(30,370)	1,292	(29,078)
Non-distributable reserve	-	(6,562)	(6,562)	(773)	(6,562)	(7,335)	-	(6,562)	(6,562)
Borrowings – non-current	(121,692)	(3,800)	(125,492)	(121,692)	(3,800)	(125,492)	(110,895)	(3,800)	(114,695)
<b>Total liabilities and equity</b>	<b>(584,315)</b>	<b>(36,425)</b>	<b>(620,740)</b>	<b>(558,850)</b>	<b>(46,196)</b>	<b>(605,046)</b>	<b>(550,926)</b>	<b>(52,057)</b>	<b>(602,983)</b>

# Hulisani Group

(Registration number 2015/363903/06)

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## Notes to the condensed consolidated interim financial statements

### 15. Prior period error (continued)

	31 August 2018	Increase/ (Decrease) R'000	31 August Restated 2018	28 February 2019	Increase/ (Decrease) R'000	28 February Restated 2019
<b>Statement of profit or loss and comprehensive income(extract)</b>						
Operating gains /(losses)	2,456	79	2,535	1,593	4,403	5,996
<b>Operating profit</b>	<b>(8,184)</b>	<b>79</b>	<b>(8,105)</b>	<b>(21,322)</b>	<b>4,403</b>	<b>(16,919)</b>
Share of the loss from equity accounted investments	(7,444)	9,692	2,248	(5,911)	11,229	5,318
<b>Loss before tax</b>	<b>(20,750)</b>	<b>9,771</b>	<b>(10,979)</b>	<b>(34,611)</b>	<b>15,632</b>	<b>(18,979)</b>
Taxation	753	-	753	(3,797)	-	(3,797)
<b>Loss for the year</b>	<b>(19,997)</b>	<b>9,771</b>	<b>(10,226)</b>	<b>(38,408)</b>	<b>15,632</b>	<b>(22,776)</b>
<b>Loss for the year attributable to:</b>						
Owners of the parent	(21,505)	9,771	(11,734)	(40,475)	15,632	(24,843)
Non-controlling interest	1,508	-	1,508	2,067	-	2,067
	<b>(19,997)</b>	<b>9,771</b>	<b>(10,226)</b>	<b>(38,408)</b>	<b>15,632</b>	<b>(22,776)</b>
<b>Total comprehensive loss for the year attributable to:</b>						
Owners of the parent	(21,505)	9,771	(11,734)	(40,475)	15,632	(24,843)
Non-controlling interest	1,508	-	1,508	2,067	-	2,067
	<b>(19,997)</b>	<b>9,771</b>	<b>(10,226)</b>	<b>(38,408)</b>	<b>15,632</b>	<b>(22,776)</b>

Basic loss per share and headline loss per share for the prior periods have also been restated. The amount of the correction for both basic loss per share and headline loss per share was a reduction in loss of 20 cents per share in August 2018 and 31 cents per share in February 2019.

The amounts disclosed above for the 2019 reporting period, and for the balance sheets as at 1 March 2018 and 28 February 2019 are before restatements for the change in accounting policy.

### 16. Dividends

There will be no dividends declared for the interim period.

Registered Office:  
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Auditors  
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Sponsor  
PSG Capital

Transfer secretaries:  
Computershare Investor Services Proprietary Limited, 70 Marshall Street Johannesburg, 2001

Company secretary  
Resolve secretarial services (Pty) Ltd, 77 Vasco Boulevard, Goodwood, 7460

Directors:  
ME Raphulu (Chief Executive Officer), MP Dem (Chief Financial Officer), PC Mdoda\* (Chairman), A Notshe^, MH Zilimbola^ (alternate director), DR Hlatshwayo\*, HH Schaaf\*#, B Marx\*.

\* Independent Non-executive # German ^ Non-independent Non-executive.