South Ocean Holdings Limited

(Registration number 2007/002381/06)
Annual Financial Statements
for the year ended 31 December 2024

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General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Holding company with interest in electrical wire manufacturing and property investment
Directors	KH Pon (resigned 19 March 2025) HL Li A Smith N Lalla JH Yeh J van Rensburg WP Basson M Chong (not re-elected) 31 July 2024) LL Chen DJC Pan (alternate) (resigned 12 December 2024) SN Yeh (alternate) M Hohman (appointed 10 March 2025)
Registered office	12 Botha Street Alrode 1451
Business address	16 Botha Street Alrode 1451
Postal address	PO Box 123738 Alrode Gauteng 1451
Bankers	First National Bank, a division of FirstRand Bank Limited
Auditor	BDO South Africa Inc.
Secretary	WT Green
Registration number	2007/002381/06
Level of assurance	These Financial Statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008 of South Africa.
Preparer	The Annual Financial Statements were internally compiled by: WP Basson CA(SA) Group Chief Financial Officer
Issued	19 March 2025

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(Registration number 2007/002381/06)
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Audit and Risk Management Committee Report

The Audit and Risk Management Committee is pleased to present its report for the year ended 31 December 2024.

The Audit and Risk Management Committee is a statutory committee of the Board and forms an integral component of the Company's governance framework. The Audit and Risk Management Committee has written terms of reference that deal with its membership, authority and duties. In addition to having specific statutory responsibilities to the shareholders in terms of Section 94 of the Companies Act 71 of 2008 of South Africa, the Audit and Risk Management Committee assists the Board by examining, reviewing and advising on the reliability and accuracy of the financial information provided by management as well as that provided for dissemination to other users of financial information; the risk management process; internal financial controls; external and internal audit functions; and statutory and regulatory compliance.

The Audit and Risk Management Committee has an independent role with accountability to both the Board and Shareholders.

1. Composition

The members of the Audit and Risk Management Committee, during the year were: Ms N Lalla CA(SA) (Independent Non-Executive Chairperson), Mr KH Pon CA(SA) (Independent Non-Executive Director) and Mr JH Yeh (Independent Non-Executive Director). Ms M Chong (Independent Non-Executive Director) was not re-appointed as member of the Audit and Risk Management Committee at the Annual General Meeting.

The Committee is satisfied that the members have the required knowledge and experience as set out in Section 94(5) of the Companies Act 71 of 2008 of South Africa and Regulation 42 of the Companies Regulation, 2011.

All the members have the required financial and commercial skills and experience to contribute to the Committee's deliberations. The Board is satisfied that the Audit and Risk Management Committee members act independently.

2. Terms of reference

The Audit and Risk Management Committee functions within the scope provided by approved terms of reference which were reviewed and updated during the year. The Audit and Risk Management Committee has acted upon its statutory duties and functions during the year. The Board has assessed and is satisfied with the performance of the Audit and Risk Management Committee and its members and found it to be functioning effectively.

3. Meetings

The Audit and Risk Management Committee performs the duties laid upon it by Section 94(7) of the Companies Act 71 of 2008 of South Africa by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

The Audit and Risk Management Committee held four scheduled meetings during 2024 and all the members attended the Committee meetings.

The Chief Executive Officer, Chief Financial Officer, certain Board members who are not Audit and Risk Management Committee members and representatives from the external and internal auditors attend the Audit and Risk Management Committee meetings by invitation.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

4. Duties

For the year ended 31 December 2024 the Audit and Risk Management Committee met their objectives and carried out their duties as per the statutory requirements.

5. External auditor

The Audit and Risk Management Committee has recommended the appointment of BDO South Africa Inc. whom replaced PricewaterhouseCoopers as the independent auditor, and Ms S Kock as the designated auditor, who is a registered independent auditor, for the year ended 31 December 2024 audit. The appointment of the auditors for the 2025 financial year will be approved at the next Annual General Meeting.

The Committee satisfied itself through enquiry and written independence declaration through the Audit committee document that the external auditor are independent as defined in the Companies Act 71 of 2008 of South Africa and as per the standards stipulated by the auditing profession. Requisite assurance was sought that internal governance processes within BDO South Africa Inc. support and demonstrate the claim to independence.

The Audit and Risk Management Committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The Audit and Risk Management Committee confirms that no non-audit services provided by the external auditors.

At the end of each meeting during the year, the Audit and Risk Management Committee provided an opportunity to meet with the external auditors where management was not present, during which no matter of concern was raised by the auditors.

The Audit and Risk Management Committee, reviewed the external auditor's reports and management responses to matters raised.

The Audit and Risk Management Committee has evaluated and is satisfied with the competence, quality and effectiveness of the external auditors.

The Audit and Risk Management Committee has satisfied itself through representations that the external auditors are independent and approved the following fees for work done by them. The fees approved during the year for audit services amounted to R3 200 000 (2023: R4 078 750). Fees approved for non-audit services amounted to R nil (2023: Rnil).

6. Annual Financial Statements and accounting controls

The Audit and Risk Management Committee has :

Reviewed the Annual FInancial Statements for the year ended 31 December 2024 and comment on the accounting practices and the effectiveness of the internal controls with regards to:

- the appropriateness and consistent application in the adoption of accounting policies and any changes in accounting policies and practices;
- significant financial estimates based on judgement which are included in the Annual Financial Statements;
- the appropriateness of major adjustments processed at the interim and at year end;
- the going concern assumption;
- compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), Interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with SA Financial Reporting Requirements, the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008 (the Companies Act);
- whether the Financial Statements present a balanced and understandable assessment of the Group statements of financial position, statements of financial performance and cash flow statements; and
- the directors' statement included in the Financial Statements, including the statement on effectiveness of the system of internal control.

Reviewed the content of the summary financial information for whether it provides a balanced view.

Following the review of the Annual Financial Statements, the Audit and Risk Management Committee recommend to the Board the approval thereof.

The Audit and Risk Management Committee will review the integrated report and make recommendations to the Board for approval. The Committee will also comment on the state of the internal control environment in the integrated report once it has been prepared.

7. Internal auditors

The Audit and Risk Management Committee has:

- appointed the company's internal auditors for 2024 and 2025;
- satisfied itself with the competence of the internal auditor and adequacy of the internal audit staffing;
- satisfied itself through enquiry that GRIPP Advisory is independent;
- approved the annual riskbased internal audit plan;
- reviewed the internal auditors' assessment of internal controls and confirmed that nothing has come to their attention to indicate any material failure of internal control systems;
- reviewed the internal audit reports and management's response to matters raised;
- reviewed and is satisfied with the quality and effectiveness of the internal audit;
- satisfied itself with the competence of the internal audit firm; and
- satisfied itself with the coordination between internal and external auditors.

8. Legal and regulatory compliance

The Audit and Risk Management Committee reports that, to its knowledge, South Ocean Holdings Limited is in compliance with the legislative provisions and JSE Listing Requirements applicable to its operational environment.

9. Review of financial function and Chief Financial Officer

The Audit and Risk Management Committee has reviewed the performance, appropriateness and expertise of the Group Chief Financial Officer and confirms their suitability in terms of the JSE Listing Requirements.

10. Going concern

The Audit and Risk Management Committee has reviewed management's assessment and the key assumptions of the going concern status of the Group. The Audit and Risk Management Committee recommended to the Board, giving due cognisance of the Group's current financial position and cash flows, that the Group is a going concern.

On behalf of the Audit and Risk Management Committee:



N Lalla CA(SA)
Chairperson: Audit and Risk Management Committee

Johannesburg

Directors' Responsibilities And Approval

The directors are required in terms of the Companies Act 71 of 2008 of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS® Accounting Standards ("IFRS").

The Annual Financial Statements are prepared in accordance with IFRS® Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors of the Company are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders and to the Companies and Intellectual Property Commission.

The directors have reviewed the Company's cash flow forecast for the year to 31 December 2025 and, in light of this review and the current financial position, they are satisfied that the Company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Company's Financial Statements. The Financial Statements have been examined by the Company's external auditor and their report is presented on pages 14 to 18.

Approval of the Annual Financial Statements

The Financial Statements set out on pages 9 to 13 and 19 to 58, which have been prepared on the going concern basis, were approved by the board of directors on 19 March 2025 and were signed on their behalf by:



A Smith
Executive Director (CEO)



WP Basson
Executive Director (CFO)

CEO and FD Responsibility Statement

ANNUAL COMPLIANCE CERTIFICATE IN TERMS OF FORM D1 OF THE JOHANNESBURG STOCK EXCHANGE LISTINGS REQUIREMENTS

Each of the directors, whose names are stated below, hereby confirm that:

A Smith

WP Basson

The Annual Financial Statements set out on pages 19 to 58, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;

To the best of our knowledge and belief no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;

Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;

The internal financial controls are adequate and effective and can be relied upon in the compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementing and execution of controls:

Where we are not satisfied we have disclosed to the Audit and Risk Committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls: and

We are not aware of any fraud involving directors.



A Smith

Executive Director (CEO)

Johannesburg

19 March 2024



W Basson

Executive Director (CFO)

Johannesburg

19 March 2024

Company Secretary's Certification

In terms of Section 88(2)(e) of the Companies Act 71 of 2008 of South Africa, as amended, I certify that the company has lodged with the Commissioner all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

WT Green
Company Secretary
Johannesburg
19 March 2025

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of South Ocean Holdings Limited for the year ended 31 December 2024.

1. Nature of business

South Ocean Holdings Limited ("SOH") is the holding Company of four main operating subsidiary companies ("Group"): South Ocean Electric Wire Company Proprietary Limited ("SOEW"), Icembu Cables Proprietary Limited, electrical wire manufacturing companies, Icembu Services Proprietary Limited, manufacturer of conduit and compounding material, and Anchor Park Investments 48 Proprietary Limited ("Anchor Park"), a property investment company. SOEW has investments in the following associates i.e The Electric Owl Propietary Limited, The Electric Owl KZN Proprietary Limited, Power Cable Trading Proprietary Limited, Mwanga Afrika Cables Proprietary Limited and Lomami SARL as outlets for electrical wire. Consupro Proprietary Limited, Powerhouse Reman Mozambique Limited, NC Dynamic Desert Energy Proprietary Limited and Green Energy SOEW Proprietary Limited were added as outlets for electric wire. The following associates were disposed of during the same period i.e. Niehoff Electrical Warehouse Proprietary Limited, Global Cables PE Proprietary Limited and Global Cables PTA Proprietary Limited, Global Cables NLP Proprietary Limited, Global Cables DBN Proprietary Limited and Global Cables CPT Proprietary Limited. SOH also has investments in SOH Calibre International Limited, a foreign procurement company.

There have been no material changes to the nature of the company's business from the prior year.

2. Financial results

The Company financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with SA Financial Reporting Requirements, the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008 (the Companies Act). The Company have adopted all new accounting standards and interpretations that is relevant to the business that became effective in the current reporting period.

The financial position, results of operations and cash flows of the Company are adequately reflected in the attached Annual Financial Statements. For the full view of the Annual Financial Statements of the Group, the user of the Annual Financial Statements should in conjunction with this set, view the set titled "South Ocean Holdings Limited and its subsidiary companies Annual Financial Statements for the year ended 31 December 2024".

The Company remains vigilant in maintaining all protocols for the safety of all staff members, and business partners alike, whilst continuing to produce and trade during this time.

3. Share capital

Authorised share capital
The authorised share capital amounts to R5 000 000, being 500 000 000 ordinary shares of R0.01 each. There were no changes in the authorised share capital during the year under review.

Issued share capital
The issued share capital amounts to R2 032 768 (2023: R2 032 768), being 203 276 794 (2023: 203 276 794) ordinary shares . There were no changes to the issued share capital during the year under review.

4. Special resolutions

At the Annual General Meeting of the Company held on 31 July 2024, shareholders approved the following special resolutions:

Directors' report

Special Resolution Number 1:

Non-executive directors' fees for the financial year ended 31 December 2024 and quarter ending 31 March 2025 and June 2025.

Resolved that the fees, to be paid to the non-executive directors for their services as directors of the Company, for the year ending 31 December 2024 and the quarter ending 31 March 2025 and June 2025 (being two quarters of the fees payable for the year ending 31 December 2024) be approved as follows:

Chairperson	R798 721.00
Deputy Vice-Chairperson	R405 490.00
Non-Executive Director	R234 292.00
Chairperson of the Audit Committee	R351 436.00
Member of the Audit Committee	R 75 929.00
Chairperson of the Remuneration Committee	R108 063.00
Member of the Remuneration Committee	R 75 929.00
Chairperson of the Social and Ethics Committee	R108 063.00
Member of the Social and Ethics Committee	R 75 929.00
Chairperson of Special Committees	R4 556.00 per hour
Member of Special Committees	R2 735.00 per hour

The reason for special resolution number 1 is to obtain shareholder approval for the remuneration of each of the non-executive directors of the Company for the financial year ending 31 December 2024 and for the quarters ending 31 March 2025 and 30 June 2025 in accordance with section 66(9) of the Companies Act, 2008 and to confirm and ratify the fees payable to the directors for the quarters ending 31 March 2025 and 30 June 2025. The fees payable for the quarter ending 31 March 2025 and 30 June 2025 will be based on a quarter of the fees as approved above. Shareholders will be requested to approve any adjustment to the fees payable for the quarters ending 31 March 2025 and 30 June 2024 at the 2025 Annual General Meeting.

Special Resolution Number 2:

Loans or other financial assistance.

Resolved that the Board of Directors may authorise the Company, in terms of Section 45 of the Companies Act, 2008, to provide any direct or indirect financial assistance that the Board of Directors may deem fit to any related or inter-related companies as defined in terms of Section 2 of the Companies Act, 2008.

The reason and effect of special resolution number 2 is to approve generally the provision of financial assistance to the Company's related or inter-related companies and as, from time to time, may be required in the normal course of the Company's businesses.

5. Borrowing limitations

In terms of the Memorandum of Incorporation of the Company, the directors may exercise their right to acquire funding as they consider appropriate.

On behalf of the Company, the directors have established credit facilities with financial institutions, for use by the Company and its subsidiary companies.

Directors' report

6. Directorate

The directors in office during the year are as follows:

Directors	Designation	Nationality
A Smith	Executive	South African
WP Basson	Executive	South African
KH Pon (resigned 19 March 2025)	Independent non-executive	South African
N Lalla	Independent non-executive	South African
HL Li	Independent non-executive	Taiwanese
J van Rensburg	Non-executive	South African
JH Yeh	Independent non-executive	South African
M Chong (not re-elected) 31 July 2024)	Independent non-executive	South African
LL Chen	Non-executive	Hong Kong
DJC Pan (alternate) (resigned 12 December 2024)	Non-executive	Brazilian
SN Yeh (alternate)	Non-executive	Taiwanese
M Hohman (appointed 10 March 2025)	Non-executive	American

7. Directors' emoluments

The directors' emoluments are set out in note 23 the Annual Financial Statements.

8. Dividends

Taking into account the earnings performance for the year ended 31 December 2024, notice is hereby given that a dividend of 5.5 cents per ordinary share was approved by the directors on 19 March 2025, payable to shareholders recorded in the share register of the Company at the close of business on 17 April 2025. A dividend of 11 cents per share was declared and paid in 2024.

In compliance with STRATE, the Company determined the following salient dates for payments of the dividend:

Share certificates may not be dematerialised or rematerialized between Wednesday 15 April 2025 and Friday 17 April 2025, both days inclusive.

Last day of trade cum dividend	Tuesday, 14 April 2025
Trading ex-dividend commences	Wednesday, 15 April 2025
Record date	Friday, 17 April 2025
Dividend payment date	Monday, 22 April 2025

9. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the Company had an interest and which significantly affected the business of the Company.

10. Secretary

The company secretary is Mr WT Green.

Postal address:	P.O. Box 123738 Alrode 1451
Business address:	21 West Street Houghton 2198

Directors' report

11. Directors' interests in shares

The interest of directors in the issued share capital of the Company as at 31 December 2024 was as follows:

Interests in shares

Directors	2024 Indirect	2023 Indirect
J van Rensburg	62 205 447	62 205 447

No shares were traded by any director from 31 December 2024 until the date of this report.

12. Share-based payments

The Company has a long-term incentive plan for identified senior management. Details of the scheme and rights allocated are disclosed in note 11 of the Annual Financial Statements.

13. Management by third and related parties

Neither the business of the Company nor its subsidiaries, nor any part thereof, has been managed by a third person or a company in which a director had an interest during the year under review.

14. Interests in subsidiaries

Details of material interests in subsidiary companies are presented in the Annual Financial Statements in note 6 and note 24.

15. Auditor

BDO South Africa Inc. replaced PricewaterhouseCoopers Inc. in office as auditor for the Company and its subsidiaries for the year ended 31 December 2024.

At the Annual General Meeting, the shareholders will be requested to reappoint BDO South Africa Inc. as the independent external auditor of the Company and to confirm Ms S Kock as the designated lead audit partner for the 2025 annual financial year.

16. Events after the reporting period

The directors are not aware of any other matters or circumstances arising since the end of the financial year, not otherwise dealt with in the Annual Financial Statements, which would affect the operations of the Company or the results of those operations significantly.

A final dividend of 5.5 cents per share was approved by the directors on 19 March 2025 in terms of the general authority granted to the directors. Details of the dividend is set out in note 29.

17. Going concern

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

At 31 December 2024, the Company's assets, fairly valued, exceeded its liabilities. Furthermore, management assessed the Company's liquidity forecasts and the companies assets (fairly valued) exceeding its liabilities for a period of twelve months. Various scenarios have been considered to test the Company's resilience against operational risks and management concluded that the Company is a going concern.

Management has concluded that the Company's ability to continue to meet its financial obligations as they fall due is dependent on the Company's ability to continue to improve its performance.

Directors' report

18. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act 71 of 2008 of South Africa which indicated that the Company is liquid and solvent.

19. Preparation of consolidated financial statements

The directors have elected to present separate financial statements in addition to the consolidated financial statements. The consolidated financial statements are titled 'South Ocean Holdings Limited and its subsidiary companies Annual Financial Statements" and have been prepared for the year ended 31 December 2024. This can be found on the Company's website at www.southoceanholdings.co.za.

Independent Auditor's Report
To the Shareholders of
South Ocean Holdings Limited

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of South Ocean Holdings Limited ("the company") set out on pages 19 to 58 which comprise the separate statement of financial position as at 31 December 2024, and the separate statement of profit or loss and other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and notes to the separate financial statements, including material accounting policy information.

In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of South Ocean Holdings Limited as at 31 December 2024, and its separate financial performance and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

The materiality is R 4 361 000, which represents 1% of total assets.

Total assets is the appropriate benchmark since it is an investment holding company that holds the investment in subsidiaries and performs administrative functions for the group.

BDO South Africa Incorporated
Registration number: 1995/002310/21
Practice number: 905526
VAT number: 4910148685

Chief Executive Officer: LD Mokoena

A full list of all company directors is available on www.bdo.co.za

The company's principal place of business is at The Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg where a list of directors' names is available for inspection. BDO South Africa Incorporated, a South African personal liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key audit matter	How our audit addressed the key audit matter

Impairment assessment of the recoverable amount of the investment in South Ocean Electric Wire Company Proprietary Limited ("SOEW")
 	
South Ocean Holdings Limited is required to perform an assessment of all of its assets when conditions exist or there are changes in circumstances that might indicate that the carrying value of these assets might not be recoverable.
 	
As at 31 December 2024, the market capitalisation of the group was lower than its net asset value, which was considered to be an impairment indicator.
 	
An impairment assessment was performed on the Company's main investment namely SOEW to determine its recoverable amount.
 	
The recoverable amount was determined through an assessment of the higher of the investment's value in use, or the fair value less costs to sell.
 	
The relevant assumptions and judgements applied are included in note 26 to the separate financial statements.
 	
We considered the impairment assessment to be a matter of most significance in our current year audit of the separate financial statements, due to the degree of estimation uncertainty and complexity of determining the recoverable amount of the investment based on certain estimates and assumptions.
 	
Based on the results of the assessment, no impairment was accounted in the current year's separate financial statements.
	Our audit procedures for the impairment assessment of the carrying value of the investment included the following:
	
	• We obtained management's model with respect to their determination and assessment of the recoverable amount of SOEW;
	
	• Where appropriate, we involved our independent valuation expertise to perform the following procedures below with respect to the determination of the recoverable amount of the carrying value of the investment:
	  ○ The valuation methodology applied by management was assessed to confirm that the methodology applied to determine the recoverable amount was appropriate and in line with the requirements of IAS 36 – Impairment of Assets. The methodology was confirmed to be appropriate.
	  ○ We tested the key inputs applied to the cash flows prepared by management against approved budgets. No material exceptions were noted.
	  ○ We assessed the reasonableness of management's budgeting process by comparing the budget for the year against actuals to ascertain whether the budgeting process is reasonable. Where differences were noted, we obtained corroborating evidence in relation to the explanations from management to support these differences. We found the budgeting process to be reasonable.

- We independently recalculated the weighted average cost of capital discount rate (WACC), considering independently obtained data such as the risk-free rate, market risk premium, beta, small stock premium, cost of debt and the weighted average cost of capital for similar entities within the sector.

  The recoverable amount was recalculated based on application of the independently determined WACC to the free cash flows.

The recoverable amount recalculated was compared to that of management and no impairment to the carrying value was required.

We performed a sensitivity analysis to the relevant inputs to the valuation and found that no impairment of the recoverable amount was noted with respect to measurement purposes.

- We compared the value in use of the asset to the net asset value of the same asset and noted that no impairment was required.

- We evaluated the adequacy of disclosures against the requirements of IFRS 13 Fair Value Measurement (refer note 26).

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document "South Ocean Holdings Limited Annual Financial Statements for the year ended 31 December 2024, and the document titled "South Ocean Holdings Limited and its subsidiary companies Annual Financial Statements for the year ended 31 December 2024" which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Report 2024, which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

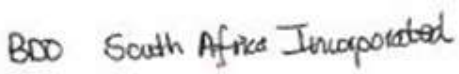
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of South Ocean Holdings Limited for 1 year.



BDO South Africa Incorporated
Registered Auditors

Soné Jeanette Kock
Director
Registered Auditor

20 March 2025

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Statement of Financial Position as at 31 December 2024

Figures in Rand thousand	Note(s)	2024	2023
Assets			
Non-Current Assets			
Property, plant and equipment	3	110	128
Right-of-use assets	4	971	1 456
Investments in subsidiaries	5	368 324	368 324
Loans to group companies	6	51 548	69 617
Deferred tax	7	3 112	1 410
		424 065	**440 935**
Current Assets			
Loans to group companies	6	10 164	20 328
Trade and other receivables	8	1 723	143
Cash and cash equivalents	9	193	362
		12 080	**20 833**
Total Assets		**436 145**	**461 768**
Equity and Liabilities			
Equity			
Share capital	10	1 138 562	1 138 562
Accumulated losses		(720 010)	(691 264)
		418 552	**447 298**
Liabilities			
Non-Current Liabilities			
Lease liabilities	4	670	1 288
Share-based payment liabilities	11	6 270	420
		6 940	**1 708**
Current Liabilities			
Trade and other payables	12	9 142	9 101
Lease liabilities	4	618	571
Current tax payable	20	21	485
Share-based payment liabilities	11	872	2 605
		10 653	**12 762**
Total Liabilities		**17 593**	**14 470**
Total Equity and Liabilities		**436 145**	**461 768**

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand thousand	Note(s)	2024	2023
Revenue	13	21 167	21 176
Other operating income	14	89	124
Operating expenses	15	(28 913)	(21 031)
Finance costs paid	17	(155)	(167)
(Loss)/ profit before taxation		**(7 812)**	**102**
Tax	18	1 426	(198)
Loss for the year		**(6 386)**	**(96)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(6 386)**	**(96)**

The accounting policies on pages 23 to 33 and the notes on pages 34 to 58 form an integral part of the annual financial statements.

South Ocean Holdings Limited

(Registration number 2007/002381/06)
Annual Financial Statements for the year ended 31 December 2024

Statement of Changes in Equity

Figures in Rand thousand	Share capital	Share premium	Total share capital	Accumulated loss	Total equity
Balance at 01 January 2023	**2 033**	**1 136 528**	**1 138 562**	**(678 971)**	**459 591**
Loss for the year	-	-	-	(96)	(96)
Other comprehensive income	-	-	-	-	-
Total comprehensive Loss for the year	**-**	**-**	**-**	**(96)**	**(96)**
Dividends	-	-	-	(12 197)	(12 197)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**(12 197)**	**(12 197)**
Balance at 01 January 2024	**2 033**	**1 136 529**	**1 138 562**	**(691 264)**	**447 298**
Loss for the year	-	-	-	(6 386)	(6 386)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**(6 386)**	**(6 386)**
Dividends	-	-	-	(22 360)	(22 360)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**(22 360)**	**(22 360)**
Balance at 31 December 2024	**2 033**	**1 136 529**	**1 138 562**	**(720 010)**	**418 552**
Note	10	10	10		

The accounting policies on pages 23 to 33 and the notes on pages 34 to 58 form an integral part of the annual financial statements.

Statement of Cash Flows

Figures in Rand thousand	Note(s)	2024	2023
Cash flows from operating activities			
Cash flows used in operations	19	(8 537)	(2 298)
Investment income		-	69
Finance costs paid	17	(32)	(167)
Tax paid	20	(740)	(102)
Net cash utilised operating activities		**(9 309)**	**(2 498)**
Cash flows from investing activities			
Proceeds from loans to group companies		33 270	17 546
Loans to group companies		(1 199)	(2 500)
Net cash from investing activities		**32 071**	**15 046**
Cash flows used in financing activities			
Dividends paid	29	(22 360)	(12 197)
Repayment of lease liabilities	21	(571)	(527)
Net cash utilised in financing activities		**(22 931)**	**(12 724)**
Total cash and cash equivalents movement for the year		**(169)**	**(176)**
Cash and cash equivalents at the beginning of the year		362	538
Total cash and cash equivalents at end of the year	9	**193**	**362**

The accounting policies on pages 23 to 33 and the notes on pages 34 to 58 form an integral part of the annual financial statements.

Accounting Policies

1. Presentation of the Annual Financial Statements

General Information

South Ocean Holdings Limited ("the Company") is a holding company of a number of subsidiaries whose businesses are involved in the manufacture and distribution of electrical wires and rental of property.

The Company is a public limited company, which is listed on the Johannesburg Stock Exchange and is incorporated in South Africa.

Summary of Material accounting policies

The principal accounting policies applied in the preparation of these separate Annual Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Company financial statements have been prepared on historical cost basis in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with SA Financial Reporting Requirements, the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008 (the Companies Act). The Company have adopted all new accounting standards and interpretations that is relevant to the business that became effective in the current reporting period. The financial statements are presented in South African Rands (R), which is the Company's functional presentation currency.

The preparation of Annual Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Companies accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Annual Financial Statements are disclosed in note 1.10.

The financial position, results of the operations cash flows of the Company are adequately reflected in the attached Annual Financial Statements. For the full view of the Annual Financial Statements of the Company, the user of the Annual Financial Statements should in conjunction with this set, view the set titled "South Ocean Holdings Limited and its subsidiary companies Annual Financial Statements for the year ended 31 December 2024".

1.1 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line basis over its estimated useful lives, to the estimated residual value, as follows:

Item	Average useful life
Furniture and fixtures	3-10 years

The assets' residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate. Depreciation is recognised from the date when the assets are available for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'operating expenses' in the statement of comprehensive income.

Where the estimated residual value of an asset is above the carrying value, no depreciation is raised.

Accounting Policies

1.2 Leases

The Company assesses whether a contract is, or contains a lease, at the inception of the contract.

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 consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Low value assets are defined as any assets with a value of R200 000 or less when new.

Details of leasing arrangements where the Company is a lessee are presented in note 4 Leases (Company as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and

The lease liability is presented as a separate line item on the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs paid (note 17).

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:
- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item in the statement of financial position.

Lease payments included in the measurement of the lease asset comprise the following:
- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;

Accounting Policies

1.2 Leases (continued)

- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation using the straight-line method and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.3 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

1.4 Impairment of non-financial assets

The Company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

1.5 Financial instruments

Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Company, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost.

Financial liabilities:

- Amortised cost.

Accounting Policies

1.5 Financial instruments (continued)

Note 25, Financial instruments and risk management, presents the financial instruments held by the Company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Company are presented below:

Loans to group companies

Classification

Loans to group companies (note 6), are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Accounting Policies

1.5 Financial instruments (continued)

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in revenue (note 13).

The application of the effective interest method to calculate interest income on a loan receivable is dependent on the credit risk of the loan as follows:

- The effective interest rate is applied to the gross carrying amount of the loan, provided the loan is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a loan was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the loan in the determination of interest. If, in subsequent periods, the loan is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Loans denominated in foreign currencies

When a loan receivable is denominated in a foreign currency, the carrying amount of the loan is determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss .

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management (note 25).

Impairment

The Company recognises a loss allowance for expected credit losses (ECL) on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Company considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the Company compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Accounting Policies

1.5 Financial instruments (continued)

Definition of default

The Company considers that default has occurred when a loan recalled is not met or when trade receivables are more than 60 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The Company writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default, taking the time value of money into consideration.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and visa versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is recognised in terms of IFRS 9.

Credit risk

Details of credit risk related to loans receivable are included in the specific notes and the financial instruments and risk management (note 25).

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT, deposits and prepayments, are classified as financial assets subsequently measured at amortised cost (note 8).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

Accounting Policies

1.5 Financial instruments (continued)

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The Company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT, deposits and prepayments. The amount of expected credit losses is updated at each reporting date.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses, which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The Company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account.

Write off policy

The Company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Company recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 8) and the financial instruments and risk management note (note 25).

Trade and other payables

Classification

Trade and other payables (note 12), excluding VAT, payroll accruals and deposits, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs paid (note 17).

Trade and other payables expose the Company to liquidity risk and possibly to interest rate risk. Refer to note 25 for details of risk exposure and management thereof.

Accounting Policies

1.5 Financial instruments (continued)

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

Details of foreign currency risk exposure and the management thereof are provided in the financial instruments and risk management note (note 25).

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Derecognition

Financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The Company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

Accounting Policies

1.6 Employee benefits

Defined contribution plans

The Company operate a number of defined contribution plans. The schemes are generally funded through payments to insurance companies or trustee-administered funds. A defined contribution plan is a pension or provident fund plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Profit-sharing and bonus plans

The Company recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.7 Revenue recognition

The Company recognises revenue from the following major sources:

Revenue from contracts with group companies;

- Management fees.

Revenue other than from contracts with customers:

- Interest received.

Management fees

Management fees are recognised from services to subsidiary companies and recognised on a straight-line basis over time at the agreed transaction price. This is considered to be a single performance obligation and no volume or trade discounts are provided in relation to this revenue stream. Amounts are invoiced on 30 day terms in close proximity to when the services are rendered and no significant financing element is deemed to be present as a result.

Interest received

The Company recognises interest earned on interest charged on group loans in revenue as it is earned, using the effective interest method.

1.8 Tax

Current income tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Accounting Policies

1.8 Tax (continued)

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes income tax liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax for current and prior periods is, to the extent that it is unpaid, recognised as a liability. Overpayment of current tax is recognised as an asset. Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Income tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.9 Share based payments

Cash-settled share-linked instruments have been granted to certain employees in the Company. The fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities. The fair value is initially measured at grant date and expensed over the period during which the employees are required to provide services in order to become unconditionally entitled to payment.

The fair value of the instrument granted is measured using generally accepted valuation techniques, taking into account the terms and conditions upon which the instruments are granted. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as employees' remuneration in the statement of comprehensive income.

Accounting Policies

1.10 Significant judgements and sources of estimation uncertainty

In preparing the Annual Financial Statements, management is required to make estimates and judgements that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements. Significant estimates and judgements include:

Share-based payments (estimate)

The fair value of employee share appreciation rights granted are being determined using the Black-Scholes valuation model. The significant inputs into the model are: vesting period and conditions, risk free interest rate, volatility, price on date of grant and dividend yield. (Refer to note 11 for details on each of the share option schemes).

Impairment of investment in subsidiaries and cash generating units (estimate)

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair value less costs of disposal. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The Company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment or impairment reversals may have occurred, estimates are prepared of expected future cash flows for each Company of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. The value-in-use is sensitive to changes in discount rates, growth rates and interest rates. Refer to note 26 for details of impairments recognised, as well as assumptions.

1.11 Related party transactions

All subsidiaries, major shareholders and key management personnel of the Company are related parties. Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. A list of all transactions with major subsidiaries, major shareholders and key management personnel is included in note 22. All transactions entered into with subsidiaries were on terms no more favourable than those with third parties. There were no other material contracts with related parties.

1.12 Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the Company financial statements in the period in which the dividends are approved by the Company directors.

1.13 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses.

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Company have adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard	Details of amendment	Annual periods beginning on or after
• IFRS 16 Leases (Amendment - Lease Liability in a Sale and Leaseback)	The IFRS Interpretations Committee issued an agenda decision in June 2020 – Sale and leaseback with Variable Payments. This matter was referred to the IASB for standard setting for some aspects. The IASB issued the final amendments in September 2022. The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.	01 January 2024
• IAS 1 Presentation of Financial Statements (Amendment Classification of Liabilities as Current or Non-Current)	The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.	01 January 2024
• IAS 1 Presentation of Financial Statements (Amendment – Non-curr liabilities with Covenants)	Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.	01 January 2024

2. New Standards and Interpretations (continued)

• IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:Disclosures (Amendment - Supplier Finance Arrangements)	On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments). These Amendments arose as a result of a submission received by the IFRS Interpretations Committee (the Committee) about the presentation requirements for liabilities and associated cash flows arising out of supply chain financing arrangements and related disclosures. In December 2020, the Committee published an Agenda Decision Supply Chain Financing Arrangements—Reverse Factoring that addressed this submission based on the requirements in IFRS Accounting Standards existing at that time. During this process, the feedback from stakeholders indicated limitations of the then existing requirements to address important information needs of users to understand the effects of supplier finance arrangements on an entity's financial statements and to compare one entity with another. In response to this feedback, the IASB undertook a narrow-scope standard setting, leading to the Amendments. The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements.	01 January 2024

2.2 Standards and interpretations not yet effective

The Company have chosen not to early adopt the following standards and interpretations, of which the impact still needs to be assessed, which have been published and are mandatory and relevant for the Company's accounting periods beginning on or after 01 January 2025 or later periods:

Standard	Details of amendment	Annual periods beginning on or after
• IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendment – Lack Exchangeability)	On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments arose as a result of a submission received by the IFRS Interpretations Committee (the Committee) about the determination of the exchange rate when there is a long-term lack of exchangeability. IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice. The Committee recommended that the IASB develop narrow-scope amendments to IAS 21 to address this issue. After further deliberations, the IASB issued an exposure draft of the proposed amendments to IAS 21 in April 2021 and the final amendments were issued in August 2023. The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency.	01 January 2025

2. New Standards and Interpretations (continued)

• IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure (Amendment - Classification and Measurement of Financial Instruments)	1.	In response to matters that had been raised to the IFRS Interpretations Committee as well as matters that arose during the post-implementation review of classification and measurement requirements of IFRS 9 Financial Instruments, in May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The Amendments modify the following requirements in IFRS 9 and IFRS 7: Derecognition of financial liabilities •Derecognition of financial liabilities settled through electronic transfers Classification of financial assets •Elements of interest in a basic lending arrangement (the solely payments of principle and interest assessment – 'SPPI test') •Contractual terms that change the timing or amount of contractual cash flows •Financial assets with non-recourse features Disclosures •Investments in equity instruments designated at fair value through other comprehensive income •Contractual terms that could change the timing or amount of contractual cash flows The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified. The Amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later. This would be particularly useful to entities that wish to apply the Amendments early for financial instruments with ESG (Environmental, Social and Governance)-linked or similar features.	01 January 2025

2. New Standards and Interpretations (continued)

• IFRS 18 Presentation and Disclosure in Financial Statements	IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting periods beginning on or after 1 January 2027. IFRS 18, which was published by the IASB on 9 April 2024, sets out significant new requirements for how financial statements are presented, with particular focus on: •The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total. •Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements. •Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards.	01 January 2025

Figures in Rand thousand	2024	2023

3. Property, plant and equipment

	2024			2023		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Furniture and fixtures	524	(414)	110	524	(396)	128

Reconciliation of property, plant and equipment - 2024

	Opening balance	**Depreciation**	**Total**
Furniture and fixtures	128	(18)	110

Reconciliation of property, plant and equipment - 2023

	Opening balance	**Depreciation**	**Total**
Furniture and fixtures	147	(19)	128

Property, plant and equipment encumbered as security

A register containing the information required by Regulation 25(3) of the Companies Regulations is available for inspection at the registered office of the Company.

Other information

Cost and accumulated depreciation for furniture and fittings, at the start of the comparative year was R374 000 and (R348 000) respectively.

4. Leases

The Company leases premises at 16 Botha Street, Alrode from Anchor Park Investments 48 (Pty) Ltd. The average remaining lease term is 3 years (2023: 4 years)

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are as follows:

Buildings	971	1 456

Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below and is included in the total depreciation charge in profit or loss (note 15).

Buildings	485	485

Other disclosures

Interest expense on lease liabilities	123	167
Capital repayment on lease liabilities	571	527
Total cash outflow for leases	694	694

Figures in Rand thousand	2024	2023

4. Leases (continued)

Lease liabilities

Non-current liabilities	670	1 288
Current liabilities	618	571
	1 288	**1 859**

The classification of interest on the cash flow statement is driven by the nature of the underlying asset. Interest on leases is thus classified as an operating activity.

Refer to note 25 Financial instruments and financial risk management for details of the maturity analysis of lease liabilities and the liquidity risk exposure and management thereof.

5. Investment in subsidiaries

Name of company	Held by	% voting power 2024	% voting power 2023	% holding 2024	% holding 2023	Carrying amount 2024	Carrying amount 2023
DIrect Interest:							
South Ocean Electric Wire Company Proprietary Limited		100,00 %	100,00 %	100,00 %	100,00 %	368 324	368 324
Anchor Park Investments 48 Proprietary Limited		100,00 %	100,00 %	100,00 %	100,00 %	-	-
SOH Calibre International Limited		100,00 %	100,00 %	100,00 %	100,00 %	-	-
Indirect Interest:							
Icembu Holdings Proprietary Limited		70,00 %	100,00 %	70,00 %	100,00 %	-	-
Icembu Services Proprietary Limited.		49,00 %	100,00 %	49,00 %	100,00 %	-	-
Icembu Cables Proprietary Limited		49,00 %	100,00 %	49,00 %	100,00 %	-	-
						368 324	368 324

The carrying amount of subsidiaries are shown net of impairment charges. The carrying amount of the investment in South Ocean Electric Wire Company Proprietary Limited and Anchor Park Investments 48 Proprietary Limited were evaluated at year end. No impairments were recognised in the current year (2023: Nil). Cumulative impairments for 2024 amounted to R302 290 000 (2023: R302 290 000).

5. Investment in subsidiaries (continued)

The group owns 70% equity shares of Icembu Holdings, Icembu Holdings owns 70% equity shares in Icembu Services, and 70% of the equity shares Icembu Cables, collectively known as Icembu. The Directors of the company concluded that the company has control in terms of IFRS10: Consolidated Financial Statements over Icembu, and that they are consolidated in the group's financial statements due to the following reasons:

- the group's directors are the only appointees to the Icembu executive board of directors at financial year end;
- Icembu is dependent on South Ocean for providing key management services and vital expertise and the Icembu operations are dependent on South Ocean's key management personnel;
- South Ocean is the only appointee of key management personnel and the Icembu business is run by South Ocean appointed personnel;
- the Group is responsible to secure Icembu's suppliers and customers; and
- the Group's exposure to variable returns disproportionately exceeds the exposure of the other investors due to a significant management fee being charged.

Details of the impairment assessment is set out in note 26.

Figures in Rand thousand	2024	2023

6. Loans to/ (from) group companies

Subsidiaries	Basis of accounting		
SOH Calibre International Limited	Amortised cost	394	306
Anchor Park Investments 48 Proprietary Limited	Amortised cost	(1 265)	480
South Ocean Electric Wire Company Proprietary Limited	Amortised cost	60 199	88 082
Icembu Services Proprietary Limited	Amortised cost	107	98
Icembu Cables Proprietary Limited	Amortised cost	2 277	979
		61 712	**89 945**

These loans are unsecured with no fixed repayment terms and bears interest at 8.00% per annum.

Split between non-current and current portions

Non-current assets	51 548	69 617
Current assets	10 164	20 328
	61 712	**89 945**

Current assets

Management's intention is to recall the current portion of the loans to group companies in the next 12 months.

Exposure to credit risk

Loans receivable inherently expose the group to credit risk, being the risk that the group will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for group loans receivable is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

In determining the amount of expected credit losses, the group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate.

Management has considered the effect of forward looking information, taking into account the cash flow forecast information for the respective entities and have concluded that any potential resulting impact on Expected Credit Loss (ECL) is not material.

Management has assessed the cash flow forecasts of the counterparties and obtained evidence that they have a strong ability to make payments should they become due and payable.

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below. The Company does not hold collateral or other credit enhancements against group loans receivable.

Credit loss allowances

In applying the lifetime expected credit loss criteria to group loans receivables, management has assessed that no material credit loss allowance is necessary. The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for group loans receivable by credit rating grade:

Figures in Rand thousand	2024	2023

6. Loans to/ (from) group companies (continued)

2024

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans to/ (from) subsidiaries				
SOH Calibre international Limited	12 month ECL (not credit impaired)	394	-	394
Anchor Park Investments 48 Proprietary Limited	12 month ECL (not credit impaired)	(1 265)	-	(1 265)
South Ocean Electric Wire Company Proprietary Limited	12 month ECL (not credit impaired)	60 199	-	60 199
Icembu Services Proprietary Limited	12 month ECL (not credit impaired)	107	-	107
Icembu Cables Proprietary Limited	12 month ECL (not credit impaired)	7 422	(5 146)	2 276
		66 857	**(5 146)**	**61 711**

2023

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans to subsidiaries				
SOH Calibre International Limited	12 month ECL (not credit impaired)	306	-	306
Anchor Park Investments 48 Proprietary Limited	12 month ECL (not credit impaired)	480	-	480
South Ocean Electric Wire Company Proprietary Limited	12 month ECL (not credit impaired)	88 082	-	88 082
Icembu Services Proprietary Limited	12 month ECL (not credit impaired)	98	-	98
Icembu Cables Proprietary Limited	Lifetime ECL (not credit impaired)	1 657	(678)	979
		90 623	**(678)**	**89 945**

Figures in Rand thousand	2024	2023

6. Loans to/ (from) group companies (continued)

Reconciliation of loss allowances

The following tables show the movement in the loss allowances for loans receivable. The movement in the gross carrying amounts of the loans are also presented in order to assist in the explanation of movements in the loss allowance.

Loss allowance measured at 12 month ECL:

Opening balance	(678)	-
Credit loss allowance provision	(4 468)	(678)
Closing balance	**(5 146)**	**(678)**

Exposure to currency risk

Loans to/ (from) subsidiaries

The net carrying amounts, in Rand, of loans to subsidiaries, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date.

Rand amount		
Rand	61 317	89 639
Hong Kong Dollar	394	306
	61 711	**89 945**

7. Deferred tax

The deferred tax asset and the deferred tax liabilities are calculated on all temporary differences under the liability method using a principal taxation rate of 27% (2023: 27%). Deferred taxation asset and liabilities are offset when the income taxes relate to the same fiscal authority, and there is a legal right to offset at settlement. The amount disclosed in the statement of financial position are analysed as follows:

Deferred tax asset

Accruals	3 112	1 410
Total deferred tax asset	**3 112**	**1 410**
Deferred tax asset	3 112	1 410
Total net deferred tax asset	**3 112**	**1 410**

Reconciliation of deferred tax asset

At beginning of year	1 410	1 211
Increase in accruals	1 702	199
At the end of the year	**3 112**	**1 410**
Disclosed as		
Non-current assets	3 112	1 410

Figures in Rand thousand	2024	2023

7. Deferred tax (continued)

Recognition of deferred tax asset

The Company recognises a deferred tax asset when a loss is incurred in either the current or preceding period and the Company expects future taxable profits through an increase in management revenue within a period of 5 years. Utilisation of the deferred tax asset is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

8. Trade and other receivables

Trade receivables	1 646	-
Non-financial instruments:		
South African Revenue Services - VAT receivable	77	143

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	1 646	-
Non-financial instruments	77	143
	1 723	**143**

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the Company will incur financial loss if counterparties fail to make payments as they fall due.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information, including competition in the industry, volatility of copper prices and demand, and other factors such as industry stability and unemployment levels. Trade receivables default is defined by a customer exceeding its approved trading terms.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. No loss allowance have been provided for, as the balance relates to intercompany transactions which is fully recoverable.

Fair value of trade and other receivables

Due to the short term nature of trade and other receivables, the carrying amount is considered to be the same as the fair value.

Exposure to currency risk

The net carrying amounts, in Rand, of trade and other receivables are denominated in the following currency.

Rand Amount		
Rand	1 646	143

Figures in Rand thousand	2024	2023

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	193	362
	193	**362**

Credit quality of cash at bank

The credit quality of cash at bank that is neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating
Bb- (2023: Bb-) - Firtst National Bank a division of First Rand Bank Limited

There has been an increase in the credit risk of the bank, however the Company has determined that no expected credit loss is required.

10. Share capital

Authorised		
500 000 000 Ordinary shares at R0.01 each	5 000	5 000
Issued		
203 276 794 Ordinary shares	2 033	2 033
Share premium	1 136 529	1 136 529
	1 138 562	**1 138 562**

11. Share-based payment liabilities

Share Appreciation Rights (SAR) - Long term incentive plan

The Company has a 100% cash-settled Share Appreciation Rights (SAR) plan in place, which has been in place since 2009. The next SAR's were eligible to be exercised in 2024, if not exercised in 2024, they can be exercised in 2025. The fair value of the rights was calculated using the Black-Scholes Valuation Model. The assumptions used in determining the fair value of each SAR granted as at the end of the respective reporting periods are summarised as follows:

	2024	**2023**
Share price (Volume Weighted Average Price)	R1.85	R1.17
Strike price: SOH	R1.97	R1.24
Spot price: SOH	R1.97	R1.24
Dividend yield	0.00%	0.00%
Volatility	60.00%	60.00%

Expected SAR life : Three years, may be extended at the option of the holder for one more year.

Risk-free rate : Zero coupon perfect fit swap curve from the Bond Exchange of South Africa.

The volatility was determined by applying the equally weighted methodology to the historical share prices of SOH.

Rights granted	**Exercise date after three years**	
Grant date	1 January 2024	1 January 2023
Grant price: SOH	R1.85	R1.17

Notes to the Annual Financial Statements

Figures in Rand thousand	2024	2023

11. Share-based payment liabilities (continued)

Reconciliation of liability		
Opening balance	3 025	2 772
Charge in statement of comprehensive income	4 117	253
Closing balance	**7 142**	**3 025**
Non-current liabilities	6 270	420
Current liabilities	872	2 605
	7 142	**3 025**

Reconciliation of units		
Opening balance	7 785	4 394
Units granted	4 604	3 391
Encashment of units	(2 831)	-
Closing balance	9 558	7 785

Units comprise of SOH units.

At year end, 1 563 413 (2023: 2 830 982) shares have been vested with an intrinsic value of R871 989 (2023: R2 604 503).

Directors interest in long term incentive plans	**Number of SAR Units**	**Value R'000**
2024		
WP Basson	3 229	2 398
A Smith	6 329	4 744
2023		
WP Basson	4 517	2 733
A Smith	3 268	292

Notes to the Annual Financial Statements

Figures in Rand thousand	2024	2023

12. Trade and other payables

Financial instruments:		
Trade payables	4 984	48
Accruals	2 181	6 709
Non-financial instruments:		
Payroll accruals	1 977	2 344
	9 142	**9 101**

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	7 164	6 757
Non-financial instruments	1 977	2 344
	9 141	**9 101**

Accruals

Accruals mainly consists of audit fees, printing and stationary and professional fees.

Fair value of trade and other payables

The carrying amounts of trade and other payables are considered to be the same as their fair values due to the short term nature. Refer to note 25 Financial instruments and financial risk management for details of liquidity risk exposure and management. The fair value of trade and other payables thus approximates their carrying amounts.

13. Revenue

Revenue from contracts with customers		
Rendering of services	15 344	13 859
	15 344	**13 859**
Revenue other than from contracts with customers		
Interest received (effective interest rate)	5 823	7 317
	5 823	**7 317**
	21 167	**21 176**

Figures in Rand thousand	2024	2023

13. Revenue (continued)

Disaggregation of revenue from contracts with customers

The Company disaggregates revenue from customers as follows:

Rendering of services over time		
Administration and management fees received	15 344	13 859
Total revenue from contracts with customers	**15 344**	**13 859**

14. Other operating income

Sundry income	89	124

15. Expenses by nature

The total operating expenses are analysed by nature as follows:

Auditor remuneration	1 332	2 085
Depreciation	503	505
Employee benefit expense	20 794	13 091
Insurance - other	401	320
Impairment of loan in group subsidiary	4 467	679
Motor vehicle expenses	196	237
Other expenses	322	2 987
Professional fees	672	700
Repairs and maintenance	12	123
Secretarial fees	214	304
Total administration and operating expenses	**28 913**	**21 031**

16. Employee benefit expense

Salaries, wages and bonuses	16 075	12 339
Share-based payment expense	4 117	253
Pension and provident fund contributions	602	499
	20 794	**13 091**

The employees of the Company are the members of the following contribution plans:

- Alexander Forbes Access Retirement Fund
- MPF Provident Fund

Number of persons employed at 31 December

Full time	3	4
Part time	5	7
	8	**11**

17. Finance costs paid

Lease liabilities	123	167
Other	32	-
Total finance costs	**155**	**167**

Notes to the Annual Financial Statements

Figures in Rand thousand	2024	2023

18. Tax

Major components of the tax expense (income)

Current		
Local income tax - current period	-	397
Local income tax - recognised in current tax for prior periods	276	-
	276	**397**
Deferred		
Originating and reversing temporary differences - current period	(1 702)	(199)
	(1 426)	**198**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting (loss)/ profit - continuing	(7 812)	102
Tax at the applicable tax rate of 27% (2023: 27%)	(2 109)	28
Tax effect of adjustments on taxable income		
Deferred tax effect income	407	170
Current tax for prior period	276	-
	(1 426)	**198**

19. Cash generated from operations

Profit before taxation	(7 812)	102
Adjustments for:		
Depreciation	503	504
Non-cash finance income	(5 823)	(7 317)
Finance costs paid	155	167
Net impairments and movements in credit loss allowances	4 468	678
Share-based payment provision	4 117	253
Payment of share-based payment liability through subsidiary loan account	(2 605)	-
Other non-cash items	-	(962)
Changes in working capital:		
Trade and other receivables	(1 580)	2 661
Trade and other payables	40	1 616
	(8 537)	**(2 298)**

20. Tax paid

Balance at the beginning of the year	(485)	(190)
Current tax for the year recognised in profit or loss	(276)	(397)
Balance at the end of the year	21	485
	(740)	**(102)**

Notes to the Annual Financial Statements

Figures in Rand thousand	2024	2023

21. Net debt reconciliation

	2024	2023
Cash and cash equivalents	193	362
Lease liabilities repayable within one year	(618)	(571)
Lease liabilities repayable after one year	(670)	(1 288)
Net debt	**(1 095)**	**(1 497)**

	Cash and cash equivalents	Lease liabilities	Total
			-
Balance at 1 January 2023	538	(2 386)	(1 848)
Cash movements	(176)	694	518
Interest charged	-	(167)	(167)
Balance at 31 December 2023	362	(1 859)	(1 497)
Cash movements	(169)	694	525
Interest charged	-	(123)	(123)
Balance at 31 December 2024	**193**	**(1 288)**	**(1 095)**

22. Related parties

Relationships

Directors	KH Pon (resigned 19 March 2025) HL Li N Lalla A Smith YH Yeh M Chong (Not re-elected 31 July 2024) WP Basson J van Rensburg LL Chen MM Hohman (Appointed 10 March 2025) DJC Pan (Alternate) (Resigned 12 December 2024) SN Yeh (Alternate)
Subsidiaries	Anchor Park Investments 48 Proprietary Limited Icembu Services Propietary Limited South Ocean Electric Wire Company Proprietary Limited SOH Calibre International Limited Icembu Cables Proprietary Limited

Related party balances

Loan accounts - Owing (to) by related parties		
Anchor Park Investments 48 Proprietary Limited	(1 265)	480
South Ocean Electric Wire Company Proprietary Limited	60 199	88 082
SOH Calibre International Limited	394	306
Icembu Services Proprietary Limited	107	98
Icembu Cables Proprietary Limited	7 422	979
Amounts included in Trade receivable (Trade Payable) regarding related parties		
South Ocean Electric Wire Company Proprietary Limited	836	(45)

Figures in Rand thousand	2024	2023

22. Related parties (continued)

Related party transactions

Interest received from/ (paid to) related parties		
Anchor Park Investments 48 Proprietary Limited	(46)	264
South Ocean Electric Wire Company Proprietary Limted	5 566	6 929
Icembu Cables Proprietary Limited	232	8
Icembu Services Proprietary Limited	8	47
Rent paid to related parties		
Anchor Park Investments 48 Proprietary Limited	694	694
Administration fees received from related parties		
South Ocean Electric Wire Company Proprietary Limited	12 276	12 276
Icembu Cables (Proprietary) Limited	2 338	-

23. Directors' and prescribed officers' emoluments

Executive Director fees

2024

	Salary	Medical aid group benefit	Provident fund	Bonus and performance related payments	Total
A Smith	3 294	205	431	2 901	6 831
WP Basson	2 276	67	171	4 387	6 901
	5 570	**272**	**602**	**7 288**	**13 732**

2023

	Salary	Medical aid group benefit	Provident fund	Total
A Smith	4 872	176	317	5 365
WP Basson	3 085	32	132	3 249
	7 957	**208**	**449**	**8 614**

Non-executive Director fees

2024 and 2023

KH Pon (resigned 19 March 2025)	1 044	846
HL Li	405	369
N Lalla	722	631
JH Yeh	355	282
J van Rensburg	287	213
M Chong (resigned 31 July 2024)	316	380
LL Chen	237	213
	3 366	**2 934**

23. Directors' and prescribed officers' emoluments (continued)

Directors' interests in share capital

No shares were traded by any director from 31 December 2024 until the date of this report. Refer to note 11 for details of share appreciation rights allocated to the directors during the year.

The interest in the issued share capital of the Company as at 31 December 2024 was as follows:

2024		Direct and indirect beneficial holding	Total	%
J van Rensburg		62 205 447	62 205 447	30,6

2023		Direct and indirect beneficial holding	Total	%
J van Rensburg	0	62 205 447	62 205 447	30,6

Notes to the Annual Financial Statements

Figures in Rand thousand	2024	2023

24. Interest in subsidiaries

Direct Holdings	Issued share capital and percentage held 2024 %	2023 %	Shares at cost 2024 R'000	Shares at cost 2023 R'000	Loans to/ (from) 2024 R'000	Loans to 2023 R'000
South Ocean Electric Wire Company Proprietary Limited	100	100	712 165	712 165	60 199	88 082
Anchor Park Investments 48 Proprietary Limited	100	100	-*	-*	(1 265)	480
SOH Calibre International Limited	100	100	-*	-*	394	-
Indirect Holdings						
Icembu Holdings Proprietary Limited	70	100				
Icembu Services Proprietary Limited	49	100	-*	-*	107	98
Icembu Cables Proprietary Limited	49	100	-*	-*	7 422	1 657
	-	-	- *	-*	-	-
			712 165	**712 165**	**66 857**	**90 317**
Less: Dividends received from pre-acquisition profits (prior 2009)			(41 550)	(41 550)	-	-
Less: Impairment South Ocean Electric Wire Company Proprietary Limited			(302 290)	(302 290)	-	-
Less: Impairment Icembu Cables Proprietary Limited			-	-	(5 146)	(678)
			368 325	**368 325**	**61 711**	**89 639**

* denotes amounts of less than R1 000

All subsidiaries are incorporated and operate in South Africa with the exception of SOH Calibre International Limited which is incorporated in Hong Kong.

All subsidiaries have a year end of 31 December 2024.

25. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2024

	Note(s)	Amortised cost	Total
Loans to group companies	6	61 711	61 711
Trade and other receivables	8	1 646	1 646
Cash and cash equivalents	9	193	193
		63 550	**63 550**

2023

	Note(s)	Amortised cost	Total
Loans to group companies	6	89 945	89 945
Cash and cash equivalents	9	362	362
		90 307	**90 307**

Categories of financial liabilities

2024

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	12	7 164	-	7 164
Lease liabilities	4	-	1 288	1 288
		7 164	**1 288**	**8 452**

2023

	Note(s)	Amortised cost	Leases	Total
Trade and other payables	12	6 757	-	6 757
Lease liabilities	4	-	1 859	1 859
		6 757	**1 859**	**8 616**

25. Financial instruments and risk management (continued)

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The executive directors are involved in the daily operations of the Company, and the necessary decisions regarding capital risk management are made as and when necessary.

The capital structure of the Company consists of equity as disclosed in the statement of financial position.

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk).

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out under policies approved by the Board of Directors.

Credit risk

The credit risk arises primarily from the company providing intercompany loans granted to subsidiaries.

The risk gets managed on a group level.

The maximum exposure to credit risk is presented in the table below:

		2024			2023		
	Note(s)	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost**
Loans to group companies	6	66 857	(5 146)	61 711	90 623	(678)	89 945
Trade and other receivables	8	1 646	-	1 646	-	-	-
Cash and cash equivalents	9	193	-	193	362	-	362
		68 696	**(5 146)**	**63 550**	**90 985**	**(678)**	**90 307**

Liquidity risk

The liquidity risk arises from the company providing intercompany loans granted to subsidiaries.

The Company manages liquidity risk by monitoring forecast cash flows.

The table below analyses the Company financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Figures in Rand thousand		2024	2023

25. Financial instruments and risk management (continued)

2024

		Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	4	-	695	695	670
Current liabilities					
Trade and other payables	12	7 164	-	7 164	7 049
Lease liabilities	4	695	-	695	618
		7 859	**695**	**8 554**	**8 337**

2023

		Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities	4	-	1 390	1 390	1 288
Current liabilities					
Trade and other payables	12	6 757	-	6 757	6 757
Lease liabilities	4	695	-	695	571
		7 452	**1 390**	**8 842**	**8 616**

Foreign currency risk

The Company does not hedge foreign currency risk.

At 31 December 2024, if the currency had weakened/strengthened against the Hong Kong Dollar (HKD) by 2.00% (2023: 2.00% HKD) with all other variables held constant, (loss)/profit after tax would have decreased/increased by R5 752 (2023: R4 463), mainly as a result of foreign exchange gains/losses on translation of trade payables and cash and cash equivalents.

Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

Hong Kong dollar exposure:

Current assets:			
Loans to group companies		394	306

25. Financial instruments and risk management (continued)

Exposure in foreign currency amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

Interest rate risk

The Company has significant interest-bearing assets. The Company charges interest at a fixed rate of 8%. Management has assessed that the company is exposed to interest rate risk, however the risk is not material.

26. Impairment assessment

An impairment assessment was performed to determine if the recoverable amounts of the two assets, namely South Ocean Electric Wire Company Proprietary Limited ("SOEW") and Anchor Park Investments 48 Proprietary Limited (“Anchor Park”), exceeded the net asset value of the Company included in the Statements of Financial Position. The market capitalisation of the company is lower than its net asset value which was an impairment indicator at group level. This assessment and disclosure was included in the annual financial statements for this purpose.

The following valuation methods were used:

- SOEW asset - Income approach to calculate the value in use;
- Anchor Park asset - Fair value less costs to sell.

The debt of both units was then deducted from the values calculated above to determine the value of the businesses.

The recoverable amount of the SOEW asset is determined based on the higher of its value-in-use or fair value less costs to sell. Value-in-use calculations are prepared using cash flow projections based on financial budgets approved by management and cover a five-year period. The estimated growth rates applied are in line with that of the industries in which the companies operate and are materially similar to assumptions of external market sources. The asset's recoverable amount is most sensitive to the growth rate and gross margin assumptions applied. Management assumed budgeted gross margins and growth rates for the first five years based on past performance and best estimates regarding forecasts. Cash flows beyond the five-year period are extrapolated using the estimated growth rate stated below. The discount rates used are pre-tax and reflect the appropriate risk associated with the industry and respective business.

In addition to the assumptions mentioned above, the other key assumptions used for value-in-use calculations are as follows:

Terminal growth rate - (Weighted average growth rate used to extrapolate cash flows into perpetuity) 5.0% (2023: 5.0%);

Discount rate - (Weighted after-tax discount rate applied to the cash flow projections) 16.2% (2023: 20.2%);

Revenue growth rate - (Average growth rate applied to the revenue cash flow projections) 9.5% (2023: 10.0%);

Gross profit rate - (Average growth rate applied to the cash projections) 8.6% (2023: 10.0%).

The recoverable amount of the Anchor Park asset is determined based on the higher of its value-in-use or its fair value less costs to sell. The fair value of the properties was determined by management. The value was performed using a single year's cash flow and applying a capitalisation rate which is the ratio between the net operating income produced by the asset and its capital cost. The single year cash flow was calculated using the square meters available for rental multiplied by the expected market rental per square meter and deducting operating expenses using an expected operating expenses ratio in relation to the derived revenues based on the market rental per square meter. All rates used in the calculation was obtained from publicly available rates prepared by a reputable source. The calculation represents the open market value of the properties.

A summary of the key assumptions used for fair value calculations are as follows:

Vacancy allowance 3% - 5% (2023: 3.5% - 5%).

Figures in Rand thousand	2024	2023

26. Impairment assessment (continued)

Capitalisation rate - (weighted average rate used to calculate the market value of the property) 11% (2023: 11%).

After calculating the value for the individual asset's the individual results were reduced by the associated debt and these amounts were compared to the carrying value of the investments in the Company's Statement of Financial Position and no impairment was identified and recognised for 2024 (2023: Rnil).

Sensitivity analysis

SOEW and Anchor Park sensitivity analysis assessments indicated that there was significant headroom available therefore no sensitivity analysis required.

27. Going concern

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

At 31 December 2024, the Company's assets, fairly valued, exceeded its liabilities. Furthermore, also management assessed the Company's liquidity forecasts for a period of twelve months. Various scenarios have been considered to test the Company's resilience against operational risks and found it to be acceptable.

Management has concluded that the Company's ability to continue to meet its financial obligations as they fall due is dependent on the Company's ability to continue to improve its performance.

28. Events after the reporting period

The directors are not aware of any other matter or circumstance arising since the end of the financial year, not otherwise dealt with in the Annual Financial Statements.

29. Dividends per share

Dividends recommended (R'000)	11 180	22 360
Number of shares in issue ('000)	203 277	203 277
Dividend per share (cents)	5.5	11

A final dividend of 5.5 cents per share was approved at the board meeting of the Company held on 19 March 2025. In compliance with IAS 10, 'Events after reporting date', the annual financial statements do not reflect this dividend. This dividend will only be accounted for in the financial statements for the year ending 31 December 2025.