WHERE PEOPLE MATTER

Interim Results

TWK Agriculture Holdings (Pty) Ltd

Unaudited condensed interim results
for the period ended 29 February 2020

CELEBRATING 80 YEARS OF SUSTAINABLE GROWTH, TOGETHER.

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CELEBRATING 80 YEARS OF SUSTAINABLE GROWTH, TOGETHER.

OUR VALUES

GROWTH
Committed to providing excellence and constantly exceeding previous efforts.

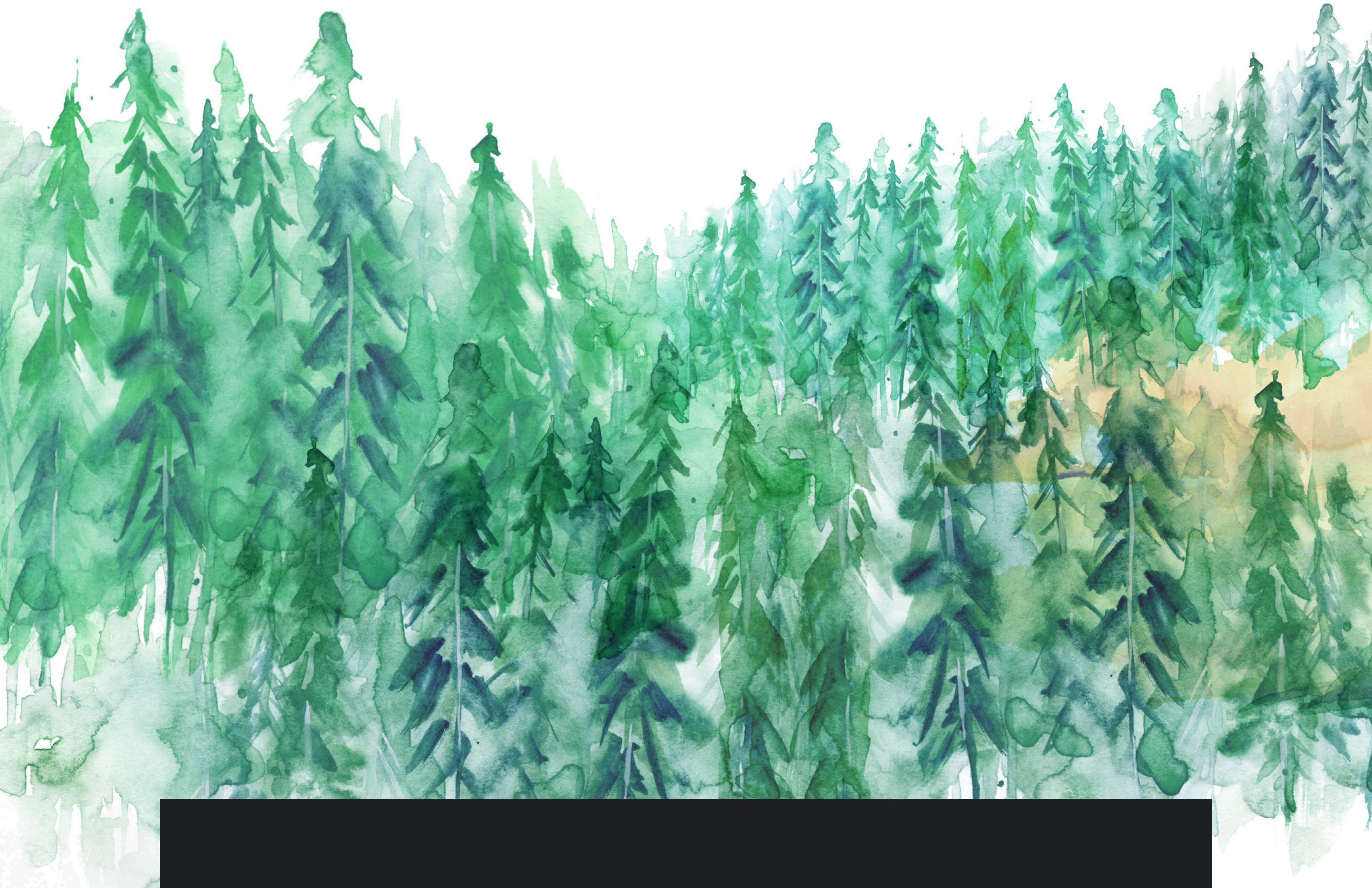
STRIVE
We strive to be the supplier of choice, the market of choice, the employer of choice and the investment of choice.

RENEW
Pro-actively committed to meeting the needs of our stakeholders without compromising the future of generations to come.

SUSTAIN
A fresh outlook on business, underpinned by experience and knowledge.

CONSERVE
We take responsibility to protect the environment in which we work, thereby conserving a legacy for the future.

DEVELOP
Investing time, resources and knowledge in our youth, employees, clients and the communities in which we operate.



INTRODUCTION

The condensed consolidated interim results of TWK Agriculture Holdings (Pty) Ltd for the six months ended 29 February 2020 comprise of the Company, all its subsidiaries and jointly controlled entities (jointly referred to as the Group).

The accounting policies applied in the preparation of these condensed consolidated interim results are in accordance with IFRS and are consistent with the accounting policies applied in the preparation of the Group's previous audited consolidated annual financial statements, except as stated in note 3 of these financial statements.

These interim results have not been audited or independently reviewed by the Group's external auditors. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 August 2019.

All the amounts relate to the Group's results unless otherwise specified.

The Directors of the Group take full responsibility for the preparation of this report. The preparation of the Group's results was supervised by the Group Chief Financial Officer, JEW Fivaz, and approved by the Board of Directors on 8 April 2020.

The results were made available publicly on 8 April 2020.

KEY FINANCIAL INDICATORS

REVENUE
down 1,51%

R3,83bn

(2019: R3,89bn)

EARNINGS BEFORE INTEREST AND TAX
down 28,38%

R156,17m

(2019: R218,04m)

PROFIT AFTER TAX
down 42,01%

R67,63m

(2019: R116,62m)

BASIC EARNINGS PER SHARE
down 47,98%

312,49c

(2019: 600,69c)

TOTAL ASSETS
up 8,46%

R4,88bn

(2019: R4,50bn)

DEBT TO EQUITY RATIO
up 1,15%

143%

(2019: 141%)

NAV PER SHARE
up 11,68%

R83,58

(2019: R74,84)

CASH FROM OPERATING ACTIVITIES
down 8,70%

R200,54m

(2019: R219,65m)

The key financial indicators are for the six months ended 29 February 2020 and compared with the corresponding six-month period of the previous year (28 February 2019).

BUSINESS & FINANCIAL REVIEW

Right now, the coronavirus is affecting the world markets. This is reflected by the uncertainty caused by the virus and its impact on the global economy. The impact of the virus on China is already very clear and has already rolled over to the rest of the world. This led to a sharp downturn in the economy in February as demand and supply weakened and demand in particular in the private sector weakened to a record low.

According to Statistics South Africa, South Africa showed real growth of 0.2% in 2019. Before considering the impact of the coronavirus on the growth of the economy, economic growth is expected to increase to around 0.5% in 2020. Given the impact of the coronavirus, many forecasts have been adjusted downwards to as much as -0.2%. At the same time, consumers remain under intense pressure, while unemployment is expected to continue rising in 2020.

The Monetary Policy Committee cut the repo rate by 100 basis points on 19 March 2020. The tangible cut in borrowing costs will have a positive effect for TWK and the producers.

On 27 March 2020, Moody's downgraded South Africa's sovereign credit rating to subinvestment grade and placed a negative outlook on the rating. The key drivers for this downgrade include weak economic growth, continuing deterioration in fiscal strength, and slow progress on structural economic reforms.

The latest data released by the Crop Estimates Committee show that South Africa's 2019/20 summer crops production could increase by 29% y/y to 17.1 million tonnes. This would enable South Africa to export maize beyond the continent to other typical markets such as Japan, Taiwan, Vietnam and South Korea given minimal disruptions in the supply chains amid the COVID-19 pandemic.

TWK's overall results for the first six months are reflective of the current economic condition of the country and the world. The general trading conditions came under pressure, which resulted in decreased sales and net profit in especially the Timber segment. Even though the Retail and Mechanisation as well as the Motors and Tyres segment achieved revenue growth, margins came under pressure resulted in a decline in EBITDA in these two segments. However the well-diversified agricultural business model of TWK supported profit. It is especially the Financial Services and Grain segments that contributed to EBITDA.

Against the backdrop of uncertain economic and political conditions, slow economic growth and the rapid spread of the virus, revenue decreased by 1,5% from R3,888 billion to R3,830 billion. TWK's results were negatively impacted by a decreased in timber sale volumes and general margin pressure. This, together with a dramatic drop in petrol and diesel sales over this period, resulted in a decrease of 25.03% in operating profit to R169.90 million (Feb 2019: R226.63 million) which equated to an operating profit margin of 4,4% (Feb 2019: 5,8%). Profit after tax decreased to R67,63 million which is 42,01% lower than the R116,62 million of the corresponding period. Basic earnings per share decreased to 312,49 cents per share, which is 47,98% lower than the corresponding period. The increase in total Finance cost is due to the implementation of the new IFRS 16 standard relating to Leases. Refer to note 3 on page 15 for more detail. Effective cost control and working capital management reduced the full impact of the current economic situation.

The Group's financial position is solid with total assets having increased by 8,46% from R4,504 billion to R4,885 billion. Net cash is lower due to an increase in inventory levels. The Group's gearing was 143% at 29 February 2020 which is slightly higher than the corresponding period but comfortably within the Group's norms. The net asset value per share increased by 11,7% to R83,58 per share at 29 February 2020 compared to R74,84 as at 28 February 2019.

Total assets continued to increase due to capital expenditure and increase in inventories. The debtors' book was higher in February than in August which is in line with the cyclical nature of the agricultural industry. Assets are evaluated on a continuous basis where applicable, and the necessary impairments have been taken.

OPERATIONAL REVIEW

TIMBER

The Timber Division reported revenue of R961.73 million, a decrease of 20.2% from R1.21 billion (Feb 2019) primarily on the back of the International pulp markets being adversely affected by the oversupply of pulp into the Asian markets on the back of an economic slowdown in specifically China and Japan. As a result, a more than 50% drop in market pulp prices occurred. TWK clients in Japan and China either reduced or postponed their orders as they became more cautious on the back of a slower economic growth trajectory. The influence of international pulp markets on local markets is a usual occurrence and is expected to continue for the foreseeable future.

Eucalyptus pulp sales decreased by 36%, with Wattle sales volumes remaining flat on the prior period. This was offset by an increase in Pine sales volumes of 41% on the prior period's results.

Bedrock, a wholly-owned subsidiary of TWK, exceeded expectations with a 62% increase in sales from the previous period. Also contributing to the success during the past six months was the fact that there were no major mining industry strikes, compared to the previous period, as well as the business gaining market share. Bedrock managed to access new markets and increased their sales to provide a promising outlook for the rest of the financial year.

TWK's saw mills came under pressure as a result of the lacklustre DIY retail market and the pole market was impacted by the uncertainty around the proposed changes to the Land Expropriation Bill.

The decline in EBITDA by 46.8% from R137.71 million (Feb 2019) to R73.26 million was mainly as a result of the oversupply of products in the international pulp market. The EBITDA margin reduced from 11.4% (Feb 2019) to 7.6%.

The outlook for TWK plantation sales is cautiously optimistic as we are coming to grips with the potential impact of COVID-19 on our operations. With the majority of the mines having to close over the lockdown period, sales to the South African mining timber industry will be severely impacted. Irrespective of the lockdown, we are expecting Wattle sales volumes to remain stable for the remainder of the financial year.

The national pulp producers are not closing as they provide critical packaging products to the food and other essential industries and COVID-19 should therefore not impact on the sale of pulp wood chips to the national markets. Wood chips are also listed as an approved export product, and we are expecting to continue exporting albeit at a slower rate, but with the weakening of the rand against the US Dollar, it should have a nett positive impact on the results for the next six months.

With the DIY retailers having to close during the COVID-19 lockdown, we are expecting further severe pressure on our saw mills for the remainder of the financial year.

The pending acquisition of some of the forestry assets of Peak Timbers Ltd and Peak Forest Products (Pty) Ltd by Shiselweni Forestry Company Ltd, a wholly-owned subsidiary of TWK, will add 23 422 hectares of land, 17 900 hectares of standing timber, buildings and a saw mill operation to the Group. The acquisition is still subject to the fulfilment of a number of conditions precedent and, if all goes well, we are expecting to conclude the transaction by the end of August 2020.

The solar system implemented at our saw mills has resulted in removing the dependency on Eskom power supply completely and the initiative to centralise the management of our logistics in-house, have both resulted in significant cost savings for the business. We have also launched two new mining timber products during the period under review which will result in increasing our market share in the mining timber industry. TWK Timber will be taking the time over this COVID-19 lockdown period to continue to rationalise its operations as well as continue implementing innovative systems and products.

OPERATIONAL REVIEW

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RETAIL AND MECHANISATION

TWK increased their retail outlets to 28 (Feb 2019: 27) when the New Holland Mechanisation Agency in Pietermaritzburg was acquired effective 1 February 2020. As from 1 September 2019, TWK increased its shareholding in Gromor (Pty) Ltd, an organic-related fertiliser products business, to 100%.

Revenue for the Retail and Mechanisation (Trade) Division increased by 12.2% from R1.60 billion (Feb 2019) to R1.79 billion mainly attributable to the acquisitions made and higher fertiliser sales. Fertiliser sold for the period under review was 31 842 tonnes higher than the previous period.

Areas where retail and mechanisation sales were under pressure during the past six months were the Eastern Cape, parts of KwaZulu-Natal and the Western Cape. Most of these areas had good rains since the beginning of September 2019, thus trading conditions will be more favourable in the coming months. The outbreak of Foot and Mouth disease in KwaZulu-Natal negatively impacted sales in this region.

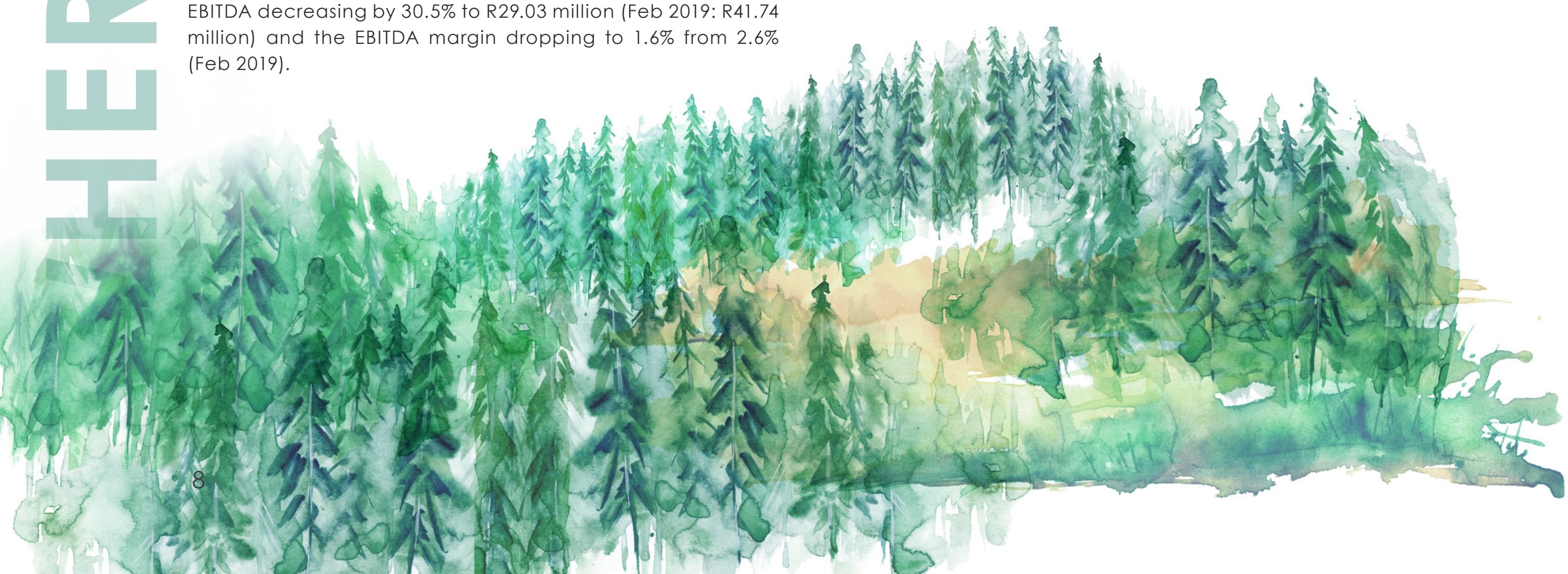
Profits for the period came under severe pressure due to much lower margins achieved on Nitrogen, Phosphorous and Potassium fertiliser products as a result of a constant drop in world prices, exacerbated by the rand strengthening against the US Dollar over the reporting period as well as a highly competitive market environment.

The margin pressure on both fertiliser and general retail products as well as the reasons mentioned above, resulted in EBITDA decreasing by 30.5% to R29.03 million (Feb 2019: R41.74 million) and the EBITDA margin dropping to 1.6% from 2.6% (Feb 2019).

Trading conditions for the next six months are expected to remain challenging and uncertain given the potential impact of the COVID-19 pandemic. The rand has already drastically weakened against all foreign currencies, and at current levels, it will significantly increase the cost of imported products, such as the chemicals for the manufacturing of fertiliser. It is still uncertain whether the international fertiliser market is going to be in an oversupply or undersupply position given COVID-19. However, any stabilisation in the international fertiliser market will result in improved margins.

The Retail and Mechanisation Division, in line with the regulations and subsequent amendments published in the Government Gazettes, registered its retail outlets with the Department of a Trade and Industry to enable trading activity during the lockdown. These retail outlets will trade in basic and essential goods in alignment with lockdown regulations as they pertain to essential retail activity. The business is well positioned for any recovery in the economy. The main focus for the remainder of the financial year will be to reduce excess costs, especially those relating to the fertiliser and organic-product businesses. Management initiatives have already been identified to streamline the management of these businesses. On the back of an expected record crop season in the KwaZulu-Natal, Mpumalanga and the North West provinces, sales should increase from the previous period.

The increase in mechanisation's market share due to the acquisition of the New Holland tractor agency in Pietermaritzburg a month before period end, is also expected to positively contribute to this segment's results.



OPERATIONAL REVIEW

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GRAIN

The Grain Division's revenue decreased by 16.0% from R478.74 million (Feb 2019) to R402.29 million mainly because of the drop in the maize price over the period as well as the closure of Mkondo Animal Feeds. The revenue was also negatively impacted by the ban on livestock auctions and movements following the outbreak of the Foot and Mouth disease in South Africa. This resulted in fewer cattle in the feedlots, which forced the price of bran down.

The grain silo's experienced good capacity utilisation on the back of better 2019/2020 grain crops which resulted in a solid performance by the Grain Marketing business.

EBITDA increased by a satisfactory 77.8% from R7.84 million (Feb 2019) to R13.95 million, resulting in the EBITDA margin increasing to 3.5% (Feb 2019: 1.6%), despite maize meal margins being under pressure as a result of strong market competition and low consumer confidence. The Grain Marketing business as well as the grain storage operations reported good margin yields given the higher grain volumes.

Although weather predictions for the current season were more favourable for dryer conditions, the opposite occurred and the existing crops look promising. The current prediction for the 2020 maize crop is approximately 15 million tonnes for South Africa, which promises good utilisation of the TWK grain silos for the year ending 31 August 2020. Although grain prices started moving towards export parity at the end of the reporting period, the impact of COVID-19 remains uncertain. The weakening of the rand against the major currencies will increase maize prices with the inverse occurring should the rand strengthen.

The unprecedented low brent crude oil price at below US$30/barrel as a result of the trade wars is also forcing down the Chicago Board of Trade (CBOT) grain prices. The main drivers of agricultural commodity prices are the result of the compound interactions among macro-economic factors such as brent crude oil prices, crop size, exchange rates, growing demand for food and agricultural productivity. We are expecting an increase in demand for maize, as a primary ingredient in a variety of products, will become increasingly important as a primary source of food.

MOTORS AND TYRES

Despite the ongoing steep decline in national new and used vehicle sales, as confirmed by NAAMSA statistics, together with reduced tyre sales and lower demand for petrol and diesel, the Motors and Tyres segment reported revenue of R562.13 million (Feb 2019: R518.91 million), an increase of 8.3%. The Toyota, Hino and Isuzu dealerships delivered a satisfactory 15% growth in the number of vehicles sold, which was offset by a 15% decline in new tyre sales as well as a drop of 18% in petrol and diesel sales over this period.

Both the motor dealerships and Protea Tyres made a concerted effort to manage costs and this, resulted in EBITDA only decreasing by 8.9% from R17.21 million (Feb 2019) to R15.69 million, resulting in the EBITDA margin decrease from 3.3% (Feb 2019) to 2.8%.

The current lacklustre state of the economy and newer models being more reliable, are motivating South African motorists to keep their vehicles for longer. In an effort to counter this trend, TWK dealerships have been focusing on value-add client services and experiences to increase loyalty amongst existing cliental and to boost after-market services and parts sales.

Despite increasing the number of filling stations, the Filling Station division's petrol and diesel sales volumes declined from 8 609 543 litres (Feb 2019) to 7 302 961 litres. The decline in sales volumes was attributable to the upgrade of the Elukwatini filling station for most of the reporting period as well as lower fuel spend per customer on the back of economic pressure on disposable income. The Group invested in three new filling stations during the period under review, which resulted in increased finance costs and depreciation on additional investments. With the drop in fuel sales volumes, profit before taxation was significantly lower than the prior period.

The retreading of truck and heavy-vehicle tyres remains Protea Tyres' core business, which continued to experience good growth. The supply of retreaded units is currently exceeding sales targets.

WHERE PEOPLE MATTER

OPERATIONAL REVIEW

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The Protea Tyres' fitment centres experienced a decline in sales and gross profit due to major fleet companies moving the purchase of new tyres directly to the tyre manufacturers as a measure to reduce costs through cutting out the "middleman". Client purchasing power and consumer confidence remain low, especially in the rural areas in which we operate.

The wholesale market for truck tyres is also on a downward trend. Our clients are under enormous cash-flow pressure, resulting in reduced or cancelled credit limits. Credit guarantee insurers also indicated a cut in the insured limits. However, our strict credit-lending policy enables us to limit the risk surrounding bad debt.

The next six months is uncertain as we are coming to grips with the COVID-19 pandemic. We are expecting new and used vehicle sales to decline dramatically as all dealerships will be closed during the COVID-19 lockdown. This period also falls over Easter, usually one of the peak periods for dealerships.
With the looming deep recession or even imminent depression once lockdown is lifted, we are expecting clients to use their disposable income to buy household necessities and severely cut back on luxury items, such as vehicles. In addition, business failures will result in higher unemployment rates, which will also negatively impact the dealerships business.
TWK registered Roofspace Solar Company in South Africa and Eswatini (previously Swaziland) with the aim to on-sell solar energy going forward. This will diversify the Motors and Tyres segment revenue stream once concluded.

The retreading business is expected to continue its good growth trend, boosted by the six new innovative retread patterns which were completed and rolled-out during the period under review. Protea Tyres also started a tyre import company with Spot On Trading, a 49% equity partner, which will import quality tyres from China. The business has streamlined its warehouse logistics operations which has resulted in meaningful cost benefits and renewed its focus on cleaning out non-moving stock to improve working capital. During the COVID-19 lockdown, the retreading business is operating on skeleton staff as some of its clients deliver essential goods and coal.

FINANCIAL SERVICES

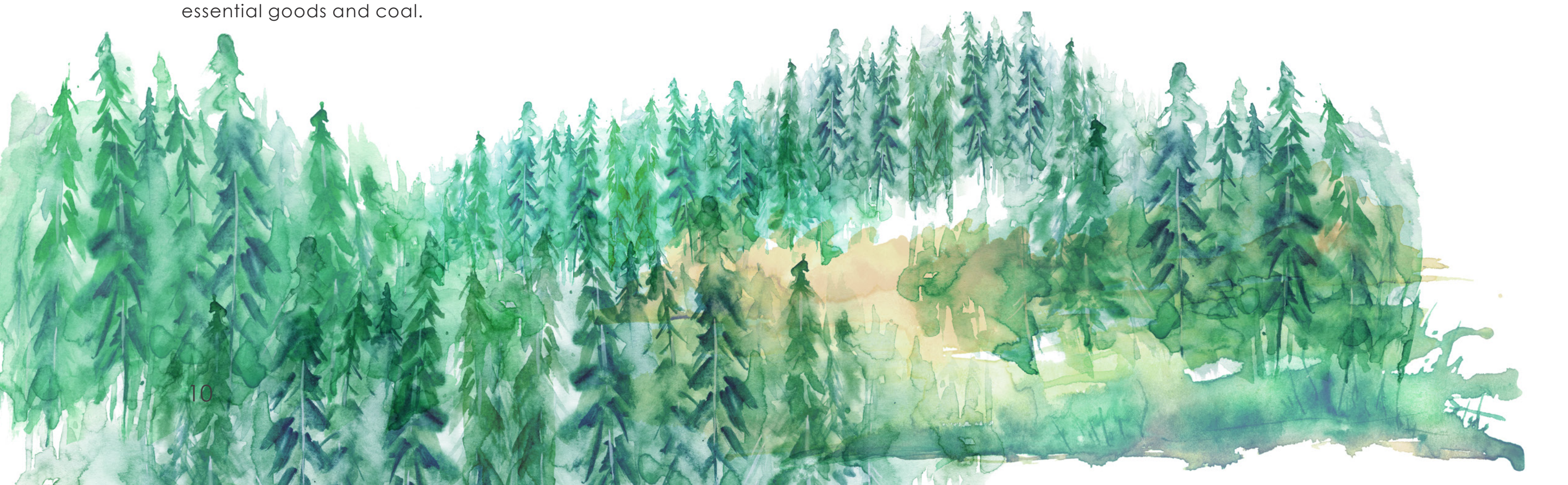
Revenue increased by 15.6% from R85.86 million (Feb 2019) to R99.24 million, and, EBITDA increased by 45.0% from R20.98 million (Feb 2019) to R30.42 million.

The Insurance Division reported 15% growth in TWK's crop insurance portfolio and 14% growth in premiums on the short-term portfolio, largely attributable to the purchase of a new short-term insurance book in the Marble Hall area. The life insurance team also succeeded in growing the commission income by approximately 16% during the period under review. In addition, the business managed to insure 12 478 more hectares of crop over the reporting period.

The Insurance Division is well prepared to insure the winter crops and we believe that we will achieve just as much success as we did with the summer crops.

The short-term insurance market continued to experience significant challenges as well as increased competition.

Good growth is predicted for the short-term insurance book over the next six months, with two new brokerages to be added to the portfolio. This will give TWK a bigger market share, especially in the Lowveld area. With the new expansions being planned and already in progress, we are attempting to expand the administrative infrastructure and service levels in order to provide existing and new clients with the best services and good products. The impact of COVID-19 on the Insurance Division is still uncertain at this stage. Insurers do not provide insurance cover for business interruptions and COVID-19 could potentially have an impact on the life insurance side of the business.



OPERATIONAL REVIEW

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The medical portfolio shows excellent growth, to such an extent that it is treated as a separate division of TWK Insurance due to its increase in size.

The Credit Division reported higher than normal bridging facilities over the period under review due to various influencing factors, such as the drought conditions in certain areas, outbreak of Foot and Mouth disease and fluctuations in the milk price in the KwaZulu-Natal area. Despite these factors, the performance of the bridging facilities increased when compared to February 2019, displaying a decrease of 26.8%. Unfortunately, production facilities handed over increased by 60% to R67.53m compared to the previous year. The credit book is well insured with satisfactory payment plans in place and no significant losses are envisaged in bad debts. The debtors' book as at 29 February 2020 was R1.119 million (Feb 2019: R1.115 million).

The production facility book increased from R414 million (Feb 2019) to R438 million at the reporting date.

The Credit Division strives to tailor each finance product to meet the ever-changing needs of individual clients. The Credit Division is visible and involved in the societies in which it trades.

The Credit Division understands that economic and market conditions change all the time, and that relationships with our clients are important. We therefore have to continuously find solutions so that we can progress together with the producer.

PROSPECTS

With economic conditions in the country further deteriorating due to the spread of COVID-19 and the measures put in place to contain the virus, the confidence levels of consumers could decline futher in the coming months.

The volatility of the Rand would be felt particularly through the cost of inputs. So far, however, the lower oil prices have acted as a buffer to what could have potentially been a steep increase in fuel and fertilizer prices.

A credit rating downgrade to a subinvestment level would normally give rise to an increase in the cost of capital as the SARB would likely lift the interest rates. However, the COVID-19 pandemic has disrupted the norm, which led the South African Reserve Bank to reduce interest rates as a way to ease financial conditions. This has a positive short term impact on the profitability of TWK because of a reduction in total finance cost.

The virus has created significant uncertainty in our markets, however the weaker ZAR/USD exchange rate will definitely benefit the woodchip export business, especially for the additional orders during the coming two months.

Except for the Motors and Tyres segment where only the fuel service stations are operating, most of our businesses are deemed and approved to be essential service providers and therefore allowed to carry on with certain operations during the lockdown period. However, several businesses are not operating at optimal levels due to different factors related to Covid-19. The short and long term economic impact of Covid-19 on our suppliers and customers is still unclear

With a primary focus on liquidity and cash flow, we have taken immediate action and implemented various cost saving measures across our operations, limiting where possible all non-essential capital expenditure and applying measures to optimise working capital.

The Group has sufficient headroom to enable it to conform to covenants on its existing borrowings, and sufficient working capital and undrawn financing facilities to service its operating activities and ongoing investments in the short term. The various assets held for sale are already in advanced stages of negotiation and settlement and will also contribute to reduced interest costs and improved liquidity.

The unpredictable outcomes of this disease complicate the estimation of the financial effects of the outbreak and as a result, the outlook for the Group for the remainder of the financial year ending 31 August 2020 is unclear. The lockdown has, however, presented the Group with the opportunity to review and reinvigorate the underlying businesses' strategies, which will be beneficial to our efforts to increase stakeholder value.

Management holds the view that even though the year-end results will not be at the same level as the previous year, the results for the coming six months will outperform the results for the six months ended 29 February 2020.

Condensed Consolidated Statement of Financial Position

for the six month period as at 29 February 2020

Figures in Rand	**As at 29 February 2020 (6 Months - Unaudited)**	As at 28 February 2019 (6 Months - Unaudited)	As at 31 August 2019 (Audited)
Assets			
Non-current assets			
Biological assets	**355 629 969**	369 499 944	393 774 918
Property, plant and equipment	**951 197 067**	967 534 511	983 875 577
Right-of-use asset	**108 969 342**	-	-
Goodwill and intangible assets	**167 556 955**	157 052 978	165 204 710
Investments in associates	**2 076 032**	2 274 077	1 433 080
Loans to group companies	**23 828 065**	15 499 885	14 243 052
Other loans receivable	**83 347 174**	73 170 394	80 206 951
Investments at fair value	**41 441 661**	28 916 510	40 889 351
Finance lease receivables	**9 055 908**	5 882 143	12 090 273
Deferred tax	**91 758 073**	58 689 965	86 034 422
	1 834 860 246	1 678 520 407	1 777 752 334
Current Assets			
Inventories	**993 586 886**	886 197 012	1 005 108 390
Biological assets	**354 845 161**	384 599 920	376 538 923
Loans receivable	**51 580 211**	77 570 590	26 780 563
Trade and other receivables	**1 331 341 678**	1 399 799 460	1 029 986 541
Derivative financial instrument	**-**	-	1 359 314
Finance lease receivables	**14 307 616**	18 559 314	12 682 931
Current tax receivable	**4 631 495**	7 152 363	4 000 278
Cash and cash equivalents	**73 666 159**	51 361 084	140 870 632
	2 823 959 206	2 825 239 743	2 597 327 572
Non-current assets held for sale and assets of disposal groups	**225 843 728**	-	88 882 374
Total Assets	**4 884 663 180**	4 503 760 150	4 463 962 280
Equity and liabilities			
Equity attributable to equity holders of parent			
Share capital	**28 198 876**	9 043 250	18 444 418
Reserves	**477 697 074**	454 643 480	484 910 781
Retained income	**580 621 319**	492 325 375	554 657 699
	1 086 517 269	956 012 105	1 058 012 898
Non-controlling interest	**464 325 269**	429 988 523	451 603 767
	1 550 842 538	1 386 000 628	1 509 616 665
Liabilities			
Non-current liabilities			
Other loans payable	**1 522 825**	1 587 869	1 207 880
Borrowings	**701 677 000**	520 204 940	561 715 334
Lease Liabilities	**91 394 856**	-	-
Finance Lease Liabilties	**3 171 794**	1 402 873	2 772 209
Retirement benefit obligation	**6 829 000**	8 349 000	6 829 000
Deferred tax	**256 610 474**	264 627 359	258 063 143
	1 061 205 949	796 172 041	830 587 566
Current liabilities			
Trade and other payables	**642 103 601**	821 538 236	790 141 003
Other loans payable	**18 425 257**	17 332 840	15 809 213
Borrowings	**1 220 043 605**	1 252 893 513	1 269 317 871
Derivative financial instrument	**14 269 310**	-	2 838 950
Lease Liabilties	**19 705 050**	-	-

Finance lease liabilities	**1 891 894**	1 880 753	2 828 846
Contract liabilities	**78 792 642**	-	7 437 296
Current tax payable	**9 732 779**	2 734 536	18 761 764
Provisions	**4 899 460**	1 350 191	4 964 350
Dividend payable	**5 583 803**	6 373 643	5 130 437
Bank overdraft	**257 167 292**	217 483 769	5 744 546
	2 272 614 693	2 321 587 481	2 122 974 276
Liabilities of disposal groups	**-**	-	783 773
Total liabilities	**3 333 820 642**	3 117 759 522	2 954 345 615
Total equity and liabilities	**4 884 663 180**	4 503 760 150	4 463 962 280

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

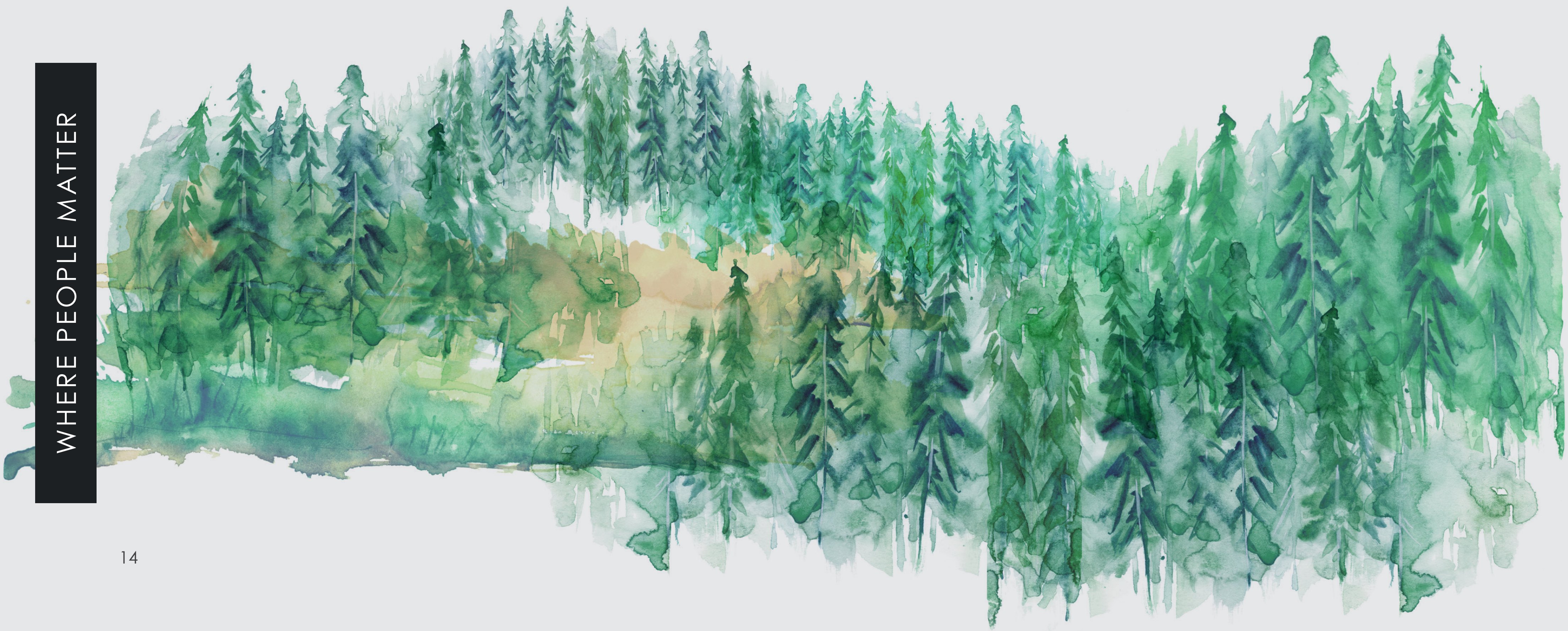
for the six month period ending 29 February 2020

Figures in Rand	**For the 6 Months ending 29 February 2020 (Unaudited)**	For the 6 Months ending 28 February 2019 (Unaudited)	For the year ending 31 August 2019 (Audited)
Revenue from continuing operations	**3 830 355 791**	3 888 956 446	7 753 615 098
Profit before interest, tax, depreciation and amortisation (EBITDA)	**186 198 980**	233 042 828	431 372 165
Depreciation and amortisation	**(30 033 004)**	(15 001 550)	(31 848 484)
Profit before interest and tax (EBIT)	**156 165 976**	218 041 278	399 523 681
Finance costs	**(62 444 115)**	(51 949 663)	(114 807 056)
Profit before tax from continuing operations	**93 721 861**	166 091 615	293 056 830
Taxation	**(26 086 876)**	(49 468 116)	(85 155 952)
Profit after tax from continuing operations	**67 634 985**	**116 623 499**	**207 900 878**
Profit / (Loss) from discontinued operations	**-**	-	(6 013 884)
Profit for the year	**67 634 985**	116 623 499	201 886 994
Other comprehensive income:			
Gains / (losses) on property revaluation	**(8 666 693)**	-	65 304 758
Remeasurements on defined benefit liability			815 000
Changes in fair value of equity investments at fair value through OCI		3 790 210	(18 067 727)
Taxation related to other comprehensive income	**1 941 339**	(849 007)	(3 891 871)
Other comprehensive income for the year	**(6 725 354)**	2 941 203	44 160 160
Total comprehensive income for the year	**60 909 631**	119 564 702	246 047 154
Profit attributable to:			
Owners of the parent	**40 622 050**	76 734 548	117 838 175
Non-controlling interest	**27 012 935**	39 888 951	84 048 819
Profit for the year	**67 634 985**	116 623 499	201 886 994
Total comprehensive income attributable to:			
Owners of the parent	**33 408 341**	79 675 751	153 871 288
Non-controlling interest	**27 501 290**	39 888 951	92 175 866
Total comprehensive income for the year	**60 909 631**	119 564 702	246 047 154
Basic earnings per share - cents	**312,49**	600,69	925,64

Condensed Consolidated Statement of Changes in Equity

for the six month period as at 29 February 2020

Figures in Rand	Share capital	Revaluation reserve	Reserve for Investments at fair value through OCI	Restructuring reserve	Share based payments reserve	Changes of ownership reserve	Total reserves	Retained income	Total attributable to equity holders of the group	Non-controlling interest	Total equity
Balance at 1 September 2019 (Audited)	18 444 418	386 345 602	24 564 754	75 137 000	4 831 559	(5 968 134)	484 910 781	554 657 701	1 058 012 900	451 603 767	1 509 616 667
Total comprehensive income for the 6 month period	-	(6 725 353)	(488 354)	-	-	-	(7 213 707)	40 622 050	33 408 343	27 501 290	60 909 633
Dividends paid							-	(17 701 368)	(17 701 368)	(11 736 852)	(29 438 220)
Treasury shares	9 754 458						-		9 754 458	-	9 754 458
Other changes for the period	-	6 384 177	-	(6 384 177)	-	-	-	3 042 936	3 042 936	(3 042 936)	-
Total changes for the 6 month period	9 754 458	(341 176)	(488 354)	(6 384 177)	-	-	(7 213 707)	25 963 618	18 749 911	12 721 502	41 225 871
Balance at 29 February 2020 (Unaudited)	28 198 876	386 004 426	24 076 400	68 752 823	4 831 559	(5 968 134)	477 697 074	580 621 319	1 076 762 811	464 325 269	1 550 842 538



WHERE PEOPLE MATTER

Condensed Consolidated Statement of Cash Flows

for the six month period ending 29 February 2020

Figures in Rand	**For the 6 Months ending 29 February 2020 (Unaudited)**	For the 6 Months ending 28 February 2019 (Unaudited)	For the year ending 31 August 2019 (Audited)
Cash from operating activities	**200 539 903**	219 649 438	438 090 180
Interest income	**2 370 309**	2 318 806	6 133 280
Dividends paid	**(28 984 854)**	(24 468 186)	(26 392 674)
Dividends income	**3 429**	1 067	336 646
Finance costs	**(62 444 115)**	(51 949 663)	(114 807 056)
Income tax paid	**(40 982 056)**	(8 100 199)	(60 614 890)
Changes in operating capital	**(302 112 080)**	(394 729 793)	(76 645 183)
Net cash flows from operating activities	**(231 609 464)**	(257 278 530)	166 100 303
Cash flows from investing activities	**(143 036 617)**	(168 623 323)	(368 925 392)
Net cash flows before financing activities	**(374 646 081)**	(425 901 853)	(202 825 089)
Cash flows from financing activities	**56 018 862**	84 450 621	162 622 628
Net decrease in cash and cash equivalents	**(318 627 219)**	(341 451 232)	(40 202 461)
Cash and cash equivalents at the beginning of the year	**135 126 086**	175 328 547	175 328 547
Total cash and cash equivalents at the end of the year	**(183 501 133)**	(166 122 685)	135 126 086

Segmental Information

for the six month period ending 29 February 2020 (Unaudited)

	Revenue			Profit and loss/separately disclosable items			
Figures in Rand	Total segment revenue	Inter segment revenue	Revenue from external customers	Operating profit before interest, tax, depreciation and amortisation (EBITDA)	Depreciation and amortisation	Finance costs	Earnings before taxation
For the 6 Months ending 29 February 2020 (Unaudited)							
Continuing operations							
Timber	1 568 485 016	(606 757 835)	961 727 177	73 264 839	(6 227 037)	(1 943 990)	65 093 812
Retail and mechanisation	2 912 081 998	(1 117 304 176)	1 794 777 822	29 266 596	(11 072 342)	(15 292 117)	2 902 137
Financial Services	95 183 216	4 053 478	99 236 694	30 421 020	(1 141 781)	(199 876)	29 079 363
Grain	441 157 333	(38 862 955)	402 294 378	13 951 048	(2 850 777)	(1 996 668)	9 103 603
Motors and Tyres	569 196 126	(7 060 828)	562 135 298	15 689 192	(7 043 174)	(18 158 365)	(9 512 347)
Corporate	32 151 330	(21 966 908)	10 184 422	23 606 285	(1 697 893)	(24 853 099)	(2 944 707)
Total	**5 618 255 019**	**(1 787 899 224)**	**3 830 355 791**	**186 198 980**	**(30 033 004)**	**(62 444 115)**	**93 721 861**

Reconciling items:	
Taxation	**(26 086 876)**
Profit for the year	**67 634 985**

Segmental Information

for the six month period ending 29 February 2020 (Unaudited)

For the 6 Months ending 28 February 2019 (Unaudited)

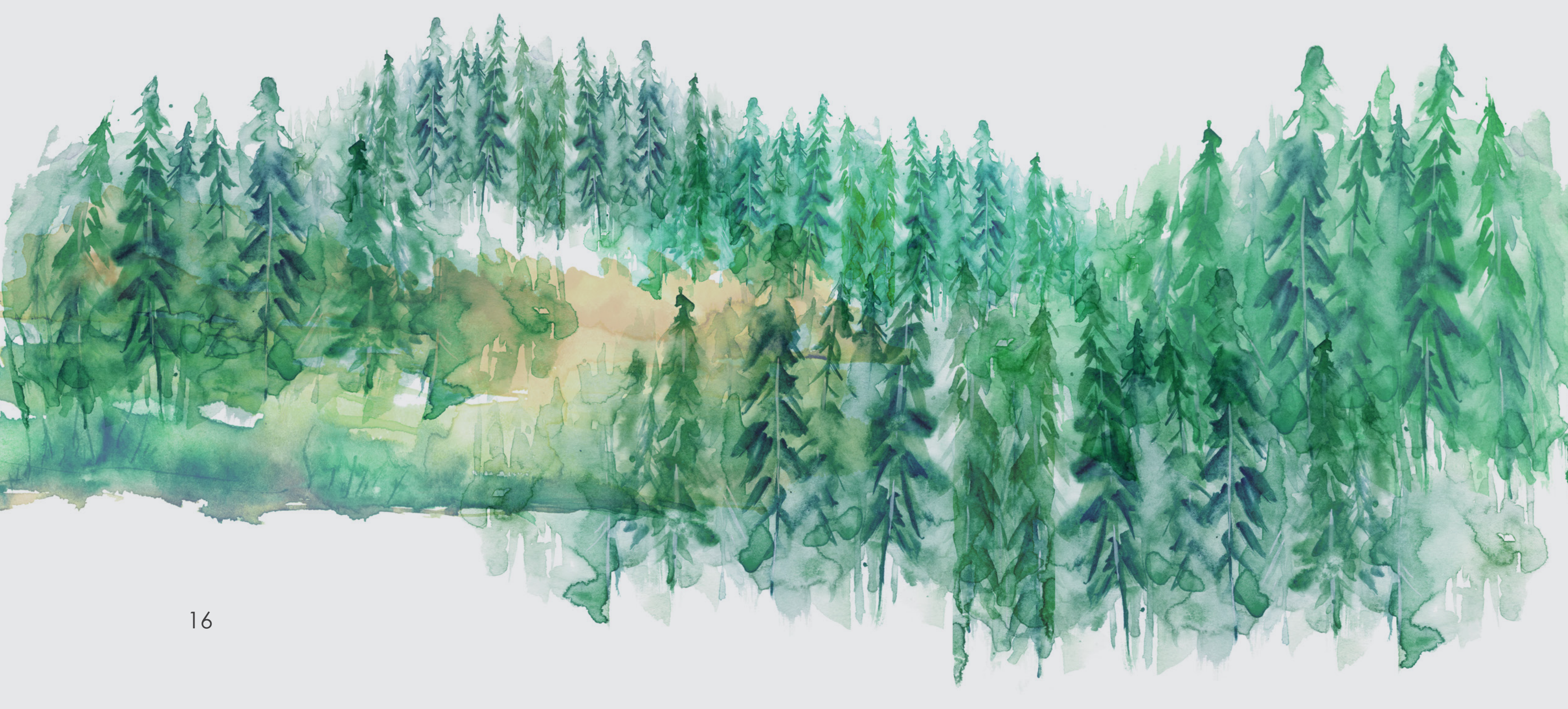
Continuing operations							
Timber	1 707 671 272	(501 725 102)	1 205 946 170	137 705 719	(5 800 758)	(1 372 370)	130 532 591
Retail and mechanisation	2 543 452 237	(943 909 948)	1 599 542 289	41 743 864	(3 253 584)	(9 266 229)	29 224 051
Financial Services	82 026 233	3 649 237	85 675 470	20 979 524	(176 582)	-	20 802 942
Grain	516 446 041	(37 703 062)	478 742 979	7 847 607	(2 074 587)	(2 050 040)	3 722 980
Motors and Tyres	523 171 128	(5 037 884)	518 133 244	17 214 305	(2 309 437)	(11 274 662)	3 630 206
Corporate	23 653 656	(22 737 362)	916 295	7 551 809	(1 386 602)	(27 986 362)	(21 821 155)
Total	**5 396 420 568**	**(1 507 464 122)**	**3 888 956 446**	**233 042 828**	**(15 001 550)**	**(51 949 663)**	**166 091 615**

Reconciling items:	
Taxation	**(49 468 116)**
Profit for the year	**116 623 499**

Segmental Information

for the six months period ending 29 February 2020

	As at 29 February 2020 - 6 Months (Unaudited)			As at 28 February 2019 - 6 Months (Unaudited)		
Figures in Rand	**Total assets**	**Total liabilities**	**Net assets**	Total assets	Total liabilities	Net assets
Continuing operations						
Timber	**1 608 278 216**	**1 126 543 582**	**481 734 634**	1 531 827 006	1 021 201 229	510 625 777
Retail and mechanisation	**779 106 021**	**620 256 862**	**158 849 159**	1 150 758 665	1 060 508 521	90 250 144
Financial Services	**1 240 503 459**	**734 182 148**	**506 321 311**	909 596 653	324 810 666	584 785 987
Grain	**109 454 597**	**91 786 540**	**17 668 057**	269 083 944	114 629 748	154 454 196
Motors and Tyres	**409 845 836**	**233 279 666**	**176 566 170**	370 413 378	218 371 707	152 041 671
Corporate	**737 475 051**	**527 771 844**	**209 703 207**	272 080 504	378 237 651	(106 157 147)
Total	**4 884 663 180**	**3 333 820 642**	**1 550 842 538**	4 503 760 150	3 117 759 522	1 386 000 628



NOTES

1. Related party transactions

1.1 Trade debtors – Directors
Trade debtors comprise of production accounts as well as other accounts for which customers of the Company qualify. Credit extension, repayment terms and interest rates in respect of loans are in line with Company policy, which applies to all customers of the Company.

As at 29 February 2020, R46,17 million (2019: R17,62 million) was owed to the Group by the directors and their related entities, on the above-mentioned accounts. This is covered by security held in terms of the credit policy.

2. Acquisition of property plant and equipment
During the six months ended 29 February 2020 the Group acquired property, plant and equipment of R48,87 million (2019: R104,08 million).

3. IFRS 16 – Leases
The group adopted the requirements as set out in IFRS 16 during the current year. The group elected not to restate comparatives.

The group leases several assets, including land, buildings and vehicles. The average lease term ranges from 2 to 10 years, with an option to extend included in a number of these leases. The carrying amounts of right-of-use assets are as follows:

	2020
Land & buildings	R92 712 604
Vehicles	R16 256 736
Total	**R108 969 341**

Depreciation recognised on right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss.

	2020
Land & buildings	R11 043 372
Vehicles	R1 365 501
Total	**R12 408 873**

The interest expense recognised in the statement of profit or loss relating to the lease is included in finance costs in profit or loss.

	2020
Interest expense	R6 771 558

The lease liability relating to right-of-use asset on which the interest expense is charged is as follows:

	2020
Non-current liabilities	R91 394 856
Current liabilities	R19 705 050
Total	**R111 099 906**

4. Assets held-for-sale
During the current year, a section of the South African biological assets as well as the land on which these assets were established was classified as held-for-sale. The classification is due to the assets not being of economical size for the Group. Furthermore, the Fourie Street property was classified as held-for-sale due to an undesirable return on capital and not being strategic in nature. This is in addition to the Wesselton Mall that was classified as held-for-sale at year end.

5. Fair value
The fair value measurements recognised in the statement of financial position or disclosed in the Group's financial statements by class of asset or liability is categorised by level according to the significance of inputs used in making the measurements. The different levels are defined as follows:

- **Level 1:** Represents those assets which are measured using unadjusted quoted prices in active markets for identical assets or liabilities that the Group can access at measurement date.
- **Level 2:** Inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).
- **Level 3:** Applies to inputs which are not based on observable market data.

There were no changes in levels or new items added since the annual financial statements of 31 August 2019.

By order of the Board of Directors