RBIDZ
Special Economic Zone

South Africa
KWAZULU-NATAL
Zulu Kingdom. **Exceptional**

ANNUAL REPORT
2024/2025

"GATEWAY TO WORLD MARKETS"

RBIDZ SPECIAL ECONOMIC ZONE

PURPOSE

The company's purpose, summarised, ultimately guides the strategic direction of the Organisation. The purpose of the RBIDZ Special Economic Zone is to:

- **Attract local and foreign investors who will beneficiate South Africa's raw materials.**
- **Create production capacity.**
- **Provide services, create employment and improve the skills base.**

VISION

Leading investment destination.

MISSION

Achieving our Goals through inclusive:

- Community Development
- Job Creation
- Infrastructure Development
- Investment Attraction
- Business Empowerment
- Skills Development
- Energy Security
- Resource Beneficiation

COMPANY VALUES

RBIDZ's vision is supported by six core values, which underpin the workings of the company (ERISSI):

01 EXCELLENCE
We shall conduct our business with our stakeholders and investors, with the highest levels of professionalism, competence, and responsibility.

02 RESPECT
We shall embrace diversity by treating each other with respect, trust and dignity at all times.

03 INTERGRITY
We shall pursue ethical practices by being open, honest, sincere and consistent in actions and communications.

04 SUSTAINABILITY
We shall pursue the development of the RBIDZ to meet the present needs, without compromising the ability of future generations to meet their own needs, whilst promoting a culture of health and safety.

05 SAFETY
We shall maintain a safe working environment for our employees, contractors, and investors.

06 INNOVATION
We shall seek creative and novel solutions to ensure continued improvement and address the needs of RBIDZ and stakeholders.

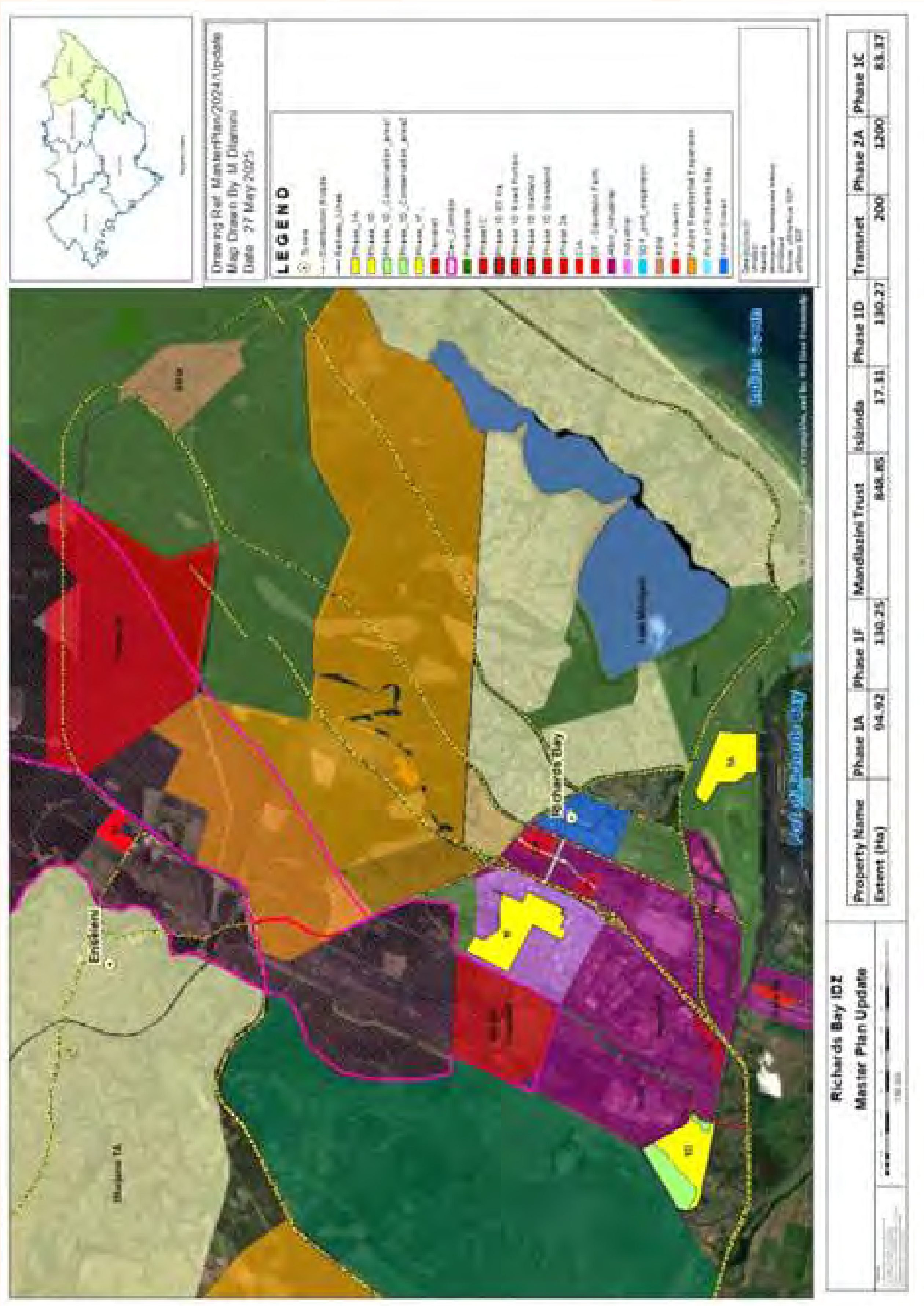
RBIDZ STRATEGIC OUTCOMES

OUTCOME 1	Improved operationalised investment value
OUTCOME 2	Inclusive economic growth
OUTCOME 3	Land portfolio ready for investment attraction
OUTCOME 4	Good Governance
OUTCOME 5	Reduced Grant dependency
OUTCOME 6	More decent jobs created and sustained

COMPANY INFORMATION

REGISTERED NAME	Richards Bay Industrial Development Zone Company SOC Ltd
REGISTRATION NUMBER	2002/009856/30
PHYSICAL ADDRESS	4 Harbour Arterial, Richards Bay
POSTAL ADDRESS	Private Bag X 1005, Richards Bay, 3900
TELEPHONE NUMBER/S	+27 35 797 2600
EMAIL ADDRESS	info@rbidz.co.za
WEBSITE ADDRESS	www.rbidz.co.za
EXTERNAL AUDITORS	Auditor-General of South Africa
BANKER	ABSA Ltd
COMPANY / BOARD SECRETARY	Adv. R. Maruma

RICHARDS BAY IDZ MAPPED PHASES



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EXECUTIVE AUTHORITY STATEMENT

MEC FOR ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS (EDTEA)

Rev. Musa K. Zondi, (MPL)

I hereby submit the Annual Report for the Richards Bay Industrial Development Zone (RBIDZ) for the 2024/2025 financial year. This report highlights the significant achievements and progress made by RBIDZ in driving economic growth and development in our province.

The RBIDZ has demonstrated its commitment to creating a conducive business environment, attracting investments, and promoting industrial development.

Our immediate priority remains the delivery of services to our people. This includes addressing critical challenges such as youth unemployment, infrastructure gaps and sectors that hold significant potential for economic growth. Notwithstanding geopolitical and global economic challenges, our government has made significant strides to bolster and strengthen regional economic activities, including investing in infrastructure, and attracting investment into the province. This is in line with the agenda of government informed by Provincial Growth and Development Plan and our Vision 2030 that addresses the triple challenges of unemployment, poverty, and inequality as well as targeted interventions that will continue to drive priorities of the South Africa's seventh administration.

The Annual Report provides the company reflections for the reporting year, based on the approved Annual Performance Plan (APP), and the outcomes thereof amid challenges that have impacted the recovery of the economy and government entities, leading to a staggering economy with high unemployment rate, unaffordable cost of living and overall depressed economy. This was intensified by global blockage in FDI's.

Notwithstanding various factors that have contributed to impediments in fast-tracking turnaround time in converting the investment pipeline and operationalising investment projects that were targeted for the reporting year, it is acknowledged that the investors continue to show confidence towards the RBIDZ and this is evidenced by R2,9 billion investors approved by the board for the reporting year against a target of R600 million, and also the increase of investment value of operational investors increased to R720 million against the target of R300 million. The improvement of operational investment is a demonstration of commitment and confidence of investors to continue locating in the RBIDZ as some have expanded their operational plans, necessitating larger infrastructure with increased capacity, and more advanced equipment.

The noted performance, despite the challenges must be acknowledged, particularly given their positive contribution towards the overall entity's healthy investment pipeline which is over R255 billion representing various sectors of the economy.

The province is monitoring these developments with keen interest, and I am pleased with the progress reported by the entity for various energy related projects that will be game changers for the province of KwaZulu-Natal. The energy projects valued at over R190 billion have the potential to drive economic growth and position the province as the Energy Hub and also align with the government's vision for a sustainable energy mix.

In the main, I am pleased with the developments of the Eskom Project which is critical to the diversification of our energy sector, as well as socio - economic landscape. We are resolute in providing all the support necessary for the implementation of this project that is to establish in our SEZ. We will be monitoring progress to ensure that socio - economic benefits through all the projects are realised.

I am also pleased with reported progress of the agrihub project which is benefiting from the provincial government's investment. By the end of the reporting year, the RBIDZ was in the process of appointing the Service provider to commence construction of the R336 million Agrihub to be located in Phase 1A. This project is a collaboration between the RBIDZ and DARD. Construction of the agrihub is to be completed by November 2026.

Moreover, I am encouraged by the implementation of the five - year financial sustainability strategy for 2025 -2030 which intends to mark a critical juncture for the entity in developing a foundation for long-term financial sustainability and reducing over reliance on government grant. Through this bold strategic initiative, the entity is repositioning itself towards being a competitive and self-sustaining industrial hub that is geared towards thriving and delivering impact.

As the Executive Authority entrusted with the responsibility to facilitate economic growth and drive socio-economic development, I am also encouraged by the ongoing investment progress as this contributes towards job creation, skills development, and SMME support and further industrial revitalisation.

As we continue towards realising Vision 2030 and ensuring that strategies align with key priorities, I remain committed to providing astute and unwavering support to the RBIDZ leadership towards the delivery and translation of its mandate.

I continue to delegate and entrust the Board of Directors with provision of strategic guidance and wisdom to the RBIDZ. I look forward to the implementation of critical investment and infrastructure development projects.

Rev. Musa K. Zondi, (MPL)
MEC: KWAZULU-NATAL, DEPARTMENT OF ECONOMIC DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

LIST OF ACRONYMS AND ABBREVIATIONS

ADV	Advocate
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
APR	Annual Performance Report
ASB	Accounting Standard Boards
BA	Bachelor of Arts
BAdmin	Bachelor of Administration
B-BBEE	Broad-Based Black Economic Empowerment
BCom	Bachelor of Commerce
BDS	Business Development and Support
BNCC	BEE Non- Compliant Companies
BWO	Black Women-Owned
BYO	Black Youth-Owned
CA	Chartered Accountant
CCA	Customs Control Area
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIA	Central Industrial Area
CIPC	Companies and Intellectual Property Commission
CLLR	Councillor
COEGA	Coega Development Cooperation
COO	Chief Operations Officer
CO_2	Carbon Dioxide
CoU	City of uMhlathuze
CPG	Contract Participation Goals
CSI	Corporate Social Investment
CS	Corporate Services
DARD	Department of Agriculture and Rural Development
DR	Doctor
dtic	Department of Trade, Industry and Competition
ED	Enterprise Development
EDTEA	Economic Development, Tourism and Environmental Affairs
EIA	Environmental Impact Assessment
EM	Executive Manager
EKZNW	Ezemvelo KZN Wildlife
ESID	Economic Sectors and Infrastructure Development Cluster
GRAP	Generally Recognised Accounting Practice
GW	Gigawatts
GVA	Gross Value Added
Hon	Honourable
Hons	Honours
IDZ	Industrial Development Zone
IEF	International Energy Fund
IPAP	Industrial Action Policy Plan

IPP	Independent Power Producers
IPSAS	International Public Sector Accounting Standards
ISO	International Standard of Operation
IT	Information Technology
ICT	Information, Communication, and Technology
KPI	Key Performance Indicators
KZN	KwaZulu-Natal
KZNDARD	KwaZulu- Natal Department of Agriculture and Rural Developement
LLB	Bachelor of Laws
LLM	Master of Laws
LNG	Liquefied Natural Gas
MA	Master
MBA	Master of Business Administration
MBL	Master of Business Leadership
MEC	Member of the Executive Council
MPL	Member of Parliament and Legislature
MTEF	Medium-Term Expenditure Framework
MW	Megawatts
MV	Military Veterans
NDP	National Development Plan
NDGP	National Development Growth Plan
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
OCEO	Office of the CEO
OCOO	Office of the COO
PGDP	Provincial Growth and Development Plan
PFMA	Public Finance Management Act
PhD	Doctor of Philosophy
PWD	People with Disability
PPP	Public Private Partnership
RBIDZ	Richards Bay Industrial Development Zone
RASET	Radical Agrarian Socio-Economic Transformation
REV	Reverend
SA	South Africa
SADC	South African Development Community
SAICA	South African Institute of Chartered Accountants
SARS	South African Revenue Services
SCM	Supply Chain Management
SDL	Skills Development Levy
SEZ	Special Economic Zone
SHEQ	Safety, Health and Environmental Quality
SHE	Safety, Health and Environment
SMME	Small- Medium and Micro-Enterprises
Stats SA	Statistics South Africa

TR	Treasury Regulations
UIF	Unemployment Insurance Fund
UAE	United Arab Emirates
UNCTAD	United Nations Conference on Trade and Development
WUL	Water Use Licences
ZDO	Zone Development and Operations

PART A

GENERAL INFORMATION

GATEWAY TO WORLD MARKETS

BOARD OF DIRECTORS

The Richards Bay Industrial Development Zone (RBIDZ) is led at the top by a Board of fourteen (14) astute directors, who provide strategic guidance and oversee governance adherence as well as sustainable performance of the company.

In the Board directorship, there are two (2) members who hold Executive Management portfolios, these being the Chief Executive Officer and Chief Financial Officer.

The Executive Management is responsible for the overall running and management of the RBIDZ operations in consultation with the RBIDZ Board, including but not limited to, crafting the strategic direction to deliver on the mandate of the Organisation, as derived from the Special Economic Zones Act (No. 16 of 2014).

SUMMARY OF DIRECTORS' PROFILES

ADV. BHEKISISA A. MBILI

Non-Executive Director

Board Chairperson

QUALIFICATIONS

- LLM (Masters) in Business Law;
- LLB;
- B.Juris;
- Post Graduate Diploma in Labour Law;
- Post Graduate Diploma in the Drafting and Interception of Contracts; and
- Certificate in Legislative Drafting

BOARD DIRECTORSHIPS

- Kabelo Land Restitution and Development Trust

MR. THAMSANQA B. HLONGWA

Non-Executive Director

Audit, Risk and Finance Committee Chairperson

QUALIFICATIONS

- CA (SA);
- B Com Honours in Accounting; and
- B Com Accounting

BOARD DIRECTORSHIPS

- Gabhisa and Associates; and
- KZN Growth Fund Agency

SUMMARY OF DIRECTORS' PROFILES

MR. ELPHAS F. MBATHA

Non-Executive Director

Social and Ethics Committee Chairperson

QUALIFICATIONS

- MA in Governance and Political Transformation;
- BA; and
- Executive Leadership Municipal Development Programme

BOARD DIRECTORSHIPS

- Esikhawini Traders;
- Cleaning Laboratory;
- Tradebush Investments No 27;
- Business Against Crime Zululand;
- EVI Pig Farms;
- EVI Livestock Farms;
- EVI Poultry Farms;
- Bhambatha Investments;
- Musa Dladla Foundation;
- Rumdu Construction;
- Ubhedu Holdings;
- Kuzakahle Trading; and
- Bitline SA 797

MR. SIZWE W. MCHUNU

Non-Executive Director

Infrastructure and Investment Committee Chairperson

QUALIFICATIONS

- Certificate in Local Government and Project Management; and
- Certificate in Governance and Public Leadership

BOARD DIRECTORSHIPS

- None

SUMMARY OF DIRECTORS' PROFILES

MS. MBALI T. NDLOVU

Non-Executive Director

Human Resources and Remuneration Committee Chairperson

QUALIFICATIONS

- Admitted Attorney;
- Admitted Conveyancer;
- LLB;
- Certificate in Local Government Management; and
- Member of Institute of Directors South Africa

BOARD DIRECTORSHIPS

- Mbasa Corporate Advisory Services;
- Land Rights Law Researcher: Centre for Applied Legal Studies;
- Msinsi Resorts and Game Reserve;and
- National Radiation Waste Disposal Institute

MS. SUSAN P. MANGOLE

Non-Executive Director

QUALIFICATIONS

- MBA;
- Post Graduate Diploma in Management;
- Post Graduate Diploma in Business Management;
- National Diploma in Office Administration;
- Advanced Management Development Programme;
- Programme in Business Management;
- Programme in Public Financial Management; and
- Programme in Leaders in Development

BOARD DIRECTORSHIPS

- Tshwane Automotive SEZ

SUMMARY OF DIRECTORS' PROFILES

MR. SIKHUMBUZO E. MDLALOSE

Non-Executive Director

QUALIFICATIONS

- B. Tech in Public Management; and
- National Diploma in Public Management and Administration

BOARD DIRECTORSHIPS

- Msinsi Holdings SOC Ltd (Subsidiary of uMngeni-uThukela Water Board)

CLLR. XOLANI NGWEZI

Non-Executive Director

QUALIFICATIONS

- Bachelor of Education

BOARD DIRECTORSHIPS

- None

MS. SIBONGILE G. SIKOSANA

Non-Executive Director

QUALIFICATIONS

- B Com Honours in Accounting;
- National Diploma in Accounting;
- Postgraduate Programme in Cyber Security;
- Course in Risk Management; and
- Course in ISO 14001 and OHSAS

BOARD DIRECTORSHIPS

- None

SUMMARY OF DIRECTORS' PROFILES

MS. CYNTHIA P. VILAKAZI

Non-Executive Director

QUALIFICATIONS

- MA in Policy and Development Studies;
- BA (Social Work); and
- Post Graduate Diploma in Marketing Management

BOARD DIRECTORSHIPS

- Chairperson: Kana U Vhulunga Mvelele; and
- South African School of Practical Skills

MR. THABANE W. ZULU

Executive Director

QUALIFICATIONS

- MBA;
- B Admin (Hons); and
- B Admin

BOARD DIRECTORSHIPS

- None

MS. SIMANGELE MVELASE

Executive Director

QUALIFICATIONS

- B Compt Hons CTA CA (SA);
- B Compt; and
- National Diploma in Accounting

BOARD DIRECTORSHIPS

- None

RICHARDS BAY INDUSTRIAL DEVELOPMENT ZONE: EXECUTIVE MANAGEMENT

The Executive Management Committee of the RBIDZ is the highest operational decision-making body convened by the Chief Executive Officer. It is a key structure in responsible for ensuring integrated and reporting by the organisation.

The Executive Management Committee considers strategic matters relating to the RBIDZ, as well as operational matters arising from the various business units, and acts to facilitate coordination of the activities of these business units.

MR. THABANE W. ZULU
Chief Executive Officer

MS. SIMANGELE MVELASE
Chief Financial Officer

MR. MUZI SHANGE
Chief Operations Officer

MR. SIMTHEMBILE MAPU
Executive Manager: Business Development and Support

MS. NOMBUSO NSELE
Executive Manager: Corporate Services

Acting Roles
Mr. Muzi Shange
Acting Executive Manager – Zone Development and Operations
Appointed: 01/03/2023 to 05/06/2025


RBIDZ

BOARD CHAIRPERSON'S FOREWORD

ADV. BHEKISISA A. MBILI
BOARD CHAIRPERSON

On behalf of the Board collective, I am pleased that for the year under review, the current pipeline consists of nineteen (19) approved non - operational investors with a total projected investment value of R251 billion and four (4) operational investors, including one (1) strategic partner. The total pipeline of non - operational and operational investors is thus twenty-four (24) with a value of R255 billion.

The operational investment has also grown exponentially since the 2020/2021 fiscal year with an upward projection for the current and following fiscal years. Testimony to this positive trajectory is that three investors were under construction during the year under review those being : Prostar Paints (Pty) Ltd, Wilmar Processing SA (Pty) Ltd and Bote Industries (Pty) Ltd.

Three projects were about to start construction during the year but could not as a result of external delays experienced by investors, being-Steel Plate Solutions (Pty) and South East Bulk Operations (Pty) Ltd. It is also worth sharing that the value of Nyanza Light Metals (Pty) Ltd increased to R15 billion, while Wilmar investment value increased from R1.8 billion to R2 billion. The commissioning of the portion of the tank farm was completed by Wilmar (20 000Mt/a of 41 700 Mt/a) and was operational by the end of the reporting year.

Additional to the strides made above, the Company can also report that Environmental Impact Assessment study of Eskom was granted a five-year extension. Bote Industries (Pty) Ltd finalised earthworks and commenced with pilling in February 2025 as part of site preparation. Furthermore, the Nyanza Geotechnical study was completed, and the site clearance project was also completed, while the Wilmar Processing SA was constructing the last part of the plant that will lead to full commissioning of the plant in October 2025. The SPS construction of sprinkler tank pump house was completed in December 2024, adding to the factory expansion and investment value increase.

The Board also encourages the company to enter into partnership with communities within the jurisdiction of the King Cetshwayo District Municipality for mutual benefits. On that note, the Board approved that the Company conducts a Feasibility Study on various portions of land owned by Mandlazini-Mambuka Community Trust for the development of the Commodity Handling Facility (Back-of-Port). The facility will assist considerably with the decongestion of the roads because of trucks in the port precinct, and ensuring improved operational efficiencies at the port and neighbouring industries. A feasibility study was conducted an finalised during Quarter 3, and further submitted to the Board for consideration.

The Board had also approved Heritage Investments Holdings (Pty) Ltd (HIH) to establish a graphite electrode manufacturing plant on Erf 18563 and 18571 measuring 14,7 hectares (ha) which forms part of the Central Industrial Area (CIA). Conditional to the approval was that the Company explores the option with the City of uMhlathuze (CoU) for the incorporation of the Central Industrial Area in the Richards Bay Industrial Development Zone under a lease, which approval is subject to the approval of the Board, the Shareholder and Provincial Treasury. The CoU Council approved the long-term lease (Minimum 40 years) on Erf 18563 and 18571. The Company will be submitting a business case to the CoU for the leasing of more land in the CIA.

Following the engagement between the Company and key stakeholders such as the Saudi Aramco, Central Energy Fund, Department of Mineral Resources and Energy, and the Department of Economic Development, Tourism and Environmental Affairs in 2022/2023 regarding the oil refinery projects, the Company had also engaged with various international investors from UAE, Saudi Arabia, Russia, USA, and locally. The Company will continue to engage and further explore the proposals made by Saudi Aramco. The creation of an import facility for refined products to establish the market and support local demand will be pursued during the new financial year. This could result in the company signing a new Memorandum of Understanding (MoU) with Saudi Aramco and others for the establishment of a petrochemical complex in South Africa.

The RBIDZ and KZNDARD have concluded the signing of the implementing agency agreement between the two institutions thus enabling the construction of the fresh produce agrihub to commence. The total project cost is R336 million, of which R153 million has been secured from the Budget Facility for Infrastructure (BFI). A funding shortfall of R183 million remains, which is expected to be topped up by other strategic partners. KZNDARD was expected to transfer the tranches of additional funding of R142 million in 2024/2025 financial year but there were delays. The funding is expected to be transferred in the 2025/2026 financial year. Processes for procurement of the turnkey contractor for the first stages of the project were initiated by the end of the reporting year, and appointment of the contractor is targeted for the 2nd quarter of 2025/2026 financial year. The first phase of the project includes the site preparation work which is the site clearance and fencing. Construction is expected to commence in the middle of 2025/2026 financial year.

In conclusion, it is necessary to highlight the hamstringing litigations relating to the Eskom project that the Company experienced during the reporting period. The application by environmental lobby groups to have the High Court set aside Eskom's environmental approval for its 3000MW gas power plant in Richards Bay failed and leave to appeal was declined. The lobby groups then petitioned the President of the Supreme Court who then granted leave to appeal. The appeal was heard by the Supreme Court of Appeal and judgment is reserved to date. Whatever the result may be, the matter is likely to be further delayed by an appeal to the Constitutional Court. This matter exposes the Company to dilatory implications and associated risks in the rolling out its economic developmental objectives in the region and by extension the entire country.

We are optimistic that we will be able to make these breakthroughs with the immeasurable support of the Shareholder MEC, Rev. Musa Zondi and the shareholder department, the Department of Economic Development, Tourism and Environmental Affairs, and the Premier of the KZN Province, Hon. Thami Ntuli. I also want to extend my sincere gratitude to the colleagues in the Board for the steadfast strategic guidance to Management, including the executive committee and management.

Adv. Bhekisisa A. Mbili
Board Chairperson
Date: 25 July 2025

CHIEF EXECUTIVE OFFICER'S OVERVIEW

MR. THABANE W. ZULU
CHIEF EXECUTIVE OFFICER

On behalf of the Richards Bay Industrial Development Zone Company SOC Ltd (RBIDZ), I hereby submit to the KwaZulu-Natal Legislature, through the Executive Authority, the MEC (Member of the Executive Committee) for Economic Development, Tourism, and Environmental Affairs (EDTEA), Rev. Musa K. Zondi, the Annual Report 2024/2025, associated with performance report, and the audited annual financial statements of the public entity for the financial year ending 31 March 2025.

The RBIDZ Special Economic Zone is mandated by government to drive programmes and efforts of stimulating the economy, creation of employment opportunities and be growth engines towards government's strategic objectives of industrialisation and regional development. The mandate and deliverables of the RBIDZ are guided and executed in accordance with the mandate of the Manufacturing Development Act (No. 187 of 1993), as well as compliant with the prescripts of the Public Finance Management Act (No. 1 of 1999, as amended). This Annual Report presents the company's performance as well as the financial management status for the reporting period.

The Annual Performance Report illustrated in this Annual Report 2024 / 2025 is in accordance with the strategic pre-determined objectives that are contained in the Annual Performance Report for financial year 2024/2025 that were approved by the RBIDZ Board; and were tabled in the KZN Legislature by the Member of the Executive Committee (MEC) for Economic Development, Tourism, and Environmental Affairs (EDTEA), Rev. Musa K. Zondi. This period has been defined by progress, resilience, impact and setbacks however, we continued to position the Richards Bay Industrial Development Zone (RBIDZ) as a catalyst for inclusive growth and industrial transformation in KwaZulu-Natal and South Africa at large.

The entity continues to thrive, underpinned by a robust investment pipeline valued at R255 billion, representing a portfolio of 22 investors across diverse sectors of the economy.

This pipeline reflects growing interest and confidence in our strategic development initiatives. Currently, there are four operational investors with a combined investment of R4,04 billion, actively contributing to economic activity and infrastructure development. The remaining 18 investors, though not yet operational, are progressing through various development phases, with construction and activation timelines tailored to each project's scope and readiness.

It is pleasing to highlight that some of the operational investors have expanded their operations within the reporting year, and that have been regarded as significant strides resulting in increased investment value. Notably, Sizabantu Piping Systems (SPS) completed the expansion of the existing production lines, increasing the investment value from R440 million to R680 million.

RB Energy also an operational investor made positive impact in their investment with an increase of R4 million compared to the previous years where their business encountered strain resulting in laying off some of their employees.

Overall rand value of operational investors improved to a value of R718 million against a target of R300 million, this was a contribution of the strides made by operational investors requiring larger infrastructure, increased capacity, and more advanced equipment for their operations.

The achievement attained displayed that the operational investors surpassed the target by more than a double and this is a strong indicator of growth and increased investment activity.

Moreover, through intensive strategic promotion and attraction, the rand investment value approved by the board increased, reaching R2,9 billion against a target of R600 million for the reporting year.

The remarkable performance is a demonstration of a commitment to fostering economic development and attracting high-impact investment opportunities aligned with our strategic vision.

Accelerating inclusive participation and economic growth, it is pleasing to highlight that the rand investment value approved by the board for Black Industrialists' was R2,9 billion against a target of R100 million for the reporting year. The approved value interprets the commitment and focused intent for inclusive economic growth and participation of the previously marginalised and emerging businesses in the mainstream economy.

Our commitment to inclusive growth and trans formative investment continues to yield positive results that empower entrepreneurs, attract strategic funding, and advance equitable economic participation through various initiatives. We also successfully supported a total of 35 businesses owned by previously marginalised groups exceeding representation targets across women, youth, and persons with disabilities.

Notably, 100% of youth skills development initiatives were implemented, and 75% of our Economic Development and Transformation Strategy against 50% target were realised, marking important strides towards equitable participation in the regional economy.

Both achievements of youth skills development and Economic Development and Transformation Strategy confirm our dedication to equipping young people with the tools to participate meaningfully in the regional economy and fostering universal change and sustainable growth.

ICT INFRASTRUCTURE

Developing technological infrastructure that meets the needs of the investors is an important enabler of growth, and with this in mind, the RBIDZ continues to prioritise land development, upgrades and that land is fully serviced with ICT infrastructure. In the reporting year our efforts to create a future fit investment environment progressed well such that numerous surveillance system and digital infrastructure upgrades were implemented in all RBIDZ properties such that the company was able to achieve 100% completion of all planned targets.

As part of promoting innovation, advancing capabilities and competitiveness the RBIDZ developed the ICT Commercialisation Strategy, however that was not approved by the Board within the reporting year due to robust engagement that had to take place prior to approvals. As a result this target was not achieved. Finalisation has been prioritised for the new year following thorough consultations.

RBIDZ JOB CREATION FOR THE REPORTING YEAR

South Africa's official unemployment rate was estimated at 31.9% in the last quarter of the financial year and this translated to over 8.2 million people actively seeking employment. The situation is even more dire when using the expanded definition of the discouraged job seekers.

Youth unemployment remains especially high, with 62.4% of people aged 15 to 24 unable to find work. The hardest-hit sectors include trade, construction, and private households, all of which saw significant job losses.

There's also an ongoing debate about how unemployment is measured, nevertheless the RBIDZ guided by its mandate of contributing towards job creation was able to develop the Labour Desk and implement initiatives that aim to streamline labour sourcing by investors and contractors as well as further prioritise local people within its jurisdiction. Furthermore, contributing towards reducing unemployment rate and skills development, 873 construction jobs were created against a target of 805, and 164 operational jobs were created against the target of 131, achieving the set targets for the reporting year.

We acknowledge the need to increase the number of jobs through implementation of projects and investment pipeline conversion.

The entity continues to fast-track impediments that are slowing down conversion and operationalisation as well as focus on other economic and skills development capacitation programmes. It is anticipated that a number of employment opportunities will improve for more people to be employed and capacitated as development grows and thrives.

LAND ACQUISITION

Whilst the entity has continued to engage with various land owners in the reporting year, however none of those negotiations materialized into conclusive lease agreements for land to be acquired for development. The entity hopes to fast-track its collaborations and partnerships with private land owners to ensure that the engagements lead to acquisition of land for development by the RBIDZ and land expansion strategy for investor attraction. Moreover, no hectares of land were developed due to lack of funding although engagements are on going to secure funding to assist in the implementation and completion of projects.

The facilitation of sufficient funding to implement projects continues to be a challenge hence non achievement of some of the targets such as the number of hectares of land to be developed for the reporting year. We continue to facilitate funding applications through the dtic in order to complement the needs of the investors and that of ensuring that the infrastructure is ready. On the other hand, we are also looking into options of funding such as private public partnerships, and also optimising our revenue generation, hence we will be implementing the Commercialisation strategy in the new year as means to explore alternative revenue generation.

FACILITATION OF ENERGY DEVELOPMENT PROJECTS IN RICHARDS BAY

It is pleasing to highlight that the RBIDZ boasts an investment pipeline valued at over R196 billion attributed to the energy-related projects. To this day, the energy programme and sector facilitation remains at the heart of the RBIDZ and is regarded as a unique value proposition for leading investment destination and ensuring uninterrupted industrialisation. To this day the company is still pursuing engagements towards the implementation of energy projects following proclamations by the Department of Mineral Resources and Energy that Richards Bay will host the Eskom Gas – to – Power project. The energy projects are currently being facilitated for compliance adherence whilst also awaiting Department of Mineral Resource and Energy's (DMRE) IPP (Independent Power Producer) window opening processes.

In line with the relevant Ministerial Determinations gazetted under the IRP (Integrated Resource Plan) 2019, the Department of Mineral Resources and Energy (DMRE) launched a Request for Proposals (RFP) for the roll–out of GASIPPPP BW1 on 14 December 2023. The tentative closing date for bids was August 2024, however extended to 2025/26 financial year.

STAKEHOLDER AND COMMUNITY MANAGEMENT

The proactive implementation of our Labour Desk framework achieving 100% of planned initiatives reflected our strengthened relationships with communities and traditional leaders. Engagement was catalysed by new on-site projects and community-specific inclusion needs.

Some of the key enablers to portfolio growth included aggressive customer support and development as well as stakeholder management to improve relationships. In ensuring that our we keep to the promise of excellence and being held accountable by our stakeholders in line with the principles of KING IV various stakeholder engagement interventions and support were implemented with the aim of satisfying the needs of our stakeholders in all categories. To gauge our interventions a stakeholder perception and satisfaction survey was again conducted by independent consultants for the year under review, the outcome achieved was 92% satisfaction outcome from stakeholders against the APP target of 85%. The overall results presented, showed that most of the stakeholders were highly satisfied with the company and were optimistic with the future. An improvement in the reporting year was noted if compared to 90% achieved in 2023/2024 financial year.

SUSTAINABILITY OF GOVERNANCE AND ETHICAL PRINCIPLES

The company's steadfast commitment to clean administration remained a foundation of its operations during the reporting period. For the fifth consecutive year, the entity attained an unqualified (clean) audit opinion, affirming its adherence to sound financial practices, transparent governance, and regulatory compliance. This constant achievement reinforces the trust placed in the organisation by stakeholders and authenticates the integrity of its internal control environment. Importantly, there were no unsolicited bids awarded or reported during the financial year.

ECONOMIC VIABILITY AND REVENUE GENERATION

The company is relentless in its efforts to be sustainable financially amid the global challenges that continue to be unstable posing economic threats and affecting the investment financial muscle when it comes to contributing towards their commitments and debts. The company still struggles to get firm commitments towards revenue from locators and investors already in the pipeline and that creates impacts on the revenue generated by the RBIDZ.

For the year under review 12% revenue was generated against the annual target of 10%, and this was a slight increase from what was attained in the previous year as a result of encountered instabilities and some investors not commencing construction and operationalising. Furthermore, 56% of our Financial Sustainability Plan initiatives was implemented, reflecting enhanced internal collaboration and accountability across business units.

To improve financial viability, the company intends to implement a 5-year Financial Sustainability Strategy which aims to seek avenues to diversify revenue generation to reduce grant dependency.

OVERALL ORGANISATIONAL PERFORMANCE

While the majority of our Annual Performance Plan (APP) indicators were achieved, we attained 80% overall delivery against a 95% target. A shortfall of 15% highlights the challenges that impacted performance, majority of such originated from external dependencies which impacted select output indicators, funding and intergovernmental coordination. These areas are being actively addressed to reach solutions.

Although the company did not meet all its set performance targets as per the APP, the 80% achievement is a reflection of significant progress amid systemic challenges. With mitigation strategies already in place citing intergovernmental coordination, stakeholder engagements, and funding mobilisation the company remains committed to achieving its strategic objectives and improving performance in the 2025/2026 financial year.

CHALLENGES THAT HINDERED PERFORMANCE, RISKS AND MITIGATION MEASURES

- Land could not be acquired as a result of limited land available for development, lengthy negotiation processes and conclusion of lease agreements to conclude on pockets of land identified for acquisition. For this challenge the RBIDZ continues to facilitate various engagements with the aim to fast-track agreeable conclusions with landowners. being actively addressed.

- Funding to implement some of the projects pose a challenge and resulted in other projects not being implemented for the reporting year. The delays did not only affect project implementation and timelines, however job creation and enterprise development prospects were also affected as well as overall performance of the company.

- Legal disputes that are still in court relating to Environmental issue have had adverse effects on the progress of some of the projects, importantly the energy projects. The company's intervention strategy is to continue to lobby support from stakeholders and drive ongoing campaigns towards its intentions of hosting the Energy Hub in Richards Bay.

- Lack of funding for some projects of the RBIDZ continue to be delayed as a result of limiting regulations to enter into private public partnerships, however the RBIDZ is working towards collaborations and entering into agreements that will have no adverse implications to the company.

- Environmental disputes and objections continue to cause delays in the implementation of energy projects due to ongoing court cases from opposition.

RBIDZ'S POSITION AND OUTLOOK

The Richards Bay Industrial Development Zone (RBIDZ) continues to thrive for pleasing performance, and importantly to deliver its mandate for the betterment of the people and is poised for significant growth and development, with a projected R255 billion in potential investments. This growth is also expected to transform the area into a major energy hub, supplying power to KwaZulu-Natal and beyond. Importantly, it is pleasing to highlight that we are looking forward to operationalise a R2 billion Wilmar SA project in the 3rd quarter of 2025/2026 amid setbacks in the reporting year Wilmar is expected to create 201 direct employment opportunities.

Moreover, projects such as Prostar Export Paints (R220 million), and Bote Industries (R240 million) are expected to complete construction and be operationalised by the end of 2025/2026 financial year, regardless of funding challenges experienced in the reporting year. We look forward to completion and commissioning of projects with a total investment value of R2,8 billion by the end of 2025/2026 financial year.

We also look forward to commence construction of multiple catalytic projects representing different sectors of the economy in the new year.

Finalising outstanding strategy documents, including the ICT Commercialisation strategy is our priority as well as implementing the entity's 5-year Financial Sustainability strategy.

The RBIDZ is also pushing forward with becoming Africa's energy hub, with a focus on gas-to-power projects and renewable energy supply. We are hopeful that the project will create thousands of jobs, both during the construction phase and in ongoing operations.

Skills development and transfer are critical components of the RBIDZ's growth strategy, ensuring that local communities benefit from the investments. The zone is earmarked for major industrial growth, with a focus on international competitiveness, trade, and investment attraction.

Overall, the RBIDZ is well-positioned for significant growth and development, driven by its strategic location, investment attraction efforts, and focus on energy and industrial development.

APPRECIATION

I extend my gratitude to the KZN Department of Economic Development, Tourism and Environmental Affairs, MEC, Rev. Musa Zondi for his unwavering support towards the company's mandate and vision.

I also wish to thank the Minister of the Department of Trade, Industry and Competition, Hon. Parks Tau, who continues to support the RBIDZ, and remarkably provide strategic guidance towards the success of the Special Economic Zones Programme in South Africa.

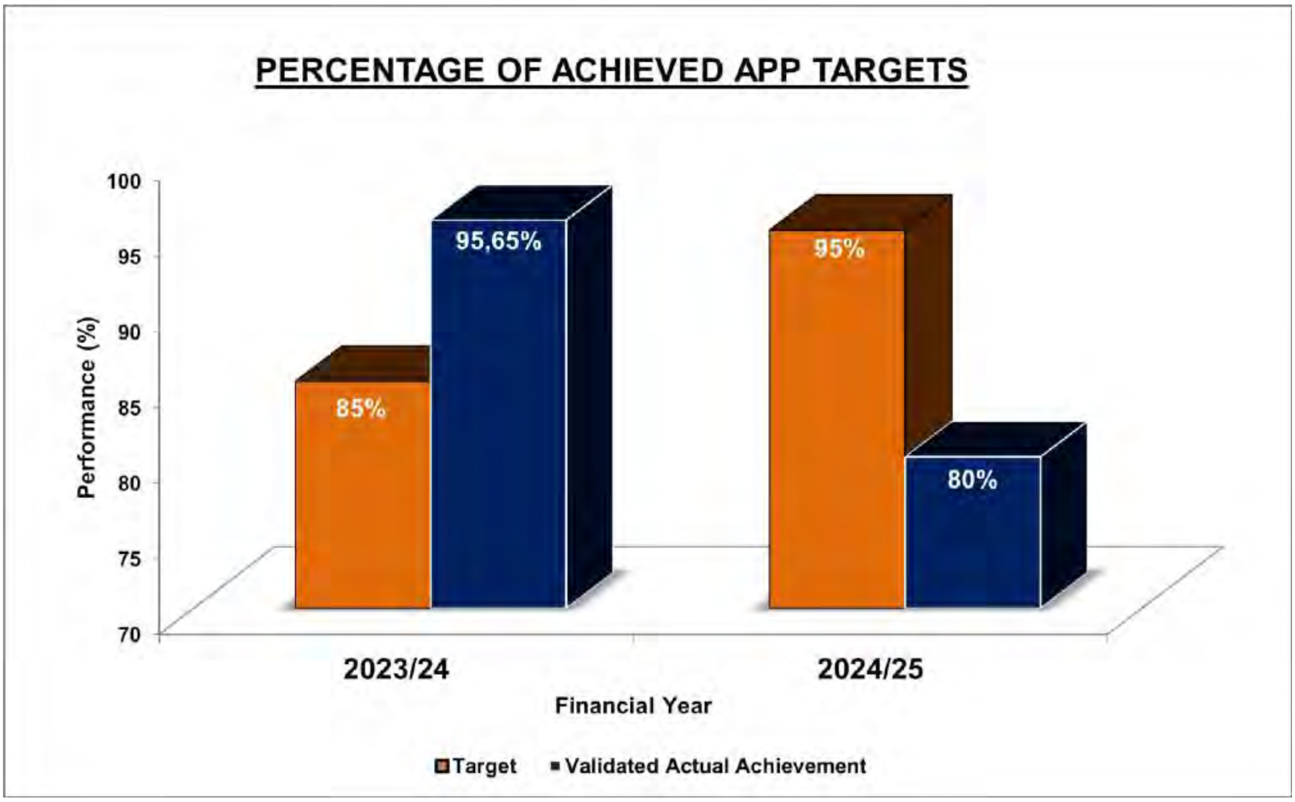
My heartfelt appreciation goes to our Board of Directors who continue to provide astute leadership and wisdom in the governance of the company.

Lastly, I wish to thank the Executive management and staff for their dedication and commitment towards the execution of the RBIDZ mandate, I am convinced that together we are not only growing an industrial development zone, but we are shaping a more inclusive, dynamic, and sustainable South African economy.

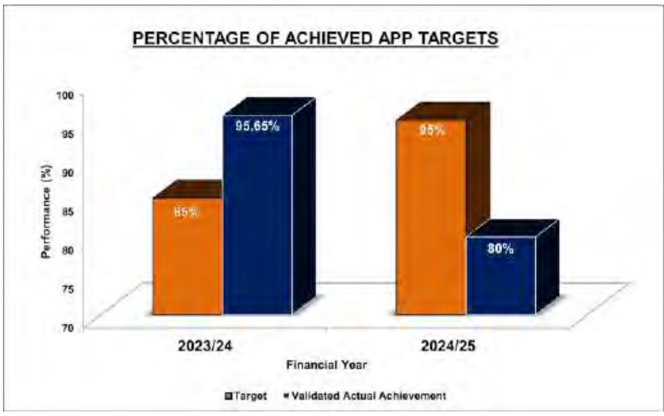
Mr. Thabane W. Zulu
Chief Executive Officer
Date: 25 July 2025

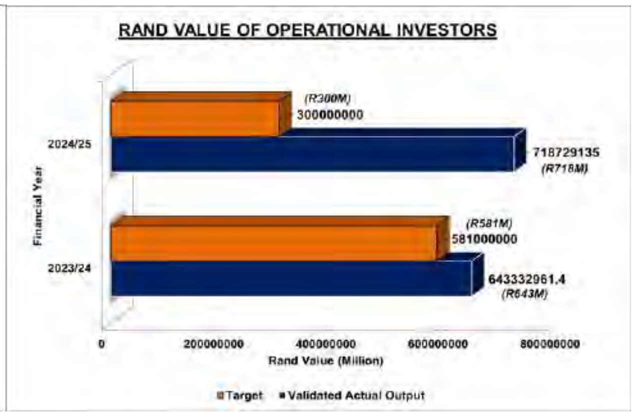
COMPANY OVERALL PERFORMANCE ACHIEVEMENT

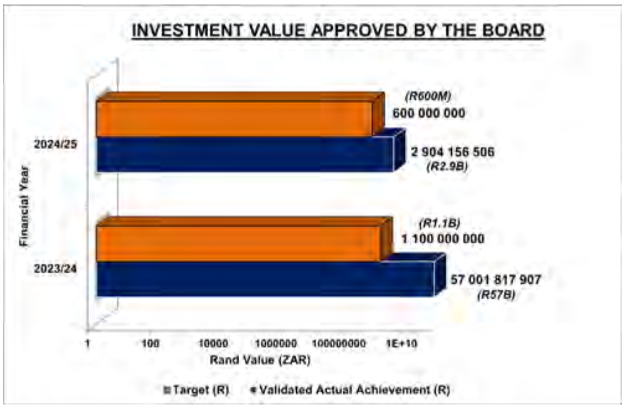
In the year under review the company had a total of 20 annual targets and was able to achieve 16 and 4 were not achieved. The overall company achievement was 80% against the set target of 95% for the reporting year which presents a decline from the 95.65% achievement of 2023/2024 financial year.

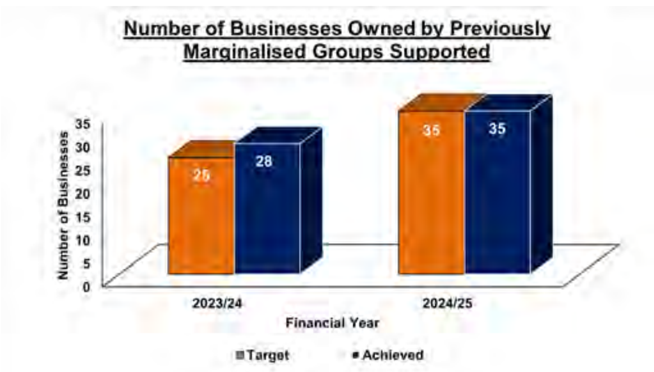


HIGH LEVEL REPORTING FOCUSED ON KEY AREAS OF COMPANY PERFORMANCE

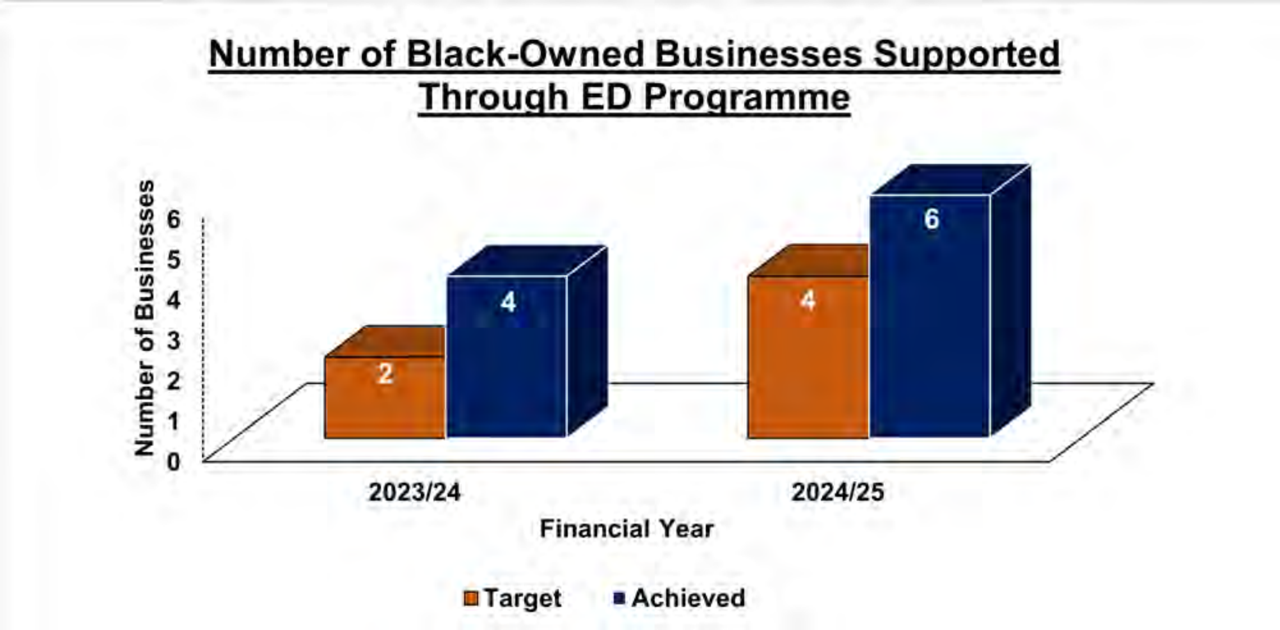








HIGH LEVEL REPORTING FOCUSED ON KEY AREAS OF COMPANY PERFORMANCE - *(Continued)*



STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT 2024/2025

TO THE BEST OF OUR KNOWLEDGE AND BELIEF, WE CONFIRM THE FOLLOWING:

- All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General.
- The Annual Report is complete, accurate, and is free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report, as issued by the National Treasury.
- The Annual Financial Statements have been prepared in accordance with the standards applicable to the public entity.
- The accounting authority is responsible for establishing and implementing a system of internal control, designed to provide reasonable assurance as to the integrity and reliability of the Performance Information, the Human Resources information, and the Annual Financial Statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements
- In our opinion, the Annual Report fairly reflects the operations, the Performance Information, the Human Resources information, and the financial affairs of the public entity for the financial year ended 31 March 2025.

Yours Faithfully

Mr. Thabane W. Zulu **Chief Executive Officer** Date: 25 July 2025	Adv. Bhekisisa A. Mbili **Board Chairperson** Date: 25 July 2025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STRATEGIC OVERVIEW OF THE COMPANY

The Richards Bay Industrial Development Zone Company (SOC) Ltd (RBIDZ) is a Special Economic Zone that is purpose-built and secure industrial estate on the north-eastern coast of KwaZulu-Natal, South Africa linked to the international deep-water port of Richards Bay. It is tailored for the manufacturing of goods and production of services to boost beneficiation, investment, economic growth and the development of skills and employment.

The RBIDZ is a Special Economic Zone (SEZ) that aims to encourage international competitiveness through world-class infrastructure as well as tax, VAT and duty-free incentives to qualifying investors. This SEZ's strategy is geared to provide significant contribution to the country's economic growth through creation of employment opportunities, up- grading the skills, technology transfer, deepening economic empowerment of historically disadvantaged individuals and broadening of South Africa's basket of export products.

VISION

Leading investment destination.

MISSION

Achieving our Goals through inclusive:

- Community Development
- Job Creation
- Infrastructure Development
- Investment Attraction
- Business Empowerment
- Skills Development
- Energy Security
- Resource Beneficiation

THE RBIDZ'S OBJECTIVES:

- To attract local and foreign direct investment;
- To attract advanced foreign production and technology methods in order to gain experience in global manufacturing and production networks;
- To develop linkages between domestic and zone- based industries;
- To provide world–class industrial infrastructure.

THE RBIDZ'S KEY FOCUS SECTORS:

01 Metals Beneficiation (Aluminium, Iron Ore, Titanium)

02 Technology and Innovation

03 Energy and Renewables

04 Agro-Processing

05 Marine Industry Development

INCENTIVES PROVIDED BY RBIDZ TO INVESTORS

- Reduction in corporate income tax from 28% to 15%.
- VAT exemption for supplies procured in South Africa.
- Duty-free on imports for production-related raw materials including machinery and assets used in production.
- Location in a secured and Customs Controlled Area (CCA)
- World–class industrial infrastructure.

The strategic focus of the company is guided by its core mandate and mission as a vehicle geared towards driving the socio–economic landscape in the region as well as the province of KwaZulu-Natal. The primary objective is to attract sustainable investments that stimulate economic growth, job creation, beneficiation of resources, skills development, and transfer.

The company is guided by the Special Economic Zones Act (No. 16 of 2014) that replaced the Manufacturing Development Act as the statute which regulates Industrial Development Zones In terms of the transitional provisions to this Act, all Industrial Development Zones created in terms of the Manufacturing Development Act were deemed to be Special Economic Zones Industrial Development Zones are one of the categories of Special Economic Zones contemplated in the Special Economic Zones Act.

THE STRATEGIC OUTCOMES OF THE RICHARDS BAY INDUSTRIAL DEVELOPMENT ZONE ARE:

1. Improved Operationalised Investment Value;
2. Inclusive Economic Growth;
3. Land Portfolio ready for investment attraction;
4. Good Governance;
5. Reduced Grant Dependency; and
6. More decent jobs created and sustained

The Annual Performance Report for 2024/ 2025 contained in this Annual Report presents the company's Performance Information which details on how the company performed for the reporting year in line with the set Strategic Outcomes as set out in the Annual Performance Plan.

LEGISLATIVE AND OTHER MANDATES

LEGISLATIVE MANDATE

The Richards Bay IDZ is a Schedule 3D entity in terms of the PFMA. The IDZ Programme in South Africa was established in terms of a cabinet resolution of September 2002 and was regulated in terms of the Manufacturing Development Act (No. 187 of 1993), and, in particular, the specific Regulations made under that Act and contained in Regulation No: R1224 of 1st of December 2002 (Government Gazette No: 21803), which was subsequently amended by Government Notice No R1065 of 27th of October 2002 (Government Gazette No. 29320).

The RBIDZ was separately established by Government Notice No. 644 of 26th of April 2002 (Government Gazette 23369), and its area was then amended by Government Notice No. 1045 of 4th of August 2006 (Government Gazette 29094).

On the 9th of February 2016, the Special Economic Zones Act (No. 16 of 2014), replaced the Manufacturing Development Act as the statute which regulates Industrial Development Zones In terms of the transitional provisions to this Act, all Industrial Development Zones created in terms of the Manufacturing Development Act were deemed to be Special Economic Zones Industrial Development Zones are one of the categories of Special Economic Zones contemplated in the Special Economic Zones Act.

In terms of the Special Economic Zones Act, the purpose of creating Special Economic Zones, such as the RBIDZ, includes:

- Facilitating the creation of an industrial complex, having a strategic national economic advantage for targeted investments and industries in the manufacturing sector and tradable services;
- Developing infrastructure required to support the development of targeted industrial activities, Attracting foreign and domestic direct investment,
- Providing the location for the establishment of targeted investments,
- Enabling the beneficiation of mineral and natural resources;
- Taking advantage of existing industrial and technological capacity, promoting integration with local industry and increasing value-added production:
- Promoting regional development, creating decent work and other economic and social benefits in the region in which it is located, including the broadening of economic participation by promoting small- micro-, and medium enterprises and co-operatives, and promoting skills and technology transfer, and
- Generating new and innovative economic activities

The Customs Controlled Area within an SEZ is regulated by the Customs Control Act (No. 21 of 2014). The RBIDZ shall, in conjunction and collaboration with SARS Customs and Excise Division, be responsible and facilitate compliance by SEZ Enterprises, with all SEZ specific legislation, rules, and regulations regarding movement of goods, persons, and vehicles into and out of the proclaimed areas, as well as with legislation, guidelines, and standards; specifically pertaining to safety, health, and environment.

In summary, the primary purpose of the RBIDZ is to develop a Special Economic Zone infrastructure with the intention to attract local and foreign direct investors, who will create production capacity to beneficiate South Africa's raw materials prior to export and to create exportable services whilst in the process stimulating the economy and creating employment opportunities as well as developing skills base.

It is thus an integral part of government's macro-economic policy to develop South Africa's manufacturing sector, by encouraging investment in the manufacturing industries centred on beneficiation of the country's natural resources.

RELEVANT COURT RULINGS

The key court cases dealing with Industrial Development Zones is the decision of the Constitutional Court was as follows:

Offit Enterprises (Pty) Ltd and Another v Coega Development Corporation (Pty) Ltd and Others (CCT 15/10) [2010] ZACC 20; 2011 (1) SA 293 (CC); 2011 (2) BCLR 189 (CC) (18 November 2010).

In this case, the Applicants sought a declaratory order that any expropriation of their applicants' property at the instance of the Coega Industrial Development Zone was neither permissible nor lawful.

In Offit Enterprises (Pty) Ltd and Another v Coega Development Corporation (Pty) Ltd and Others (09/09) [2010] ZASCA 1; 2010 (4) SA 242 (SCA); [2010] 2 All SA 545 (SCA) (15 February 2010)

The Supreme Court of Appeal found that an expropriation of the appellants' properties for the purposes of their inclusion in the Coega IDZ would serve a public purpose and it can make no difference whether the properties are retained by the national government as the expropriating authority or transferred to Coega Development.

In any event such an expropriation would plainly be in the public interest once it is accepted that it furthers the development of the Coega IDZ. That suffices to dispose of the point that an expropriation would not be permissible under S2 of the Expropriation Act.

The Constitutional Court found "there is no reason that the first respondent should be barred from making an application for the expropriation of the applicants' property in the future if it so requires for the benefit of the development of the Coega (DZ provided that it does so lawfully”.

The above makes it clear that the existence of Industrial Development Zones, such as the RBIDZ, is in the public interest and could justify the use of expropriation, if required.

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The case of Land Access Movement of South Africa and Others v Chairperson of the National Council of Provinces and Others (CCT40/15) [2016] ZACC 22; 2016 (5) SA 635 (CC) (28 July 2016) is important to the Company, as it is in the process of acquiring land and there is a risk that the land it acquires may be subject to a future land claim after it is acquired. This case dealt with the Restitution of Land Rights Amendment Act 15 of 2014, which extended the deadline for lodging land claims until 2019.

The Court found that the Act was invalid as a result of insufficient public participation. The decision effectively closed the window to file further land claims unless and until a new Act is passed. Any claims subsequent to 1st of July 2014 also cannot be processed.

INDUSTRIAL POLICY ACTION PLAN

The Industrial Policy Action Plan (IPAP) for Special Economic Zones (SEZs) in South Africa aims to drive economic growth, industrialization, and job creation. The IPAP which was launched in May 2016 continues to be the compass for industrialization and increased manufacturing base value action, employment creation and export intensity when it comes to driving socio economic landscape in South Africa.

Key Objectives of the SEZs are expected to:

- Contribute to South Africa's economic growth by attracting foreign and domestic investment, promoting export-oriented manufacturing, and creating jobs.
- Support industrial development by providing infrastructure, incentives, and support services to businesses operating within the zones.
- Create employment opportunities in various sectors, including manufacturing, logistics, and services.

RELEVANT COURT RULINGS

IPAP 2016 envisages nothing less than a massive, concerted, and focused national industrial effort, involving all key stakeholders and economic partners; and this must be built on the four pillars:

a) Policy coherence and policy certainty across government;
b) A close collaborative effort between government, business and labour;
c) A commitment to ensure that the linkages between the primary and secondary productive sectors of the economy are maximised; and
d) A combined and constructive drive to overcome the key constraints to manufacturing-led, value-added growth and labour-intensive manufacturing.

Industrial Policy Action Plan in the main focuses on the following:

Public Procurement - that enforces compliance, with localisation targets set for government departments and State-Owned Companies.

A strong focus on spill-over and labour-intensive sectors - in particular Agro-processing, the CTLF sector, manufacturing and sub-assembly in automotive; rail, light manufacturing and engineering in the metals sector; plastics and associated sub-sectors; electro-technical assembly, sub-assembly and component manufacturing; downstream timber and pulp products, including furniture and boat building.

Targeted Industrial financing and incentives - including:

a) Stronger export credit and export credit insurance support, in combination with a wide range of sector-specific incentives; and
b) Energetic implementation of the recently launched Black Industrialists Incentives.

Leveraging the devaluation of the Rand- to make South African manufactured products more globally competitive and create opportunities for the expansion and further development of SA's domestic manufacturing capabilities.

Export Growth is facilitated by four main pillars to the IPAP Export Strategy.

a) Building partnerships with global Original Equipment Manufacturers (OEMs), focused on transferring technologies and growing our exports in OEM value chains;
b) Partnering with national export champions to catalyse increased national technology absorption for the development of high-value exports;
c) Strengthening existing Industry Associations and Export Councils, including establishing a dedicated new Export Council for Africa,
d) Developing export-orientated production hubs in the SEZs (Special Economic Zones) and Regional Clusters and fostering industrial decentralisation.

Gas - Based Industrialisation: IPAP 2016 introduced a medium- term programme to ensure that gas-based industrialisation increasingly develops into one of the spines of the industrial strategy, leveraging natural gas as a source of power generation and a driver of industrial diversification.

Minimising Red Tape: To open space for much more streamlined and business-friendly governance processes.

These efforts include:

- Managing on-going relations with the Inter-Ministerial Committee (IMC) on Investments to tighten up the Intra-governmental co-ordination of the South Africa's new One-Stop Shop Investment Centres, and
- A rapidly expanding partnership between the CIPC (Companies and Intellectual Property Commission) and all the major banks to provide official company registration facilities within their branches and online.

Benefits of Special Economic Zones are:

- Tax Incentives: Preferential 15% corporate tax, building allowance, and employment tax incentives are available to businesses operating within SEZs.
- Infrastructure Support: The SEZ Fund provides multi-year funding for SEZ infrastructure and related operator performance improvement initiatives.
- One-Stop Shop: SEZs offer a one-stop shop for government services, streamlining the process for businesses to access various services and support.

CONSTITUTIONAL MANDATE

In the light of its goals of growth, development, and job creation, the IDZ programme relates to the constitutional goal of improving the quality of life of all citizens and freeing the potential of each person, building a united and democratic South Africa that is able to take its rightful place as a sovereign state in the family of nations; and, in creating jobs, enhancing the dignity of all.

To achieve this, RBIDZ advocates for the employment of a larger percentage of South Africans in each investment project within the Zone. Furthermore, it will maximise downstream and upstream opportunities for the benefit of SMMEs.

To achieve this, RBIDZ advocates for the employment of a larger percentage of South Africans in each investment project within the Zone. Furthermore, it will maximise downstream and opportunities for the benefit of SMMEs.

Based on the focal points and purpose aimed at driving industrialisation, the Richards Bay Industrial Development Zone plays a vital role in capacitating the company and ensuring its success through capable workforce and aligning the organisational structure with the company needs.

RBIDZ ORGANISATIONAL STRUCTURE

EDTEA SHAREHOLDER

RBIDZ BOARD

CHIEF EXECUTIVE OFFICER

- STRATEGIC DIRECTION
- GOVERNANCE AND LEADERSHIP
- PROVISION OF COMPANY SECRETARIAT

ZONE DEVELOPMENT AND OPERATIONS

- TOWN PLANNING
- PROJECT MANAGEMENT
- ELECTRICAL ENGINEERING
- CIVIL ENGINEERING
- SECURITY & CCA MANAGEMENT
- PROPERTY, FLEET & FACILITIES MANAGEMENT

BUSINESS DEVELOPMENT & SUPPORT

- INVESTMENT PROMOTIONS & ATTRACTION
- INVESTOR SUPPORT & RETENTION
- RESEARCH & INTELLIGENCE
- ENTERPRISE DEVELOPMENT

OFFICE OF THE COO

- STRATEGY DEVELOPMENT & PERFORMANCE MANAGEMENT
- MONITORING & EVALUATION
- BRAND & MARKETING MANAGEMENT
- STAKEHOLDER & COMMUNICATIONS MANAGEMENT
- ECONOMIC DEVELOPMENT & TRANSFORMATION

CORPORATE SERVICES

- HUMAN RESOURCES MANAGEMENT
- ICT
- SHEQ
- GOVERNANCE, RISK & COMPLIANCE
- LEGAL SERVICES
- RECEPTION

FINANCE

- BUDGET ANALYSIS & CONTROLS
- FINANCIAL ACCOUNTING
- ASSET MANAGEMENT
- MANAGEMENT ACCOUNTING
- SUPPLY CHAIN MANAGEMENT & CONTRACT MANAGEMENT
- TAXATION

PART B

COMPANY ANNUAL PERFORMANCE REPORT: 2024/ 2025

GATEWAY TO WORLD MARKETS

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor–General of South Africa performed an audit on the Annual Performance Information to provide reasonable assurance on an audit conclusion. The audit conclusion on the performance against predetermined outcomes is included in the Report to Management.

2. SITUATIONAL ANALYSIS: ECONOMIC SITUATION AND UNLOCKING OF INVESTMENT

The FDI inflows into South Africa reached approximately $4.3 billion in the first half of 2023, showing a positive trajectory. Sectors like renewable energy, infrastructure, and technology are becoming increasingly attractive to foreign investors as these are following global trends and shifts.

It is becoming clear that addressing challenges in electricity supply, logistics, and governance can drive growth and also balancing offshore risks with long-term opportunities can be beneficial in achieving alignments with the world execution of policy moves and structural improvements will be crucial for unlocking investment

Overall, South Africa has potential for growth and investment, but addressing challenges like macro-economic instability, crime, and governance will be essential for attracting and sustaining foreign direct investment.

South Africa's economic situation is showing signs of improvement, with a more favorable outlook for 2025 compared to the previous year. Key factors contributing to this positive trend include lower Inflation and declining interest rates.

BARRIERS TO INVESTMENT

- **Policy Uncertainty:** Political tensions within the Government of National Unity and regulatory delays affect investor confidence.
- **Logistics Bottlenecks:** Port congestion and rail inefficiencies still hamper trade competitiveness.
- **Global Trade Risks:** US tariff increases and geopolitical tensions may impact exports and capital flows

OUTLOOK & STRATEGIC PRIORITIES

- **Reform Acceleration:** Fast-tracking energy, transport, and SOE reforms is essential to unlock growth.
- **Investor Confidence:** Stability in governance and regulatory clarity will be key to attracting FDI.
- **Inclusive Growth:** Investment must be paired with skills development, SMME support, and transformation strategies.

2.1 ECONOMIC CLIMATE IMPACT OVERVIEW

It is noted that South Africa's economic climate continues to face several challenges including slow economic growth affecting GPD growth, with a growth rate of 0.6% in 2023, due to persistent electricity shortages, transport sector constraints and lower international prices for gold and platinum group metals. Growth is projected to be 1.3% in 2024 and 1.6 in 2025. The high inflation has also been a concern with the rate of 6.0% in 2023 driven by higher interests rates and fuel prices. The climate change is also having significant impacts on our economy, specifically in agricultural sector with unpredictable weather patterns. The account deficit is expected to widen to 3.0% of GDP in 2025 due to lower growth of exports than imports.

The overall South Africa's economic climate is depressed with both domestic and international challenges affecting its growth and development. Addressing these challenges will require a coordinated effort from government, private sector and civil society in order to alleviate prevailing challenges of the declining economy, increase of unemployment and inequality.

PERFORMANCE AGAINST THE ANNUAL PERFORMANCE PLAN 2024/2025 FINANCIAL YEAR

Paragraph 29.2.1 of Treasury Regulation (TR) issued in terms of PFMA, 1999 states that the public entity in consultation with its Executive Authority must conclude a Shareholder's compact. Paragraph 29.2.2 of the TR indicates that the Shareholder's compact must document the mandated key performance measures and indicators to be attained by the public entity as agreed between the Accounting Authority and the Executive Authority. The RBIDZ concluded the Shareholder's compact with the Department of Economic Development, Tourism and Environmental Affairs for the 2024/2025 financial year with the Annual Performance Plan as an addendum indicating performance targets for the year. The table below shows the RBIDZ's actual performance against targets as indicated in the 2024/2025 Annual Performance plan.

PROGRAMME 1: ADMINISTRATION

Outcome	Output	Output Indicators	Annual Target for 2024/2025 as per the APP	Validated Actual Annual Output	Status	Reasons for Variance
2.Inclusive economic growth	2.1 Enterprises owned by previously marginalised groups supported	2.1.1 Number of businesses owned by previously marginalised groups supported : • Businesses Owned by Women(15) • Businesses Owned by Youth (10) and • Businesses Owned by People with Disabilities (10)	35	35	Achieved	N/A
	2.1 Economic Development and Transformation Strategy	2.1.2 Percentage of the transformation strategy implemented	50%	75%	Achieved	N/A
	2.1 Youth Skills Development	2.1.1 Percentage of Youth Skills Development Initiatives Implemented	100%	100%	Achieved	N/A
3. Land portfolio ready for investment attraction	3. 1. Land portfolio ready for investment attraction	3.1.1 Percentage of ICT surveillance system Infrastructure upgrade at RBIDZ Properties	100%	100%	Achieved	N/A
		3.1.2. ICT Commercialisation Strategy approved by Board	Strategy approved by Board	Strategy not approved by Board	Not Achieved	Numerous engagements were required for the finalisation of the strategy.

PERFORMANCE AGAINST THE ANNUAL PERFORMANCE PLAN 2024/2025 FINANCIAL YEAR

PROGRAMME 1: ADMINISTRATION (Continued)

Outcome	Output	Output Indicators	Annual Target for 2024/2025 as per the APP	Validated Actual Annual Output	Status	Reasons for Variance
4. Good Governance	4.1 Improved brand visibility and stakeholder management	4.1.1 Percentage of outcome from the survey conducted	85%	92%	Achieved	Implementation of recommended action plans and intensifying existing operational management activities as well as stakeholder and community engagement interventions to satisfy stakeholders and enhance relationships across the organisation assisted towards improving identified areas of weakness and resulted to improved performance.
	4.2 Development and implementation of the Labour desk framework	4.2.2 Percentage of labour desk plan initiatives implemented	50%	100%	Achieved	New projects on site that needed to be engaged on new opportunities and also with the communities and traditional leaders. This was due to the requirements from the communities.
	4.3 APP targets achieved	4.3.1 Percentage of APP targets achieved	95%	80%	Not Achieved	N/A
	4.1 Unqualified (clean audit) opinion	4.1.1 Unqualified audit outcome maintained	Unqualified (clean audit) opinion	Unqualified (clean audit) opinion	Achieved	N/A
5. Reduced grant dependency	5.1 Own revenue generated	5.1.1 Percentage of own revenue generated Properties	10%	12%	Achieved	Income interest generated was more than what we anticipated because one investor went into full operation from January 2025.
	5.2 Implementation of the financial sustainability plan	5.2.1 Percentage of the Financial Sustainability Plan implemented	25%	56%	Achieved	Business units ensured that implementation of economic activities that were mostly within their control were prioritised for this period.

PERFORMANCE AGAINST THE ANNUAL PERFORMANCE PLAN 2024/2025 FINANCIAL YEAR

PROGRAMME 2: ZONE DEVELOPMENT AND OPERATIONS

Outcome	Output	Output Indicators	Annual Target for 2024/2025 as per the APP	Validated Actual Annual Output	Status	Reasons for Variance
3. Land portfolio ready for investment attraction	3.1 Land available for development	3.1.1 Number of hectares of available land for development	256ha	0ha	Not Achieved	**14ha- CIA:** Engagement took place on 28 February 2025 between RBIDZ officials and CoU officials to conclude lease agreement necessitated that CoU and RBIDZ principals meet to further deliberate on the CoU council resolution. **25ha Phase 1C:** Confirmation of interest from Investors and Mandlazini Trust **185km2 = 18 500ha:** **Off-Shore Wind Farm** Lease negotiations with EDTEA ongoing Attend to enquiries raised by EDTEA regarding proposed lease & sub-leasing submitted.

PERFORMANCE AGAINST THE ANNUAL PERFORMANCE PLAN 2024/2025 FINANCIAL YEAR

PROGRAMME 2: ZONE DEVELOPMENT AND OPERATIONS *(Continued)*

Outcome	Output	Output Indicators	Annual Target for 2024/2025 as per the APP	Validated Actual Annual Output	Status	Reasons for Variance
	3.2 Hectares of land developed for investors	3.2.1 Number of hectares of land developed	172 ha	0 ha	Not Achieved	**Eskom Phase 1D (130ha) -** Revised funding application in progress. Phase 1D additional investor requirements received and to be accommodated. **14ha CIA -** Revised proposal to CoU, Draft lease agreement sent to CoU and negotiations ongoing.
6. More decent jobs created and sustained	6.1 Project commencing implementation	6.1.1 Number of projects implemented	2	5	Achieved	There were investor requirements received that necessitated acceleration of projects to be implemented.
	6.2 Employment opportunities created	6.2.1 Number of construction jobs created	805	873	Achieved	Number of projects that started to pick up in both Phase 1A and 1F during this period.

PERFORMANCE AGAINST THE ANNUAL PERFORMANCE PLAN 2024/2025 FINANCIAL YEAR

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT

Outcome	Output	Output Indicators	Annual Target for 2024/2025 as per the APP	Validated Actual Annual Output	Status	Reasons for Variance
1. Improved operationalised investment value	1.1 Rand Value of Operational investors	1.1.1 Cost of infrastructure, building and machinery	R300 000 000	R718 729 135,68	Achieved	SPS expanded its operational plans, necessitating larger infrastructure, increased capacity, and more advanced equipment. The investment was projected to be realised in the 2025/2026 financial year. Due to demand, the expansion was commissioned in the 2024/2025 financial year.
	1.2 Investors approved by the Board	1.2.1 Rand value of investors approved by the Board	R600 000 000	R2 904 156 506,81	Achieved	A stand alone investment of R2.1 billion represents over 72% of the total revised investment figure. This single project significantly shifted the overall investment outlook, making it the primary outlier. Investor operations involve high-value infrastructure, specialized machinery, and large scale civil works.

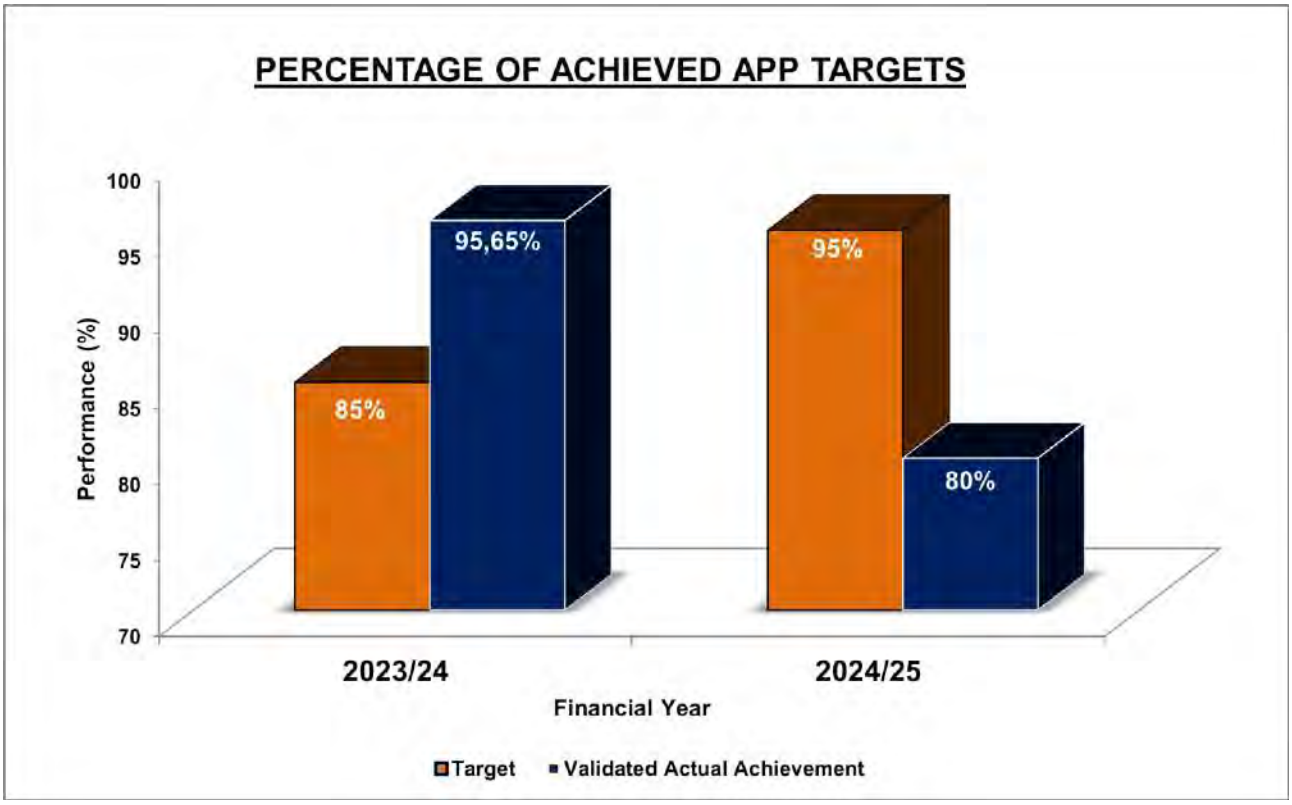
PERFORMANCE AGAINST THE ANNUAL PERFORMANCE PLAN 2024/2025 FINANCIAL YEAR

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT (*Continued*)

Outcome	Output	Output Indicators	Annual Target for 2024/2025 as per the APP	Validated Actual Annual Output	Status	Reasons for Variance
2. Inclusive Economic Growth	2.1 Black Industrialist approved by the Board	2.1.1 Rand value of black industrialist investments approved by the Board	R100 000 000	R2 904 156 506,81	Achieved	
	2.2 Black-owned businesses supported through ED Programme	2.2.1 Number of black-owned businesses supported through ED Programme	4	6	Achieved	There was a higher than anticipated interest from black-owned SMMEs seeking support through the ED Programme. A streamlined application and selection process allowed for more businesses to be onboarded without compromising quality.
6. More decent jobs created and sustained	6.1 Employment opportunities created	6.1.1 Number of operational jobs created	131	164	Achieved	Over and above the operational jobs created by investors, RBIDZ had implemented projects that created operational jobs.

SUMMARY OF THE COMPANY PERFORMANCE AGAINST THE ANNUAL PERFORMANCE PLAN – 2024/ 2025

In the year under review the company had a total of 20 key performance indicators and was able to achieve 16 and 4 were not achieved. The overall company achievement was 80% against the set target of 95% for the reporting year which presents a decline from the 95.65% achievement of 2023/2024 financial year.

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HIGHLIGHTS OF OPERATIONAL PROGRAMMES

EACH PROGRAMME IS UNDERPINNED WITH STRATEGIC OUTCOMES THAT ARE AIMED AT CONTRIBUTING TOWARDS THE COMPANY'S OPERATIONS AND TARGETED OUTPUT INDICATORS.

THE TABLE BELOW PRESENTS THE KEY PROGRAMMES OF THE COMPANY AS FOLLOWS:

PROGRAMME NUMBER	PROGRAMME NAME	NUMBER OF TARGETED OUTPUT INDICATORS	NUMBER OF VALIDATED ACTUAL TARGETS ACHIEVED	NUMBER OF VALIDATED ACTUAL TARGETS NOT ACHIEVED
1	**ADMINISTRATION** **Sub- Programmes**: *Office of the COO* *Finance* *Corporate Services*	**11**	**9**	**2**
2	**ZONE DEVELOPMENT AND OPERATIONS**	**4**	**2**	**2**
3	**BUSINESS DEVELOPMENT AND SUPPORT**	**5**	**5**	**0**
TOTALS		**20**	**16**	**4**

PROGRAMME 1
ADMINISTRATION

PROGRAMME 1: ADMINISTRATION

The Administration programme of the RBIDZ is primarily responsible for the company's governance affairs, development of company strategy and its implementation. Within the Administration programme there are other focus areas that the Office of the Chief Executive Officer provides strategic guidance and oversight responsibilities which are encompassed in the principles of corporate good governance such as management of a wide range of stakeholders, financial management and corporate affairs management.

THE PROGRAMME SUPPORTS FOUR (4) STRATEGIC OUTCOMES OF THE APP:

Strategic Outcome	Outcome Number as per the strategic outcome	Number of Targeted Output Indicators	Number of Validated Actual Annual Output Achieved	Number of Validated Actual Annual Output Not Achieved
Inclusive Economic Growth	2	11	9	2
Land portfolio ready for investment attraction	3			
Good Governance	4			
Reduced Grant dependency	5			

PROGRAMME 1 – OUTCOMES, OUTPUTS, OUTPUT INDICATORS, ANNUAL TARGETS, VALIDATED ACTUAL ANNUAL OUTPUT, STATUS OF ACHIEVEMENT/NOT ACHIEVED AND REASONS FOR VARIANCE

PROGRAMME 1: ADMINISTRATION						
Outcome	**Output**	**Output Indicators**	**Annual Target for 2024/2025 as per the APP**	**Validated Actual Annual Output**	**Status**	**Reasons for Variance**
2. Inclusive economic growth	2.1 Enterprises owned by previously marginalised groups supported	2.1.1 Number of businesses owned by previously marginalised groups supported : - Businesses Owned by Women(15) - Businesses Owned by Youth (10) and - Businesses Owned by People with Disabilities (10)	35	35	Achieved	N/A

PROGRAMME 1: ADMINISTRATION *(Continued)*

PROGRAMME 1: ADMINISTRATION *(Continued)*						
Outcome	**Output**	**Output Indicators**	**Annual Target for 2024/2025 as per the APP**	**Validated Actual Annual Output**	**Status**	**Reasons for Variance**
2. Inclusive economic growth	2.1Economic Development and Transformation Strategy	2.1.2 Percentage of the transformation strategy implemented	50%	75%	Achieved	N/A
	2.1 Youth Skills Development	2.1.1 Percentage of Youth Skills Development Initiatives Implemented	100%	100%	Achieved	N/A
3. Land portfolio ready for investment attraction	3.1 Land fully serviced with ICT infrastructure	3.1.1 Percentage of ICT surveillance system Infrastructure upgrade at RBIDZ Properties	100%	100%	Achieved	N/A
		3.1.2. ICT Commercialisation Strategy approved by Board	Strategy approved by Board	Strategy not approved by Board	Not Achieved	Numerous engagements were required for the finalisation of the strategy

PROGRAMME 1: ADMINISTRATION *(Continued)*

PROGRAMME 1: ADMINISTRATION *(Continued)*						
Outcome	**Output**	**Output Indicators**	**Annual Target for 2024/2025 as per the APP**	**Validated Actual Annual Output**	**Status**	**Reasons for Variance**
4.Good Governance	4.1 Improved brand visibility and stakeholder management	4.1.1 Percentage of outcome from the survey conducted	85%	92%	Achieved	Implementation of recommended action plans and intensifying existing operational management activities as well as stakeholder and community engagement interventions to satisfy stakeholders and enhance relationships across the organisation assisted towards improving identified areas of weakness and resulted to improved performance.
	4.2 Development and implementation of the Labour desk framework	4.2.2 Percentage of labour desk plan initiatives implemented	50%	100%	Achieved	New projects on site that needed to be engaged on new opportunities and also with the communities and traditional leaders. This was due to the requirements from the communities
	4.3 APP targets achieved	4.3.1 Percentage of APP targets achieved	95%	80%	Not Achieved	Non-achieved indicators were dependent on the external factors

PROGRAMME 1: ADMINISTRATION *(Continued)*

PROGRAMME 1: ADMINISTRATION *(Continued)*						
Outcome	**Output**	**Output Indicators**	**Annual Target for 2024/2025 as per the APP**	**Validated Actual Annual Output**	**Status**	**Reasons for Variance**
	4.1 Unqualified (clean audit) opinion	4.1.1 Unqualified audit outcome maintained	Unqualified (clean audit) opinion	Unqualified (clean audit) opinion	Achieved	N/A
5. Reduced grant dependency	5.1 Own revenue generated	5.1.1 Percentage of own revenue generated	10%	12%	Achieved	Income interest generated was more than what we anticipated because one investor went into full operation from Jan 2025.
	5.2 Implementation of the financial sustainability plan	5.2.1 Percentage of the Financial Sustainability Plan implemented	25%	56%	Achieved	Business units ensured that implementation of economic activities that were mostly within their control were prioritised for this period.

STAKEHOLDER RELATIONSHIPS AND MARKETING MANAGEMENT

Stakeholders are all individuals, groups or institutions that have interest, influence, or are affected or impacted by the RBIDZ's operations, products and services, and performance. As the advocate of socio - economic transformation and development, the RBIDZ depends on a multifaceted network of stakeholders and partners for its success in generating value and achieving its outcomes.

The RBIDZ trust that successful stakeholder management requires a commitment to actively engage with stakeholders utilising various platforms and approached for mutual benefits. Stakeholder engagement is therefore regarded as means to build social cohesion and strengthened relationships with stakeholders, which ultimately results in improved business operation and existence.

RBIDZ'S STAKEHOLDER RELATIONSHIP MANAGEMENT AND MARKETING MANAGEMENT OBJECTIVES

The following activations were done to ensure that there was alignment with objectives:

- Executed a plan that adequately acknowledge the role, influence and impact of stakeholders;
- Implemented a marketing and advertising plan that positioned the company in various local and international platforms;
- Engaged stakeholders to meet and, where possible, exceed their expectations;
- Involved all relevant stakeholders in the communication process to build trust and cooperation;
- Kept decision-makers, role-players and other stakeholders constantly informed of the RBIDZ's projects, milestones and developments;
- One-on-One engagements with investors were increased and maintained;
- Business-to-Business engagements were increased during conferences with targeted key stakeholders;
- Key stakeholders were lobbied for buy-in and support for projects such as energy;
- Ensured sector-focused and targeted communication was maintained for all users, internally and externally;
- Distributed the right information, to the right people, at the right time;
- Executed a pro-active communication strategy as well as effectively responded to enquiries from either the media or other stakeholders, within the agreed time frames;
- Empowered communities by providing a central point of contact for all enquiries about the RBIDZ projects; and
- Measured the impact of stakeholder activities through stakeholder satisfaction surveys.

Adequate level of engagements with the shareholder, local, provincial and national government departments as well as key public entities were achieved during the financial year to facilitate implementation of various projects including infrastructure and investment to ensure understanding of RBIDZ challenges, support, and or interventions required. Stakeholder engagements remained effective due to efficient and transparent two-way communication, which continued to build trust and confidence in the RBIDZ.

For the reporting year, various engagements and marketing activations were undertaken to manage and build relationships as well as ensure that the company was well positioned through various platforms, some of these included the following:

- Community Engagements including local communities and Councillors;

PROGRAMME 1: ADMINISTRATION *(continued)*

RBIDZ'S STAKEHOLDER RELATIONSHIP MANAGEMENT AND MARKETING MANAGEMENT OBJECTIVES

- Traditional leaders' engagements;
- SMME Seminars;
- Investor engagements;
- Municipality multi-stakeholder engagements;
- Government collaborated engagements;
- Conferences focusing on various economic sectors of focus;
- Panel Dialogues to discuss various projects such as Gas and also promote the RBIDZ;
- Devac Infrastructure Summit ;
- Mining Indaba;
- Africa Oil Week Summit;
- Africa Energy Indaba;
- Manufacturing Indaba Conference;
- African Energy Week Conference;
- Eskom and Energy engagements to drive energy project;
- KZN Legislature Portfolio oversight engagement;
- National Parliament oversight engagement; and
- Media Engagements.

In the reporting year, to gauge the company's interventions, a stakeholder perception and satisfaction survey was again conducted by independent consultants, the outcome achieved was 92% satisfaction outcome from stakeholders against the APP target of 85%. The overall results presented, showed that most of the stakeholders were highly satisfied with the company and were optimistic with the future. An improvement in the reporting year was noted compared to 90% achieved in 2023/2024 financial year.

PROGRAMME 1: ADMINISTRATION *(continued)*

RBIDZ CORPORATE SOCIAL INVESTMENT

As a responsible corporate citizen, RBIDZ recognises the need to invest in the development of communities to facilitate impactful solutions to persistent societal challenges. The RBIDZ corporate social investment programme focuses on various community development initiatives for socio - economic development of disadvantaged communities through programmes such as bursaries for tertiary students, back-to-school to assist with school uniform and dignitary packs for boys and girls, agri-implements for emerging farmers, social relief hampers, boreholes for water provision and awareness campaigns against GBV and use of substances.

The RBIDZ believes that Corporate Social Investment (CSI) needs to demonstrate a positive impact on society in keeping with its vision and in compliance with the King IV code on corporate governance (Principles 3 and 16), Environmental, Social and Governance (ESG), and international best practice. The RBIDZ aims to create value and make long-term sustainable investment in communities.

Annually, RBIDZ sets aside budget to implement various initiatives with the aim of developing communities and make long-term and sustainable investments.

For the reporting year through CSI initiatives, eleven (11) tertiary students were enrolled in different tertiary institutions to further their studies, and the company spent R1,5 million; fifty-four (54) agri - businesses were trained and assisted with agri - implements, and R500 000 was spent; six - hundred (600) families were assisted through social relief programme and R1 million was spent, and five (5) schools were assisted through the Back-to-school programme. Moreover, one (1) elderly citizen was assisted with the construction of a house, with an amount of R400 000 allocated towards building materials and construction. In addition, the RBIDZ implemented various other initiatives aimed at raising awareness and supporting non-profit organisations (NPOs) during national remarkable months, such as Mandela Day and 16 Days of Activism for No Violence Against Women and Children. These CSI initiatives were able to create thirty-four (34) employment opportunities through procurement-related activities.

PROGRAMME 1: ADMINISTRATION: FINANCE (SUB-PROGRAMME) *(continued)*

This sub-programme establishes and maintains appropriate financial and supply chain management systems and procedures, ensuring compliance to applicable legislation, guidelines and reporting dates. It also thrives to manage the financial resources of the company efficiently, effectively and economically. The year under review saw the RBIDZ attaining an unqualified report that attests to good governance and sound financial management in line with the PFMA guidelines.

INCLUSIVE ECONOMIC GROWTH

Enterprises owned by previously marginalised groups supported

Advancing of entrepreneurs is one of the most operative ways to stimulate economic growth, transformation, and job creation in our communities. Entry to economic opportunities remains one of the key aspects of driving SMME development, and the RBIDZ's objective is to facilitate, promote and drive the inclusion of SMMEs in procurement opportunities.

The RBIDZ policy is prefaced on development, inclusion and transformation of SMMEs. In response to Inclusive economic growth outcome for the reporting year, the RBIDZ achieved a set target of thirty-five (35) by supporting thirty-five (35) businesses owned by previously marginalised groups in categories as follows:

- Businesses Owned by Women (15)
- Businesses Owned by Youth (10) and
- Businesses Owned by People with Disabilities (10)

ECONOMIC DEVELOPMENT AND TRANSFORMATION STRATEGY

In driving the implementation of the transformation strategy various initiatives aimed at developing emerging businesses were implemented and mostly focusing on sectors such as agriculture. In the said sector fifty-four (54) emerging businesses benefitted through the training programme aimed at equipping them with business techniques and practical skills. In return, 75% of the initiatives were implemented against a target of 50% for the reporting year.

YOUTH SKILLS DEVELOPMENT

To empower youth with necessary skills as part of unlocking potential, 100% of youth skills initiatives were implemented in the plan for the reporting year. These initiatives included agriculture mixed venture creation and farming business management.

SMALL - MEDIUM AND MICRO-ENTERPRISE (SMME) DEVELOPMENT

The on-going developments from the National Treasury and KZN provincial government in public sector procurement continue to apply a compelling case to effect alignment of Supply Chain Management to ensure that government's imperatives stimulate an inclusive and transformational economy.

Government continues to prioritise entrepreneurship and the advancement of Small, Medium and Micro-Sized Enterprises (SMMEs) as the substance to achieving inclusive economic growth, transformation and socio-economic development.

As contribution towards this cause, the RBIDZ prioritises supplier and enterprise development by availing training opportunities for local Small, Medium and Micro Enterprises as means to elevate them to participate in the value chain.

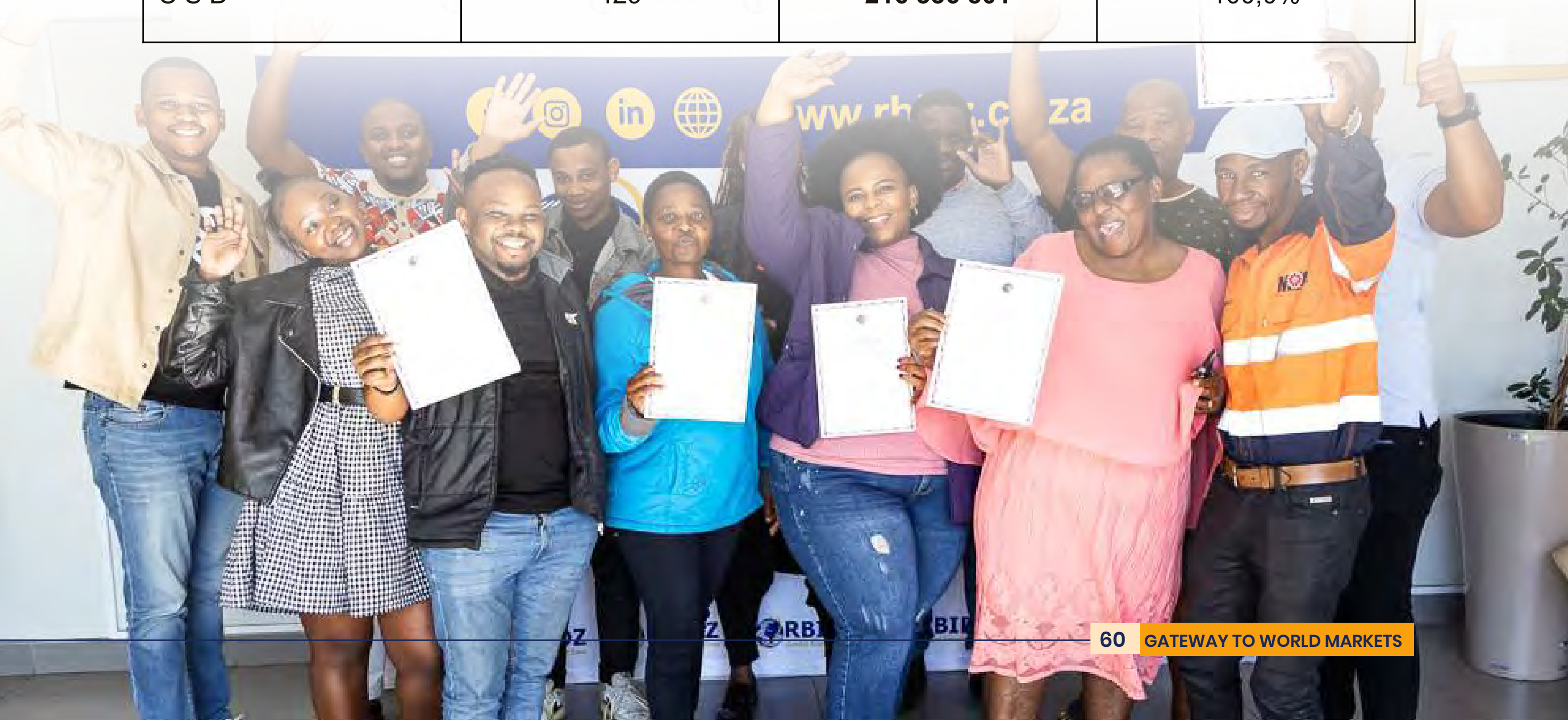
PROGRAMME 1: ADMINISTRATION: FINANCE (SUB-PROGRAMME) *(continued)*

CPG AND INVOLVEMENT OF TARGETED ENTERPRISES

The RBIDZ continues to prioritise inclusivity through CPG to drive business growth, innovation and social change. Through opportunities derived from CPG allocation, various targeted groups have been able to participate meaningfully through supplier and enterprise development initiatives.

The table below presents the procurement spend inclusive of CPG work value in terms of supplier and enterprise development initiatives for targeted groups:

Targeted Groups	Number of Suppliers	Value R'	% of Totals
BO	395	**194 358 930**	89,8%
BWO	249	**70 901 686**	32,8%
BYO	180	**103 451 882**	47,8%
DIS	34	**4 498 341**	2,1%
MV	17	**3 578 090**	1,7%
LOCAL	195	**64 680 569**	29,9%
LEVEL 1-4	415	**215 483 124**	99,6%
BNCC	7	**703 698**	0,3%
C S D	429	**216 336 501**	100,0%



PROGRAMME 1: ADMINISTRATION: FINANCE (SUB-PROGRAMME) *(continued)*

ENTERPRISE AND SUPPLIER DEVELOPMENT

To improve efficiency, enhance supplier capabilities, drive innovation and drive competitiveness, the RBIDZ continues to provide skills development programmes to suppliers with the aim of equipping and developing whilst also providing tools of trade and affording a platform to compete for work opportunities through projects that become available within the company. In the reporting year, the following training programmes and support were provided through Enterprise and Supplier Development:

1. Integrated SMME Training: Project Management, QMS, BFS and ICT Training and Support;
2. Incubation Programme, Business Development and support services for SMMEs;
3. Development of Business Plans;
4. Provision of Data, Connectivity and Support Services to ensure that SMMEs adapt to the digital norms of doing business;
5. Financial Accounting and Statutory Compliance Services;
6. SMME online support system for the RBIDZ ESD;
7. Registration on CSD for compliance purposes;
8. Branding Design and Development;
9. Business Facilitation, Support and Marketing Coordination; and
10. Website design, development, hosting and support services

PROGRAMME 1: ADMINISTRATION: CORPORATE SERVICES (SUB – PROGRAMME)

This sub-programme plays a crucial role in the company by providing the company with improved capabilities and other support services. For the reporting year, this sub-programme focused on ensuring that all the company's estates were fully capacitated with ICT infrastructure whilst, it also ensured that the ERP System is fully implemented for efficiency of operations. In the reporting year, the efforts to create a future-fit investment environment was achieved through the implementation of numerous surveillance system and digital infrastructure upgrades in all RBIDZ properties such that the company was able to achieve 100% completion of all planned targets.

As part of promoting innovation, advancing capabilities and competitiveness, the RBIDZ developed the ICT Commercialisation Strategy, however it was not approved by the Board within the reporting year, due to the detail and various engagements yet to be conducted with various stakeholders. As a result, this target was not achieved. Finalisation of this target has been prioritised for the new year following thorough consultations with all key stakeholders. It is anticipated that in the coming year the ICT Commercialisation strategy will be implemented upon approval by the Board.

It is pleasing to highlight that responsibilities relating to risk management and awareness , management of health, safety, and environmental (SHE) compliance and facilitation of policy development and governance documentation were prudently executed. In line with the King IV Report on Corporate Governance principles, the Risk Register for the reporting year was developed and actions to mitigate the identified risks were implemented to ensure internal controls.

The company had 81 action items per risk register identified for different business units and 62 were finalised whereas 19 remained unfinalised as a result of their nature by the end of the year.

THE BELOW TABLE IS THE OVERALL SUMMARY OF RISK REGISTER ACHIEVEMENTS

Risk Registers	Total Action Plans	Finalised	Not Finalised
All risk categories/units	81	62	19
	100%	77%	23%

PROGRAMME 1: ADMINISTRATION: CORPORATE SERVICES: (SUB – PROGRAMME) *(continued)*

Furthermore, the RBIDZ upheld its commitment to the safety and well-being of employees as well as stakeholders in the workplace and its estates as embodied in the SHEQ Policy (RBIDZ) and interpreted in the International Organisation for Standardisation (ISO) certifications of RBIDZ being ISO 9001 and ISO 14001. In the reporting year, it is pleasing to highlight that through effective management systems in the work place and construction regulations where there are active construction sites, the following achievements were attained in the scope of SHEQ performance area:

- Maintained zero employee loss time injuries or fatalities;
- Achieved zero contractor loss time injuries or fatalities (against a baseline of 5 LTI's from 2023/2024 FY);
- Maintained zero major environmental incidents or compliance notices;
- Approval of the 2nd SHEQ Strategy (2024 – 2029);
- Achievement of 90% SHEQ internal customer satisfaction score against 90% baseline;
- Maintained the ISO 9001 and 14001 certifications by the SABS;
- Commenced with the process for the company's ISO 45001 certification by the SABS;
- Developed a File Plan for improved identification and maintenance of records in line with the national and provisional archives legislation;
- Embarked on various environmental preservation awareness campaigns by collaborating with KZN Provincial government, EDTEA, City of uMhlathuze and King Cetshwayo District Municipality, these included World Water Day, Green Belts Clean-up Drives, Earth Day Commemoration, Arbor Day, International Coastal Clean-up and World Food Day; and
- Established a Tenant SHE Forum for the purpose of coordinating emergency and disaster preparedness and response between the RBIDZ and Zone tenants.

PROGRAMME 2

ZONE DEVELOPMENT AND OPERATIONS

PROGRAMME 2: ZONE DEVELOPMENT AND OPERATIONS

The purpose of the programme is to identify land for acquisition and development into industrial estate, through integrated planning, design, service and management process for the attraction and location of investors.

The process involves land identification, due diligence, land valuation and engagement with land owners for the purposes of purchasing such land where upon agreement processes of development are implemented such as; layout planning and infrastructure design, obtaining development and design approvals, assessment and implementation of bulk essential infrastructure implementation as well as the operation and maintenance of these infrastructure systems.

The programme further ensures that all RBIDZ estates operate in line with the Customs and Excise Act which controls access and manages security systems as an agent of the South African Revenue Service.

ZONE DEVELOPMENT AND OPERATIONS SUPPORTS TWO (2) STRATEGIC OUTCOMES OF THE APP:

<table>
<tr><th>Strategic Outcome</th><th>Outcome Number as per the Strategic Outcome</th><th>Number of Targeted Output Indicators</th><th>Number of Validated Actual Annual Output Achieved</th><th>Number of Validated Actual Annual Output Not Achieved</th></tr>
<tr><td>Land portfolio ready for investment attraction</td><td>3</td><td rowspan="2">4</td><td rowspan="2">2</td><td rowspan="2">2</td></tr>
<tr><td>More decent jobs created and sustained</td><td>6</td></tr>
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PROGRAMME 2: ZONE DEVELOPMENT AND OPERATIONS

PROGRAMME 2 – APP OUTCOMES, OUTPUTS, OUTPUT INDICATORS, ANNUAL TARGETS, VALIDATED ACTUAL ANNUAL OUTPUT, STATUS OF ACHIEVEMENT/NONE ACHIEVEMENT AND REASONS FOR VARIANCE

PROGRAMME 2: ZONE DEVELOPMENT AND OPERATIONS

Outcome	Output	Output Indicators	Annual Target for 2024/2025 as per the APP	Validated Actual Annual Output	Status	Reasons for Variance
3. Land portfolio ready for investment attraction	3.1 Land available for development	3.1.1 Number of hectares available land for development	265 ha	0 ha	Not Achieved	**14ha- CIA:** Engagement took place on 28 February 2025 between RBIDZ officials and CoU officials to conclude lease agreement necessitated that CoU and RBIDZ principals meet to further deliberate on the CoU council resolution. **25ha Phase 1C:** Confirmation of interest from Investors and Mandlazini Trust **185km2 = 18 500ha:** **Off-Shore Wind Farm** Lease negotiations with EDTEA ongoing Attend to enquiries raised by EDTEA regarding proposed lease & subleasing submitted.

PROGRAMME 2: ZONE DEVELOPMENT AND OPERATIONS *(Continued)*

PROGRAMME 2 – APP OUTCOMES, OUTPUTS, OUTPUT INDICATORS, ANNUAL TARGETS, VALIDATED ACTUAL ANNUAL OUTPUT, STATUS OF ACHIEVEMENT/NONE ACHIEVEMENT AND REASONS FOR VARIANCE

PROGRAMME 2: ZONE DEVELOPMENT AND OPERATIONS *(Continued)*						
Outcome	**Output**	**Output Indicators**	**Annual Target for 2024/2025 as per the APP**	**Validated Actual Annual Output**	**Status**	**Reasons for Variance**
	3.2 Hectares of land developed for investors	2.1 Number of hectares of land developed	172 ha	0 ha	Not Achieved	**Eskom Phase 1D (130ha) -** Revised funding application in progress. Phase 1D additional investor requirements received and to be accommodated. **14ha CIA -** revised proposal to CoU, Draft lease agreement sent to CoU and negotiations ongoing.
6. More decent jobs created and sustained	6.1 Project commencing implemantation	6.1.1 Number of projects implemented	2	5	Achieved	There were investor requirements received that necessitated acceleration of projects to be implemented.
	6.2 Employment opportunities created	6.2.1 Number of construction jobs created	805	873	Achieved	Number of projects that started to pick up in both Phase 1A and 1F during this period.

PROGRAMME 2: ZONE DEVELOPMENT AND OPERATIONS

RBIDZ LAND ACQUISITION AND INFRASTRUCTURE DEVELOPMENT PRIORITIES

INVESTOR PROJECTS UNDER CONSTRUCTION IN RBIDZ ESTATES

PHASE 1A ESTATE - 96 HA

a) Wilmar Processing SA

The initial commissioning date was set for June 2023 for stage one of commissioning and due to challenges with the construction of the crude palm oil pipeline, phase 1 was eventually commissioned in December 2023 with activities entail receiving crude palm oil using the pipeline from the berth in the Port of Richards Bay into the tank farm (RBIDZ Phase 1A). Four tanks have been commissioned for phase 1, equating to 20,000 MT of crude palm oil. The palm oil will be clarified, bottled, and packaged for sale in large quantities for wholesalers. It is anticipated that full commissioning will take place in October 2025 with activities including increased capacity in the tank farm to 80,000 MT of crude palm oil. The refinery will also be commissioned to refine crude palm oil into various products and package the products for sale to retail customers.

It is pleasing to highlight though that part of the refinery has been operational and servicing customers for bulk retail since the beginning of the reporting year.

b) Prostar Export Paints

The project had reached 60% construction progress by the end of the reporting year. Construction of the R244 million investment project is to be completed in the end of 2025/2026 if additional funding is obtained from the dtic. Delays in construction in the reporting year were caused by the shortfall in funding, however applications for additional funding were submitted to the dtic and they await outcome from the SEZ Fund Adjudication Committee.

c)Bote Industries

The project had reached 22% construction progress by the end of the reporting year. Construction of the R229 million investment project is to be completed in the end of 2025/2026 if additional funding is obtained from the dtic. Delays in construction in the reporting year were caused by the shortfall in funding, however applications for additional funding were submitted to the dtic and they await outcome from the SEZ Fund Adjudication Committee.

There is a variance with the approved top structure funding for which an application to the dtic was submitted. The outcome of which is anticipated to be in July 2025.

d) KZNDARD Agrihub

The RBIDZ and KZNDARD have concluded the signing of the implementing agency agreement between the two institutions thus enabling the construction of the fresh produce Agrihub to commence. The total project cost is R336.51 million, of which R153 million has been secured from the Budget Facility for Infrastructure (BFI). A funding shortfall of R183,51 million remains, which is expected to be topped up by other strategic partners. Procurement for the service provider to do site clearance in preparation for construction was underway by the end of the reporting year.

PHASE 1F ESTATE-130 HA

Nyanza Light Metals

Nyanza Light Metals Site Clearance, deforestation and levelling and Practical Completion for Geotech in preparation for construction of phase 2 of the commercial plant was completed in the reporting year. The technical studies report indicated that filling on the site is required post the clearance and this will be undertaken as phase 2 of site preparation for Nyanza site ahead of construction. The project is at the Financial Close Stage, and three funders have committed to the project and busy with due diligence which is to be finalised in 2025/2026 financial year.

It is anticipated that construction of Nyanza's titanium commercial plant will commence in 2025/2026 upon finalisation of the financial close by the investor. The actual construction of the plant is expected to run for a period of 36 months.

PROGRAMME 2: ZONE DEVELOPMENT AND OPERATIONS

LAND ACQUISITION AND INFRASTRUCTURE DEVELOPMENT UPDATE

PHASE 1C ESTATE – 25 HA

The Board approved the lease of Erf 15424 measuring 25ha from Mandlazini-Mambuka Community Trust as well as NFE/BG Energy as a locator and further approved the 80/20 rental split between the Company and the Community Trust. A request to the Shareholder in terms of Section 54(2)(b) of the Public Finance Management Act, 1999 was submitted for approval of the long-term lease of Erf 15424, and that the Company could lease any other portions of Phase 1C from the Mandlazini Community Trust on the same profit-share basis.

The locator awaits declaration of the energy project by DMRE before commencement of any construction activities.

LAND ACQUISITION AND DEVELOPMENT UPDATE

PHASE 1D ESTATE-130 HA

Phase 1D is a site that was acquired from the City of uMhlathuze as a preferred site for the energy hub. By the end of the reporting year, the bulk infrastructure development and other site upgrades had not commenced due to lack of funding however, the RBIDZ continues to engage the dtic for funding. It is anticipated that developments will commence before the end of 2025/2026 financial year depending on funding approvals and availability. Moreover, the RBIDZ continues to engage with Eskom, Transnet and all other key stakeholders to ensure commitment and alignments towards the achievement of the Energy Hub Vision. By the end of the reporting year draft recognition and lease agreements had been submitted to Eskom for inputs and finalisation.

BACK- OF- PORT OPERATIONS DEVELOPMENT

In an attempt to improve operational efficiency and reduce congestion in the Richards Bay precinct and importantly closer to the RBIDZ operations and the port, this pocket of land owned by Mandlazini - Mambuka Community was identified for acquisition by RBIDZ with the aim for Commodity Handling Facility development.

The Board approved that Feasibility Study be conducted on various portions of land owned by Mandlazini-Mambuka Community Trust for the purpose that this land was identified for.

CENTRAL INDUSTRIAL AREA LAND ACQUISITION

Engagements to conclude on the already approved lease agreement between the City of uMhlathuze and the RBIDZ are on-going. This pocket of land is targeted to host the establishment of the graphite electrode manufacturing plant on Erf 18563 and 18571 measuring 14,7 hectares (ha) which forms part of the Central Industrial Area (CIA). Furthermore, bulk infrastructure provision according to investor requirements will be dependent on the business case and funding.

PHASE 2A: OIL REFINERY PROJECT

The land in Phase 2A is earmarked for a 300 BPD oil refinery, the project has completed its pre-feasibility stage; and negotiations to conclude with land owners were not progressing by the end of the reporting year. It was therefore resolved that if negotiations fail in 2025/2026 consideration for alternative land will be explored for the project.

INFRASTRUCTURE DEVELOPMENT UPDATE

PHASE 1A: 40MVA ELECTRICAL SUBSTATION

The transformer assembly was received in the reporting year as projected. The funding application of the 132KV switching station regarding stage 1 and 2 designs, was still awaiting funding availability by the end of the reporting year. The construction of the 132KV loop in loop out lines remains a top priority for the successful commissioning of the substation project and may only be started after the funding has been received.

MANDLAZINI BULK WATER PIPELINE

The RBIDZ had undertaken to proceed with the construction of the bulk water pipeline from Phase 1F to the Mandlazini reservoir which was already approved however, limited to the pipeline infrastructure within the Zone. The portion outside the Zone still seeks funding through the Critical Infrastructure Fund.

PROGRAMME 2: ZONE DEVELOPMENT AND OPERATIONS

INFRASTRUCTURE DEVELOPMENT UPDATE

NYANZA SITE CLEARANCE, LEVELLING, DE-FORESTATION AND RAILWAY DESIGN

Nyanza Light Metals Site Clearance, deforestation and levelling and Practical Completion for Geotech in preparation for construction of phase 2 of the commercial plant was completed in the reporting year. The Geotechnical studies report indicated that filling on the site is required post the clearance and this will be undertaken as phase 2 of site preparation for Nyanza site ahead of construction. The project is at the Financial Close Stage, and three funders have committed to the project and busy with due diligence which is to be finalised in 2025/2026 financial year.

It is anticipated that construction of Nyanza's titanium commercial plant will commence in 2025/2026 upon finalisation of the financial close by the investor. The actual construction of the plant is expected to run for a period of 36 months.

RBIDZ NEW OFFICE BUILDING

The appointment of Transactional Advisor will be concluded in 2025/2026 financial year since the budget is accommodated in that reporting year, this is according to the consultation and alignment with Treasury GTAC unit. The RBIDZ intends to develop a 5Ha land parcel identified for development of the new RBIDZ offices. The RBIDZ has opted to build its offices which the Board approved to be facilitated as a Public Private Partnership (PPP) using the Build, Own, Operate and Transfer (BOOT) model.

OUTLOOK ON LAND ACQUISITION, AND INFRASTRUCTURE DEVELOPMENT

The RBIDZ is poised for significant growth as a result of major investment projects it has attracted as well as those it continues to attract; therefore committing towards pitching and identifying collaborations to secure infrastructure development funds from public and private funders remains a strategic priority in order to leverage governments support. To date, the RBIDZ continues to engage landowners to acquire more land for expansion and development; this is motivated by the investment pipeline which presents a need for more land for investors who are yet to locate in the Zone.

Negotiations to conclude the lease agreements for land acquisition with various key stakeholders and prospective partners such as the City of uMhlathuze and Mandlazini Community Trust were still ongoing by the end of the reporting year.

PROGRAMME 3

BUSINESS DEVELOPMENT AND SUPPORT

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT

Business Development and Support programme plays a pivotal role in fulfilling the mandate of RBIDZ by attracting investment, enhancing competitiveness, promoting sustainability, creating jobs, and facilitating market access. A comprehensive support system ensures that businesses within RBIDZ have the resources and assistance they need to thrive, thereby contributing to the broader economic objectives of the region.

THE RBIDZ VALUE PROPOSITION

The RBIDZ seeks to attract investors that have a strategy to invest and locate in our well-developed estates. We further seek to lure the investors based on the incentives offered by government and support services available at the RBIDZ.

Regional sectors of focus ensure that whatever that the RBIDZ does is aimed at promoting the Richards Bay area as a business conducive destination supported by various industrial activities; primarily the RBIDZ focuses on the following sectors of the economy:

- Metals Beneficiation
- Agro-processing
- Technology and Innovation
- Energy and Renewables
- Marine Industry Development

Domestic and Foreign Direct Investment (FDI) Investments are critical for the RBIDZ Special Economic Zone (SEZ) as they contribute towards economic growth, revenue, technology, job creation and skills development through continuously cultivating a multi-dimensional investment and project development pipeline. Moreover, FDIs are essential to mobilising private investment into sustainable development sectors through effective investment promotion to grow the RBIDZ SEZ.

THE BUSINESS DEVELOPMENT AND SUPPORT PROGRAMME SUPPORTS THREE (3) STRATEGIC OUTCOMES OF THE APP:

Strategic Outcome	Outcome Number as per the Strategic Outcome	Number of Targeted Output Indicators	Number of Validated Actual Annual Output Achieved	Number of Validated Actual Annual Output Not Achieved
Improved Operationalised investment value	1	5	5	0
Inclusive Economic Growth	2			
More decent jobs created and sustained	6			

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT

PROGRAMME 3 – APP OUTCOMES, OUTPUTS, OUTPUT INDICATORS, ANNUAL TARGETS, VALIDATED ACTUAL ANNUAL OUTPUT, STATUS OF ACHIEVEMENT/NONE ACHIEVEMENT AND REASONS FOR VARIANCE

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT						
Outcome	**Output**	**Output Indicators**	**Annual Target for 2024/2025 as per the APP**	**Validated Actual Annual Output**	**Status**	**Reasons for Variance**
1.Improved operationalised investment value	1.1 Rand Value of Operational investors	1.1.1 Cost of infrastructure, building and machinery	R300 000 000	R718 729 135,68	Achieved	SPS expanded its operational plans, necessitating larger infrastructure, increased capacity, and more advanced equipment. The investment was projected to be realised in the 2025/2026 financial year. Due to demand, the expansion was commissioned in the 2024/2025 financial year.
	1.2 Investors approved by the Board	1.2.1 Rand value of investors approved by the Board Implemented	R600 000 000	R2 904 156 506,81	Achieved	A stand alone investment of R2.1 billion represents over 72% of the total revised investment figure. This single project significantly shifted the overall investment outlook, making it the primary outlier. Investor operations involve high-value infrastructure, specialised machinery, and large scale civil works.
2. Inclusive Economic Growth	2.1 Black Industrialist approved by the Board	2.1.1 Rand value of black industrialist investments approved by the Board	R100 000 000	R2 904 156 506,81	Achieved	

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT *(Continued)*

PROGRAMME 3 – APP OUTCOMES, OUTPUTS, OUTPUT INDICATORS, ANNUAL TARGETS, VALIDATED ACTUAL ANNUAL OUTPUT, STATUS OF ACHIEVEMENT/NOT ACHIEVED AND REASONS FOR VARIANCE

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT						
Outcome	**Output**	**Output Indicator**	**Annual Target for 2024/2025 as per the APP**	**Validated Actual Annual Output**	**Status**	**Reasons for variance**
	2.2 Black owned businesses supported through ED Programme	2.2.1 Number of black owned businesses supported through ED Programme	4	6	Achieved	There was a higher than-anticipated interest from Black-owned SMMEs seeking support through the ED Programme. A streamlined application and selection process businesses to be on boarded without compromising quality.
6. More decent jobs created and sustained	6.1 Employment opportunities created	6.1.1 Number of operational jobs created	131	164	Achieved	Over and above the operational jobs created by investors, RBIDZ had implemented projects that created operational jobs.

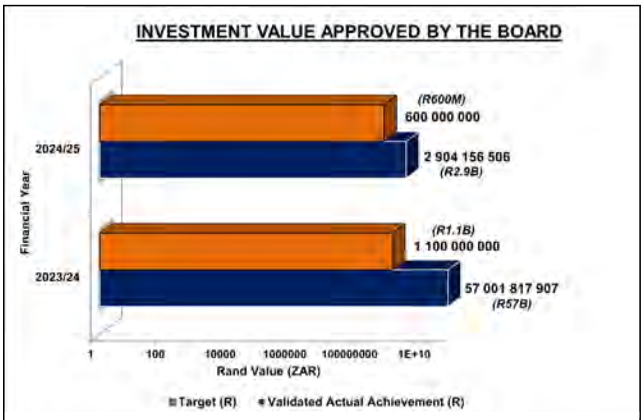
PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT *(Continued)*

KEY HIGHLIGHTS ON ACHIEVED TARGETS FOR THE REPORTING YEAR AGAINST 2024/2025 FINANCIAL YEAR

a) RAND VALUE OF OPERATIONAL INVESTORS

The over-achievement in the rand value of operational investors (R718 729 135) is attributed to SPS expanding their operational plans, necessitating larger infrastructure, increased capacity, and more advanced equipment. The investment increase was projected to be realised in the 2025/26 financial year, however the market demand compelled for expansion to be commissioned in the reporting year.

b) INVESTMENT VALUE OF INVESTMENTS APPROVED BY BOARD



One of a new standalone investment of R2,1 billion representing over 72% of the total revised investment figure significantly shifted the overall investment outlook, making it the primary outlier due to its projected high-value infrastructure, specialized machinery, and large-scale civil works.

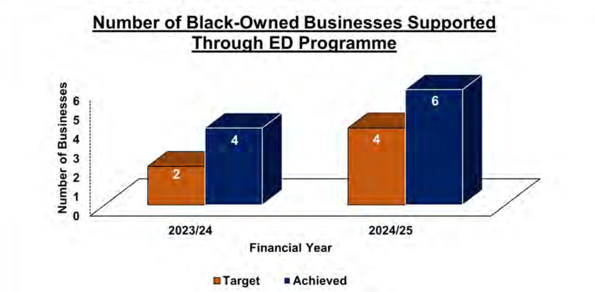
c) INVESTMENT VALUE OF BLACK INDUSTRIALISTS INVESTMENTS APPROVED BY BOARD

The representation of Black Industrialists investment value was also increased by the standalone investment of R2,1 billion that projects high-value infrastructure, specialized machinery, and large-scale civil works.

d) OPERATIONAL JOB CREATED

Both the RBIDZ and investors created operational jobs in the reporting year exceeding the set target through various projects that were implemented regardless of the setbacks experienced in implementing some of the earmarked catalytic projects that were expected to have been commissions during the reporting year.

e) NUMBER OF BLACK-OWNED BUSINESSES SUPPORTED THROUGH ED PROGRAMME



Through the RBIDZ Nal'ithemba Development Programme which supports development of enterprises and further facilitates business linkages and market for sector ready businesses, there was a higher-than-anticipated interest from black-owned SMMEs seeking support through the ED Programme. The Nal'ithemba Programme which was launched by the company to support emerging businesses has gained momentum over a couple of years since its existence such as in the reporting year; there was a higher-than-anticipated interest from black-owned SMMEs seeking support through the programme resulting in an increased achievement.

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT (Continued)

PROGRAMME 3 – APP OUTCOMES, OUTPUTS, OUTPUT INDICATORS, ANNUAL TARGETS, VALIDATED ACTUAL ANNUAL OUTPUT, STATUS OF ACHIEVEMENT/NOT ACHIEVED AND REASONS FOR VARIANCE

STATUS UPDATES: INVESTMENT PROJECTS FOR THE 2024/2025 REPORTING YEAR

a) WILMAR PROCESSING SA

The investment value of the Wilmar Edible Oils Project has increased from R1.8 billion to R2 billion in the reporting year. As a result of unforeseen challenges the full completion date has moved from December 2024 to October 2025 of 2025/2026 financial year.

This flagship agro-processing project reflects Wilmar's deep commitment to industrial investment and regional economic development. By the end of the reporting year, the value of the investment was R2 billion. It must be noted that the project has already created 1373 construction jobs and 42 operational jobs since the start of construction in 2020.

The edible oil refinery is poised to generate lasting impact in the economy. The strategic location, phased growth, and employment potential further cement the project's status as a cornerstone of sectoral transformation. Phase 1 (20 million tons) of the project which included a pipeline to Berth 708 within the Port of Richards Bay was commissioned in December 2023. Phase 2 (21 million tons) of the project is technically complete; and the final testing and commissioning of the entire operation is expected in October 2025.

b) NYANZA LIGHT METALS

The Nyanza Light Metals project with a current investment value of R15.7 billion progressed notably during the reporting period. Site clearance, deforestation, levelling, and practical completion of geotechnical preparations were successfully concluded, marking a key milestone ahead of the construction of Phase 2 of the commercial titanium plant.

Following these activities, geotechnical studies indicated the need for site piling and filling, which will be implemented as part of Phase 2 of site preparation. This ensures geotechnical integrity and readiness for full-scale construction.

The project is currently at the Financial Close stage, with three committed funders conducting due diligence.

This process is expected to reach finalisation during end of Quarter 3 of 2025/2026 financial year. Construction of the commercial titanium plant is anticipated to commence in 2025/2026, subject to the successful completion of financial close. The construction phase is expected to span 36 months, positioning the facility to become a major contributor to the regional industrial landscape. This project stands as a strategic initiative with long-term economic impact, driving advanced manufacturing capacity and supporting job creation in the region.

c) PROSTAR EXPORT PAINTS

The R244 million project that is 60% under construction and anticipated to complete construction in 2024/2025 aims to expand its operations by adding tank farms which will accommodate 1 million litres as a second phase of the project.

The tank farm will be used to store raw materials like Xylene, Toluene, White Spirits, and Benzene that is used to manufacture paints. The Investor will import raw material via the port of Richards Bay Port and use the Wilmar pipeline servitude. Delays in construction in the reporting year have been caused by the shortfall in funding, however applications for additional funding have been submitted to the SEZ Fund Adjudication Committee for consideration.

d) BOTE INDUSTRIES

Site clearance and levelling for Bote Industries (Pty) Ltd (BOTE) commenced in the reporting year.

e) KZN AGRIHUB DEVELOPMENT

As an implementing agency of the Fresh Produce Agri-hub to be located in RBIDZ, both the RBIDZ and KZNDARD have concluded the signing of the implementing agency agreement which enables commencement of construction of the fresh produce Agrihub.

Processes for procurement of the turnkey contractor for the first stages of the project have been initiated by the end of the reporting year, and appointment of the contractor is targeted for the 2nd quarter of 2025/2026 financial year.

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT *(Continued)*

INVESTMENT VALUE AND STATUS OF PROJECTS IN THE INVESTMENT PIPELINE

No.	Description	Investment value	Sector	Status Update
1	Manufacturing of plastic piping for bulk water distribution	R681 million	Plastic, Pharmaceuticals and Chemicals	Operational
2	Heavy logistics and Rigging	R34,1 million	Logistics	Operational
3	Edible Oil Refinery	R2,1 billion	Agro-processing	Commissioning
4	Production of Titanium Dioxide Pigment	R15,7 billion	Metals and Minerals Beneficiation	Financial Close
5	Manufacturing of Industrial Paints	R535 million	Plastic, Pharmaceuticals and Chemicals	Construction
6	Manufacturing of hoses and valves	R230 million	Manufacturing	Construction
7	Production of Nano Precipitated Calcium Carbonate	R468 million	Plastic, Pharmaceuticals and Chemicals	Bankable Feasibility Study
8	2000 MW Gas to Power Plant	R40 billion	Energy	Financial Close
9	400MW Gas to Power Plant	R15 billion	Energy	Financial Close
10	800MW Offshore Wind Floating Power Plant	R56 billion	Energy	Bankable Feasibility Study
11	Assembly of Tractors	R800 million	Heavy Equipment and Machinery	Bankable Feasibility Study
12	Vanadium Electrolyte Production Facility	R782 million	Energy	Bankable Feasibility Study
13	750MW Gas to Power Plant	R10,9 billion	Energy	Bankable Feasibility Study
14	Back of Port Operations	R452 million	Logistics	Licensing and Approvals
15	3000MW Gas to Power Plant	R72 billion	Energy	Bankable Feasibility Study
16	Fresh Produce Processing	R336 million	Agro-Processing	Bankable Feasibility Study
17	Graphite Electrode Manufacturing	R7,7 billion	Metals Beneficiation	Bankable Feasibility Study
18	LPG Storage Facility	R2,2 billion	Energy	Bankable Feasibility Study
19	Assembly of Forklifts	R350 million	Heavy Equipment and Machinery	Bankable Feasibility Study
20	Chlorine Production Facility	R300 million	Plastic, Pharmaceuticals and Chemicals	Bankable Feasibility Study
21	Steel Fabrication	R100 million	Metals	Bankable Feasibility Study

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT *(Continued)*

INVESTMENT VALUE AND STATUS OF PROJECTS IN THE INVESTMENT PIPELINE *(Continued)*

No.	Description	Investment value	Sector	Status Update
22	Titanium Dioxide Pigment Product Testing and Development Centre	R200 million	Metals and Minerals Beneficiation	Bankable Feasibility Study
23	600 MW Gas to Power Plant	R25 billion	Energy	Land Confirmation
24	Incubation Centre	R3,1 million	Innovation	Operational

INVESTMENT PROJECTS UNDER CONSTRUCTION FOR 2024/2025

No.	Project Name	Description	Investment Value	Status	Completion Timeline
1	Prostar Export Paints (Pty) Ltd	Sector: Plastic, Pharmaceuticals and Chemicals Description: Manufacturing of Paints	R534.988 million	Construction of the top structure is 60% complete	March 2026
2	Wilmar Processing SA (Pty) Ltd	Sector: Agro-Processing Description: Edible Oil Refinery	R2.1 billion	Testing and Commissioning	October 2025
3	Bote Industries (Pty) Ltd	Sector: Manufacturing Description: Manufacture of hoses and valves	R229.9 million	The construction of the top structure is 22% complete	March 2026

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT *(Continued)*

INVESTMENT PROJECTS ANTICIPATED TO COMMENCE CONSTRUCTION IN 2025/2026

No.	Description	Investment Value	Status	Construction Timeline
1	South East Bulk Operations (Pty) Ltd	R452 million	The project is in the Licensing and Approvals Stage. Site layout and building plans approvals are underway with the City Environmental enquiry confirmations are in progress.	Construction to be concluded by November 2026
2	Agri-hub	R336.51 million	R153 million of funding has been secured. The appointment of a contractor for the top structure facility is underway, and will be concluded in July 2025.	Construction to be concluded by November 2026
3	Eurosteel	R100 million	The project has reached financial close.	Construction will be concluded by April 2026

KEY ACHIEVEMENTS WITHIN BUSINESS DEVELOPMENT AND SUPPORT FOR 2024/2025

The Richards Bay Industrial Development Zone is host to 6 operational entities with a combined cumulative investment value estimated at R4.04 billion, 2 of which are operating from temporary facilities. Together, the said investors have engendered a total of 727 (created) direct jobs which have resulted in an impact of 3108 indirect employment opportunities. SPS has increased the investment value by R241 million. RB Energy Services has increased the investment value by R 4 million.

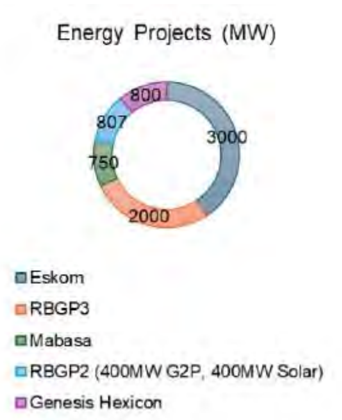
The RBIDZ also received funding approval of R290.9 million to construct Prostar Paint's Tank farm. Furthermore, Nyanza site clearance was completed in the reporting year. Wilmar Processing SA is partially operational with full commissioning expected in October 2025.

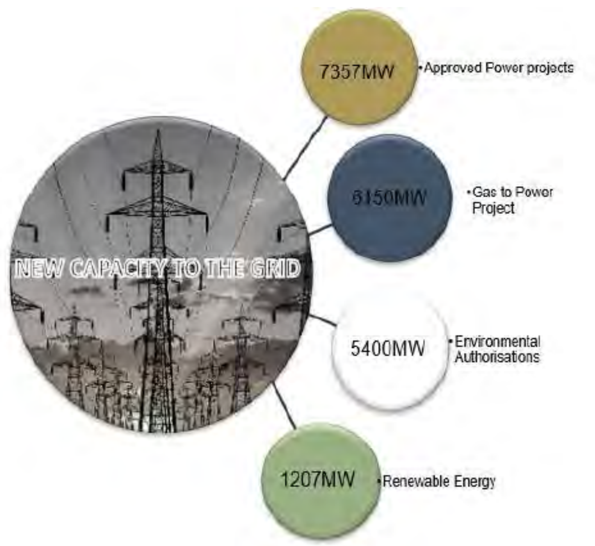
PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT (Continued)

ROLE OF RBIDZ IN DRIVING ENERGY SECTOR AND STATUS OF ENERGY RELATED PROJECTS IN THE PIPELINE

Richards Bay has been designated as an Energy Hub which is strategically linked to the region's infrastructural alignment with an evacuation capacity of a minimum of 5GW. The RBIDZ is at the forefront of the energy developments in the area which has resulted in the attraction of 6.35 GW of Gas to Power Projects and 1,2 GW of Renewable Energy Projects totalling over R190 billion. Other energy projects such as to fuel storage and Vanadium Redox Flow Batteries push this value to over R218 billion. In key collaboration with the RBIDZ, the Port of Richards Bay has been prioritized for LNG infrastructure. The RBIDZ plays a pivotal role of hosting the Eskom Project which will serve as the anchor off taker of LNG, enabling the feasibility of the R7 billion worth of LNG infrastructure that will be established within the Port of Richards Bay.

This will grow the LNG sector within the country and address the detrimental issue of the approaching "Gas Cliff"; the country will face between 2028 and 2030 due to the depletion of Gas reserves within the Pande and Temane gas fields. The RBIDZ Energy pipeline projects are at various stages of development with a total investment value of R218 billion. **The pipeline consists of 7.357 GW worth of Energy Projects as depicted below:**

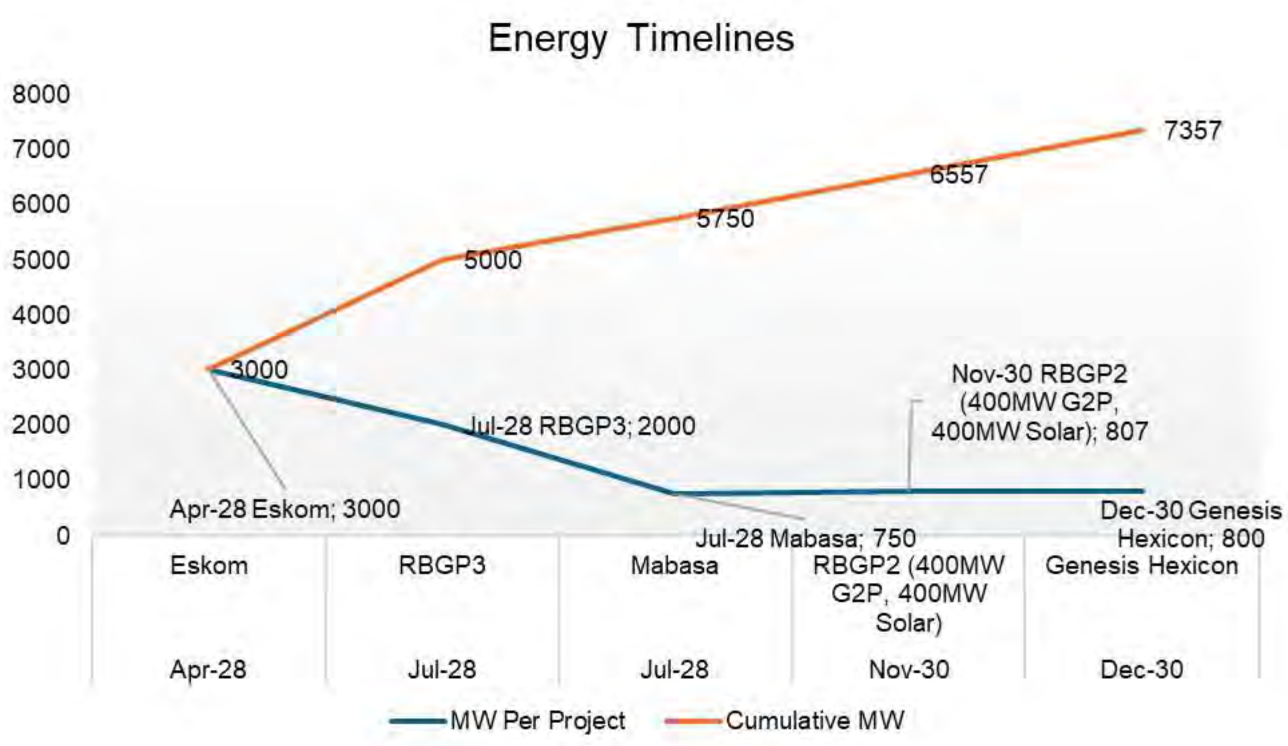




Project	Capacity (MW)	Status	Commissioning
Eskom	3000	Feasibility	Q1 2028
RBGP3	2000	Financial Close	August 2028
Mabasa	750	Feasibility	August 2028
RBGP2 (G2P + Solar)	800	Financial Close	August 2030
Genesis Hexicon	807	Environmental Authorisation	December 2028

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT *(Continued)*

ROLE OF RBIDZ IN DRIVING ENERGY SECTOR AND STATUS OF ENERGY RELATED PROJECTS IN THE PIPELINE *(Continued)*



STRATEGIES AND INITIATIVES UNDERTAKEN TO DRIVE INVESTMENT PROMOTION AND ATTRACTION IN 2024/2025

- Identification of Import substitution opportunities
- Identification of commodities that can be beneficiated locally for export
- Establishment of value chain linkages
- Provision of sustainable utilities

In order to significantly impact the country's trade balance, effort will be focused on unpacking the value chains of pipeline investors, surrounding industry, and prioritised sectors which gave guidance to pursue value chain linkage opportunities and import substitutions possible along the value chains. The opportunities identified for the export of value added goods, given the wealth of bulk ore cargo exported through the Port of Richards Bay, also provide guidance on investment Promotions and Marketing initiatives.

In collaboration with the company's financial sustainability strategy, the provision of sustainable utilities will tie in with the commercialisation of the company, guide the company's attraction activities and serve as an additional competitive advantage for the attraction of investment.

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT (Continued)

FACTORS THAT CONTRIBUTED TO ADVERSE CONVERSION OF RBIDZ INVESTMENT PIPELINE DURING 2024/2025 REPORTING YEAR

- Project Preparation funding shortages
- Dtic funding not approved for infrastructure projects
- Ancillary infrastructure for energy projects
- Access to special municipal level incentives
- Limited Organisational Capacity
- Authorising / Facilitating Stakeholders
- Environmental lobbyist and professionals that have input into the EIA processes of investors should be engaged regarding the plans of the Zone, preventing objections at public participation stage

RECOMMENDATIONS TOWARDS IMPROVING THE INVESTMENT PIPELINE CONVERSION

- Alternative funding sources for Top Structure
- Increased project development funding

DOMESTIC AND GLOBAL ECONOMIC IMPACT ON INVESTMENTS (ECONOMIC OUTLOOK)

World Trade Organization (WTO) estimates show that growth in the volume of global trade, which contracted by 1 percent in 2023 from 2.2 percent in 2022, gathered momentum in 2024, rebounding strongly by an estimated 2.9 percent. Trade in current US dollar terms is estimated to have increased to about US$48.2 trillion in 2024, from US$47.0 trillion recorded in 2023. Increased demand for telecom equipment, agricultural products and enhanced trading environment in Asia region supported global trade growth.

The United States of America growth is expected to decelerate from an estimated 2.8 percent in 2024 to 1.8 percent in 2025, as the new tariff regime and fading consumer exuberance offset a still-healthy labour market. The European Union activity is expected to decline from 0.9 percent in 2024 to 0.8 percent in 2025, held back by higher energy costs and trade headwinds. In the United Kingdom, real GDP is projected to remain flat at 1.1 percent in 2025.

Emerging and developing Asia continues to provide the bulk of global expansion, yet its pace is expected to ebb from 5.3 percent in 2024 to 4.5 percent in 2025. The performance of two large economies explains most of the downshift: India remains among the fastest-growing large economies. Growth in China is also expected to decline from 5.0 percent in 2024 to 4.0 percent in 2025. Slow down in China's growth is owed to higher trade barriers facing exports to markets in Europe and the United States of America.

Africa's total merchandise trade gathered momentum, recovering strongly by 13.9 percent to about US$1,520.1 billion in 2024. Elevated prices of global commodities, oil prices in particular, contributed significantly to the recovery of the region's merchandise trade during the review period. Africa's five largest economies, namely Algeria, Angola, Egypt, Nigeria, and South Africa, contributed to the increase in the region's exports. These countries accounted for more than 56.6 percent of the continent's total exports in 2024. The exceptional growth in the exports of leading oil-producing countries, Angola (130.3 percent) and Nigeria (113 percent), was a major driver of the continent's impressive export performance during 2024. While merchandise import growth strengthened to 7.6 percent, exports performed better, expanding by 21 percent. This enabled the region to narrow its trade deficit to an estimated US$11 billion in 2024 from about US$88.4 billion in 2023.

Upside Opportunities anticipated to support global growth in the near term:

- Global merchandise trade rose by 2% over the past year, reflecting a modest recovery.

- Suez vulnerability vs Cape opportunity. Conflict-linked disruptions and vessel size constraints in the Suez Canal encourage carriers to round the Cape of Good Hope, enhancing Durban's hub prospects and the continent's auto logistics potential.

- Critical minerals race. Africa's cobalt, lithium, and nickel reserves are indispensable for global energy transition and defence supply chains. New corridors (e.g., Lobito) heighten leverage, but a raw ore “extract and ship” model could again sideline local manufacturing unless rules of origin, investment incentives, and AfCFTA protocols foster processing and ancillary industries.

- Advanced economies may experience benefits from artificial intelligence sooner than emerging markets and developing economies. Emerging markets and developing economies that implement supply-side enhancing reforms could yield domestic and foreign investment and improve productivity.

DOWNSIDE RISKS TO GLOBAL GROWTH:

- Trade war and tariffs negatively impact global demand and supply, raise global (regional) inflationary pressures.

- Commodity price escalations amid geopolitical conflicts: The existing conflicts (Gaza and Israel; Russia and Ukraine, Israel and Iran) have the potential to escalate broader regional conflicts and impact oil producing countries responsible for 35 percent of the world's oil exports. Disruptions could occur in the Red Sea, that accounts for 11 percent of global trade flows. Escalation of hostilities will adversely affect global recovery, leading to price spikes in food, energy, and transportation costs.

- Extreme weather shocks, fragmented supply chain lingering from Covid pandemic and subdued demand continue to put downward pressure on growth prospects Export controls from China targeting rare earth minerals will hamper growth across automotive, defence and renewable energy sectors who rely on China supply of rare earths to produce products.

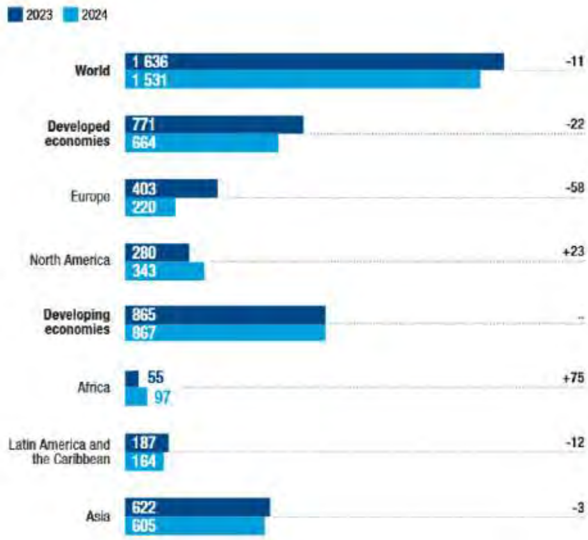
INVESTMENT OUTLOOK

Global foreign direct investment (FDI) in 2024 decreased by 11 percent, to $1.51 trillion with developed countries FDI inflows contacting 22 percent. Global FDI inflows contractions were led by 58 percent decline in Europe, 29 percent in China and South America region with 18 percent. FDI flows to North America recorded a 23 percent increase, led by FDI projects across high tech and clean energy in United States of America.

Investment trends indicate FDI flows are increasingly being shaped by geopolitical considerations, industrial policies and supply chain realignment.

Developing regions recorded $867 billion FDI in 2024, representing 57 percent of global FDI. Africa recorded 75 percent growth in flows whilst ASEAN saw a 10 percent increase during the same period. Africa's 75 percent increase can be attributed to a $35 billion development mega project launched in Egypt.

Global FDI per Region in $ billions:



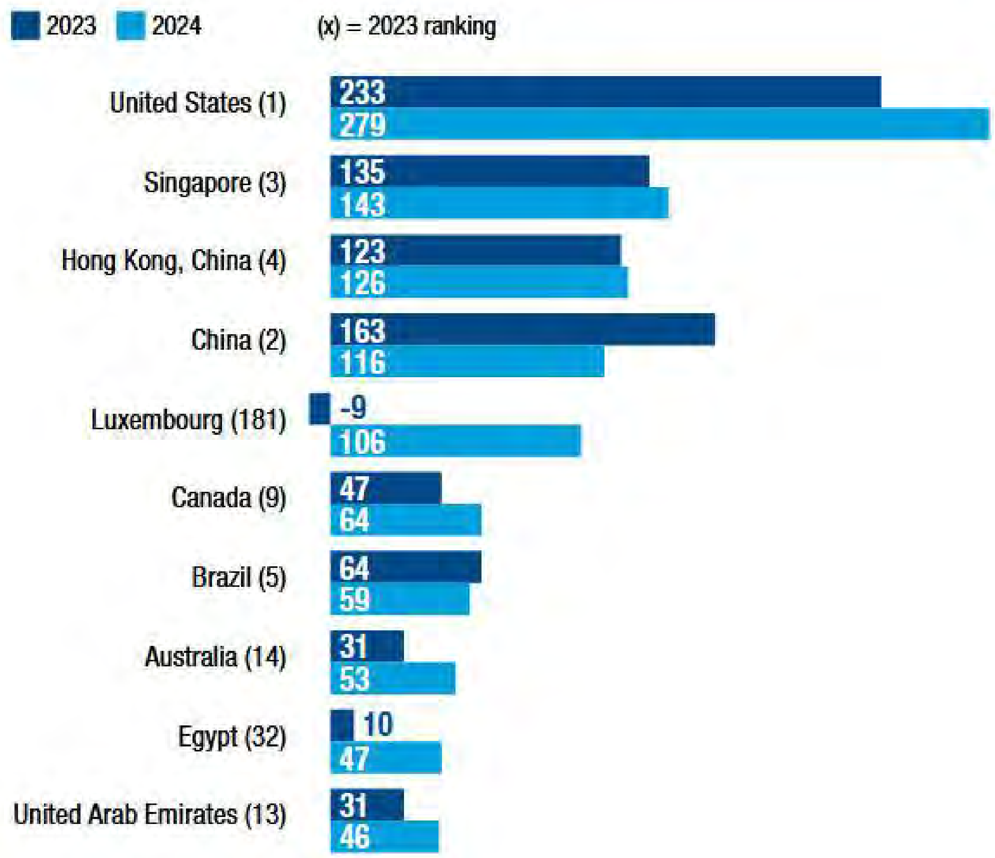
Source: UNCTAD FDI Report 2025

The global FDI 2025 outlook remains negative owing to rising economic and trade policy uncertainty across developed economies. The escalating tariff and non-tariff barrier wars are negatively impacting growth in FDI flows. The first quarter of 2025 recorded a decrease arising from the growing trade volatility in global markets. The geographical distribution of manufacturing investment projects continues to concentrate closer to major MNE markets across Europe and the United States. The emerging regional value chain hubs of West Asia, North Africa and Central America are increasingly attracting investment as strategic manufacturing centres for MNEs.

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT *(Continued)*

INVESTMENT OUTLOOK *(Continued)*

Top 10 FDI Inflow Destinations 2024 in $ billions



Source: UNCTAD FDI Report 2025

The United States remained the largest home country of FDI outflows despite a 26 percent decline. Companies based in the United States allocated over 60 percent of the total value of their greenfield projects to domestic (interstate) investment – the highest share ever recorded. This increased domestic focus reflected a relatively strong economy, policy measures aimed at encouraging investment at home and stricter controls on outbound investment. During the same period, the quantum of greenfield projects announced by Indian investors increased by 20 percent.

The global greenfield project announcements rose 3 percent in quantity (19,000) but declined 5 percent in dollar value terms. FDI announced projects in 2024 were driven by manufacturing, (semiconductors, electric vehicles components), artificial intelligence (AI), cloud computing and cybersecurity. Developed economies reported a 2 percent increase in greenfield project numbers, led by investment in the United States and Canada. Developing economies that reported increased greenfield investment activity were India, Mexico and Indonesia.

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT *(Continued)*

INVESTMENT OUTLOOK *(Continued)*

Top 10 FDI Inflow Destinations 2024 in $ billions

Sector/industry	Value (Billions of dollars) 2023	Value (Billions of dollars) 2024	Growth (%)	Number 2023	Number 2024	Growth (%)
Total	**1 413**	**1 338**	**-5**	**18 810**	**19 356**	**3**
Primary	77	41	-48	155	158	2
Manufacturing	605	590	-3	7 670	8 028	5
Services	730	708	-3	10 985	11 170	2
Top 10 industries in value terms						
Energy and gas supply	381	273	-28	896	894	0
Information and communication	122	211	73	3 414	3 406	0
Electronics and electrical equipment	178	182	2	1 450	1 445	0
Construction	71	89	25	358	366	2
Automotive	91	85	-7	989	942	-5
Coke and refined petroleum	56	65	16	78	61	-22
Basic metal and metal products	70	59	-15	343	296	-14
Transportation and storage	66	55	-17	1 325	1 094	-17
Extractive industries	76	39	-48	122	122	0
Chemicals	56	38	-32	595	708	19

Source: World Investment Report 2025

The value and number of greenfield projects rose in developed economies but fell in developing countries. Investments in energy and gas supply fell by 28 percent in value because of slowed FDI spend in renewable projects across the European Union, Asia and Africa. In contrast, fossil fuel processing and refining saw a 16 percent investment increase – largest greenfield $30 billion liquefied natural gas plant project in Argentina, jointly developed by Shell (United Kingdom) and YPF (Argentina).

The growth of the digital economy and the development of AI applications have accelerated investment in data infrastructure and semiconductor manufacturing. Project values in ICT have almost doubled to more than $200 billion with investments concentrated in data centres, fintech platforms, e-commerce logistics and specialised software services.

Sectoral trends showed declining investment in infrastructure, renewable energy and critical minerals. The total value of new projects announced fell by nearly half $40 billion held by sustained demand for transition-related minerals such as lithium, cobalt and rare earth elements.

The value of 2024 greenfield projects announced in Africa fell to $113 billion, from $178 billion in 2023. The largest year-on-year increases in greenfield project value by industry were recorded in construction (rising to $19 billion) and metal products (to $1.5 billion). Africa registered seven major deals linked to the energy transition, with a combined estimated value of $17 billion.

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT *(Continued)*

INVESTMENT OUTLOOK *(Continued)*

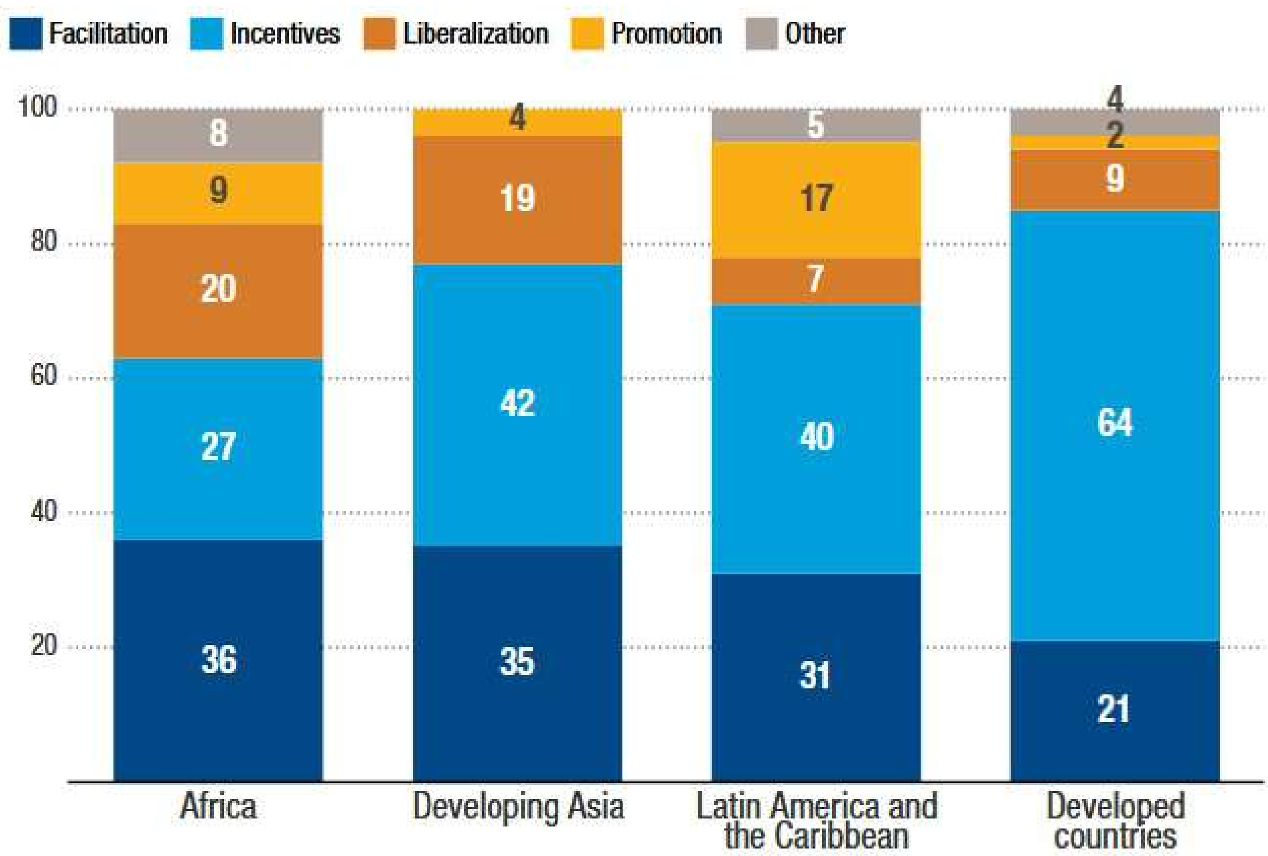
The highest growth in greenfield projects across Africa was recorded in Egypt – the $35 billion Ras El-Hekma urban development project. The Ras El-Hekma Development Project in Egypt involves the construction of a hospital, hotel, school buildings, universities, residential districts, tourist resorts, public service facilities. Other notable FDI projects announced were:

- i). Total Energies (France) announced a $6 billion project in the extractive sector in Angola.
- ii). Total Energies (France) $6 billion megaproject in renewable energy in Tunisia;
- iii). Three renewable energy projects – each valued at approximately $4 billion – announced in Egypt,
- developed by Amm Power (Canada), Meridiam (France), SK Holdings (Republic of Korea) and PashGlobal (United Kingdom);
- iv). A $3.8 billion undersea power transmission cable project in Egypt;
- v). A $2.5 billion hybrid wind and solar power plant project in Egypt;
- vi). A $2.2 billion onshore wind project in Egypt.

Investment Facilitation

Investment facilitation measures remained a key component of strategies to attract investment in both developed and developing countries. Investment incentives accounted for a record 45 per cent of all policy measures more favourable to investors in 2024.

Investment Policy Instruments:



The rise in the adoption of investment incentives in 2024 marks an acceleration of a trend that began in 2018. The trend of using incentives to attract investment projects re-emphasizes the strategic need for South African Special Economic Zones to appeal to Minister Trade Industry and Competition (the dtic) to extend the tax incentives / rebate offering that currently have sunset clause ending 2031.

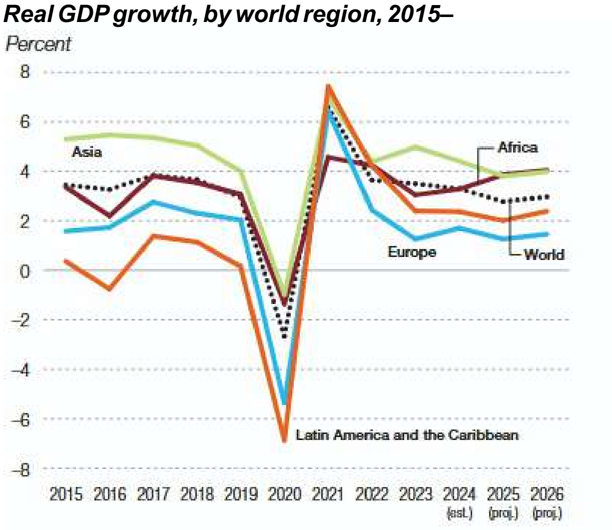
PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT (Continued)

AFRICA ECONOMIC OUTLOOK

Average real gross domestic product (GDP) growth picked up marginally from 3 percent in 2023 to 3.3 percent in 2024. Africa's growth is now projected to accelerate to 3.9 percent in 2025 and firm up to 4 percent in 2026. The Africa Economic Outlook (AEO) Report 2025 estimates that 21 African countries record economic output expansion that exceeds 5 percent in 2025, with the countries of - Ethiopia, Niger, Rwanda, and Senegal – expanding by 7 percent. An escalation in trade wars could further expose Africa's heavy reliance on foreign trade and global value chains. To mitigate the impact of trade shocks and the associated uncertainty, African countries should diversify their export markets towards intra-regional markets in Africa and new markets across (Asia, Canada, Middle East and Latin America).

Africa's growth was overshadowed by persistent inflationary pressures, elevated costs of debt, currency depreciations, pockets of regional conflicts, and insecurity and climate shocks. weaker global growth due to escalating trade wars and heightened uncertainty could affect investment flows to Africa and constrain world demand for its exports, leading to slowdown in projected growth rates.

Real GDP growth, by world region, 2015–



Source: African Economic Outlook Report 2025.

East Africa region's real GDP growth averaged an estimated 4.3 percent and is projected to expand further to 5.9 percent in 2025 and 2026. Leading the growth of the region are countries - Ethiopia, Djibouti, Rwanda, Uganda and Tanzania which are all expected to grow by an average rate of 6 percent or higher in 2025 and 2026. The Central Africa region averaged 4.0 percent in 2024, a decline from 4.4 percent the previous year. It is projected to fall to 3.2 percent in 2025 and 3.9 percent in 2026.

The West Africa region's real GDP growth is estimated at 4.5 percent in 2024 but forecasted to decline to 4.3 percent in 2025 and 2026. Countries in the region are estimated to grow by 5 percent in 2025 owing to commencement of oil and gas production (in Senegal and Niger), and strong local demand for increased value addition in key agricultural products (in Côte d'Ivoire, Gambia, Mali, and Togo).

The North Africa region is projected to grow by 3.6 percent in 2025 and 3.9 percent in 2026. Southern Africa's growth in the region is forecast at 2.2 percent in 2025 and 2.5 percent in 2026, from an estimated 1.9 percent in 2024. This marks the first time since 2021 that growth has exceeded 2 percent.

INTRA-AFRICA TRADE

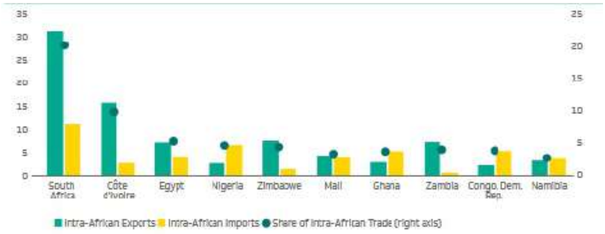
Africa's trade performance remains hostage to exogenous shocks. It is reliant on external geo-economic and geopolitical factors due to historic trade dependencies, and contingent on access to and availability of external finance through multilateral development banks, donor countries, legacy international financial organisations. AfCFTA could spark regional value chains in the agricultural processing, automotive, textiles, and pharmaceuticals sectors.

In 2024, the value of intra-African trade rose to an estimated US$220.3 billion, marking a robust 12.4 percent growth and effectively rebounding from a contraction of 5.9 percent recorded in 2023. Southern Africa retained its position as the dominant driver of intra-African trade, accounting for the largest share of regional trade flows. South Africa, the continent's largest intra-African trader, saw its trade with African partners reach US$42.1 billion, representing 19.1 percent of total intra-African trade. West Africa consolidated its position as the second-largest intra-African trading subregion, supported by robust performances from Côte d'Ivoire, Nigeria, and Mali.

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT (Continued)

INTRA-AFRICA TRADE (Continued)

Top five intra-African exports, 2024 (US$ billion)

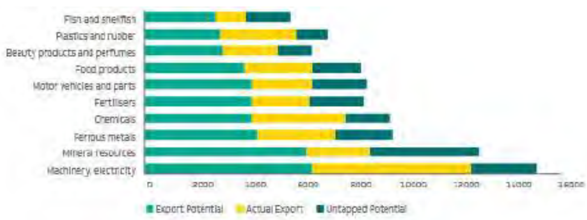


Source: Afreximbank Report 2025

South Africa maintained its position as the leading intra-African trading nation in 2024. After contracting by 1.7 percent in 2023, South Africa's intra-African trade grew by 7.5 percent to US$42.1 billion. Africa accounted for 11.8 percent of South Africa's total imports, while 24.6 percent of its total exports were destined for African markets. Mozambique, Botswana, Zimbabwe, Namibia, and Zambia remained among South Africa's key trading partners.

The landscape of intra-African trade in 2024 showed continued diversification of traded products, particularly in manufactured goods, despite the persistent dominance of primary commodities such as mineral fuels. South Africa's intra- African trade remained largely characterised by a dual structure of primary product imports and diversified industrial exports. South Africa sourced mineral products such as crude oil, coal, petroleum, and electricity from the region. Other imports included metals, textiles, and food products, sugar and confectionery from Eswatini, Zambia, and Mozambique.

Products with greatest intra-African export potential, 2024 (US$ billion)



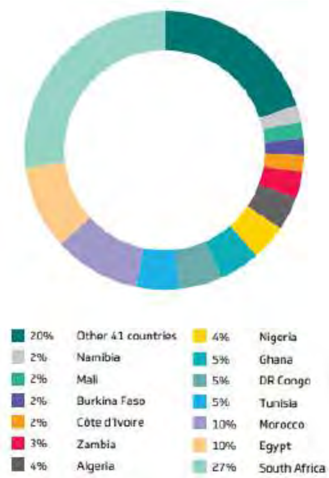
An analysis of over 40 product categories showcasing the highest intra-African export potential, selected based on each subregion's demonstrated international competitiveness and favourable prospects for export success, indicates varying degrees of export potential across the continent. Southern Africa emerges as the subregion with the most substantial unrealised potential, estimated at US$18.9 billion, followed by North Africa and East Africa, boasting an unrealised potential for intra-African trade of US$8.7 billion and US$7.9 billion, respectively. West Africa demonstrates an unrealised export potential of approximately US$4 billion, while Central Africa's unrealised potential is around US$2.3 billion.

LOCALISATION AND MANUFACTURING IN AFRICA

The participation of African economies in value chains is particularly challenging given the increasing protectionism impacting geopolitics. Lack of clarity in relation to market access under the United States' African Growth and Opportunity Act is affecting the ability of African firms to participate in United States retailer-led food and garment value chains. Producer-led value chains such as electronics and automobiles, Africa lacks both productive capacity and coordination between parties. The automobile value chain, which presents notable opportunities for Africa, is fragmented and lacks integration. African nations have an opportunity to add value to this extraction by creating forward linkages and developing the auxiliary industries and services.

The African continent is the world's richest continent in natural resources, yet it is the poorest in terms of per capita gross domestic product (GDP). The 54 countries of Africa combined account for only about 2.6 percent of global trade. This figure drops to 0.8 percent when only manufactured goods are considered. The share of manufactured goods in total exports is only 34 percent for African countries, which is relatively low compared with 83 percent for East Asia, 74 percent for low- and middle-income countries excluding African countries, 68 percent for South Asia, 45 percent for Latin America, and 70 percent for the world average.

Share of countries in Africa's exports of fully processed and semi-processed goods



Source: Afreximbank Trade in Africa Report 2023.

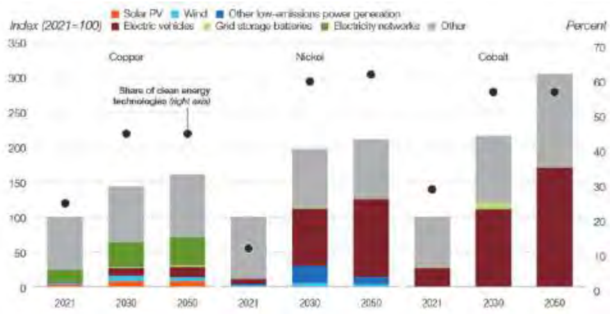
PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT *(Continued)*

Only 13 countries out of 54 produce 81 percent of manufactured exports. Only South Africa (28%) 28 percent; Morocco, 15 percent; and Nigeria (12%) sell over 55% of fully transformed product in the export market and 84 percent of these exports come from only eight countries: South Africa, Morocco, and Nigeria, as well as Egypt (10 percent), Tunisia (9 percent), Algeria (6 percent), Kenya (2 percent), and Angola (2 percent).

These manufactured product exports are concentrated in four sectors that account for 65 percent of the total exports. These product exports are basic metals (33 percent), the manufacture of chemicals (13 percent), the food sector (11 percent), and the motor vehicles sector (8 percent). By adding only three sectors (manufacture of coke, 6 percent; electrical machinery and equipment, 5 percent; and manufacture of clothing, 4 percent), 80 percent of products exported from Africa are covered.

The destination for these African manufactured products is led by trade exports into the European market (37 percent) followed by intra-Africa exports at 29 percent. The other key destinations are low- and middle-income countries excluding African countries (13 percent), East Asian countries (7 percent), and North America (6 percent).

Trends in global demand for selected minerals by end use in the net-zero scenario, 2021–50



Source: IEA Critical Minerals Data exporter

Global demand for critical minerals for clean energy technologies is projected to continue surging with electric vehicles, clean wind energy, turbines and battery storage remaining key drivers of demand growth. African countries creating regional value chains and rich in these critical minerals will be positioned for structural transformation (moving from extraction to processing), offer value addition and creation of higher-skilled jobs.

The Africa Continental Free Trade Agreement (AfCFTA) will be the largest free trade area since the formation of the World Trade Organisation, given Africa's current population of 1.2 billion people, which is expected to grow to 2.5 billion by 2050. Some of its expected benefits include:

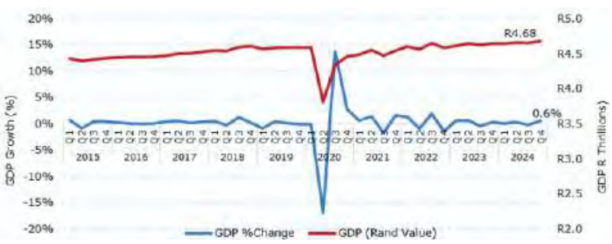
- Increasing trade among African countries which currently ranges between 15-18%.
- Stimulate production through the development of regional value chains, to ensure that manufacturing, agro-processing and other activities across the continent are stimulated to supply the market.
- Strengthen the capacities of African companies to access and supply world markets.
- Strengthen African's economic and commercial diplomacy.

Geopolitical realignment and structural transformation, enhancing continental trade and integration reform, with the adoption of export diversification strategies are anticipated to position African countries on a long-term growth trajectory. Policies of localisation and import substitution will result in positive spillovers, including engineering structural transformation, capitalizing on technology transfer and the development of Regional Value Chains whilst mitigating exposure to global volatility and adverse commodity terms of trade.

SOUTH AFRICAN ECONOMIC OUTLOOK FOR 2025/2026

The South African economy rebounded albeit modestly in the fourth quarter of 2024, following a contraction of -0,1% in the third quarter of 2024. During the fourth quarter of 2024 nominal GDP expanded by R26.7 billion after shrinking by a revised -6.8 billion in the third quarter of 2024. The International Monetary Fund (IMF) forecast growth to average 1.5% in South Africa for the year 2025 driven by recovering private consumption and investment supported by stable electricity generation.

GDP Seasonally Adjusted Quarter-on-Quarter and Year-on-Year Growth, SA, Q1:2015-Q4:2024



Source: Quantec 2025

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT *(Continued)*

SOUTH AFRICAN ECONOMIC OUTLOOK FOR 2025/2026 *(Continued)*

The fourth quarter growth was largely driven by growth of three industries out of ten. Secondary sector industries including Manufacturing and Construction continue to struggle with sustaining positive momentum since the advent of the Covid-19 pandemic. The manufacturing sector is a critical industry for meaningful job creation and exports in the country, is plagued by challenges including under-investment, escalating production costs, and logistics disruptions. Agriculture rebounded during the fourth quarter of 2024, expanding by 17.2%, a rise in the production of field crops and animal products aided the sector to escape recession after recording successive contractions in the 2nd and 3rd quarters of 2024. Wholesale and retail trade expanded by 1.4% on the back of increased retail, wholesale and motor trade sales. This reflected positively on the demand side of the economy, with household consumption spending rising in the fourth quarter.

SA: Q-on-Q % change (seasonally adjusted quarterly sectoral GDP constant 2015 Prices) Q1-Q4 2024

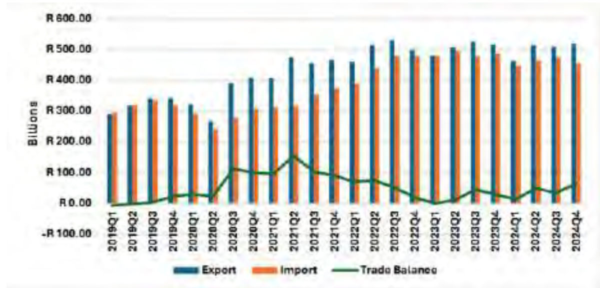
SA Industry	2024			
	Q1	Q2	Q3	Q4
Agriculture, forestry and fishing	14,1%	-3,4%	-19,7%	17,2%
Mining and quarrying	-1,2%	-0,7%	0,8%	-0,2%
Manufacturing	-1,2%	0,8%	0,3%	-0,6%
Electricity and water	-0,2%	2,3%	1,3%	-1,4%
Construction	-2,8%	0,2%	0,8%	-0,4%
Wholesale & retail trade; hotels & restaurants	0,5%	0,7%	-0,6%	1,4%
Transport and communication	-0,7%	-3,1%	-0,5%	-1,0%
Finance, real estate and business services	0,1%	1,7%	1,2%	1,1%
Community, social and other personal services	0,0%	0,1%	0,6%	-0,2%
General government services	-0,2%	0,3%	-0,1%	-0,5%

Seven industries performed poorly, with manufacturing (-0,6 percentage points) and transport, storage & communication (-1,0%) the most significant negative contributors to growth. Manufacturing was mainly pulled lower by weaker production levels in the metals & machinery and automotive divisions. Mining activity was down (-0.2 percentage points) on weaker production levels for manganese ore, iron ore, gold, chromium ore, nickel and copper. Other industries that weighed down fourth quarter economic growth include General government services and Community, social and other personal services slowing down by -0.5 and -0.2 percentage points respectively.

South Africa's merchandise trade demonstrated a positive trajectory, with exports steadily increasing throughout the year. From R464.33 billion in Q1, exports grew to R520.56 billion by Q4. While imports also showed a general upward trend, rising from R449.73 billion in Q1 to R474.94 billion in Q3, they experienced a slight dip in Q4, totalling R455.42 billion.

Despite this fluctuation in imports, the country maintained a positive trade balance in all quarters.

South Africa Merchandise Trade -Q1:2019 – Q4:2024, Nominal



Source: Quantec 2025

The trade balance started at R14.60 billion in Q1 and surged to R65.14 billion by Q4, reaching its highest point of the year. This overall positive balance highlights the resilience of South Africa's export sector and its ability to outpace imports, leading to a favourable trade position by the end of 2024.

Top 10 Exports from South Africa Quarter 4 (Global)

During Q4 of 2024, natural or cultured pearls emerged as the top export, contributing 21.5% of the total export value, a significant increase from the previous quarter that was led by motor vehicles exports 10%. The mineral resources sector, particularly ores, slag, and ash, surged in Q4, claiming the second position with a 13.8% share, surpassing platinum and gold.

Rank	Commodities	Export Value	% Share to RSA Export
1	Natural or cultured pearls	R 111 910 655 030,00	21,5%
2	Ores, slag and ash	R 71 752 282 970,00	13,8%
3	Motor Vehicles	R 62 584 443 314,00	12,0%
4	Mineral fuels, mineral oils and products	R 49 195 075 178,00	9,5%
5	Nuclear reactors, boilers, machinery and mechanical appliances	R 26 413 249 572,00	5,1%
6	Iron and steel	R 22 935 622 405,00	4,4%
7	Edible fruit and nuts; peel of citrus fruit or melons	R 13 619 872 158,00	2,6%
8	Electrical machinery and equipment	R 11 501 281 262,00	2,2%
9	Aluminium and articles thereof	R 10 490 583 722,00	2,0%
10	Beverages, spirits and vinegar	R 8 263 005 575,00	1,6%

Source: TIKZN Economic Report 2025

Motor vehicles continued to be a major export, recoding a 12% contribution to the basket. Mineral fuels saw a drop in ranking, from the top position in Q3 to fourth place in Q4, reflecting a change in export demand and supply dynamics.

SOUTH AFRICAN ECONOMIC OUTLOOK FOR 2025/2026 *(Continued)*

Top 10 Import to South Africa quarter 4 (Global)

Mineral fuels and oils remained the top import in both quarters, though the value decreased slightly from R85.90 billion in Q3 to R82.71 billion in Q4, with the percentage share remaining stable at 18%. Nuclear reactors and boilers and electrical machinery and equipment saw minor decreases in value. One significant change is the movement of original equipment components from fourth place in Q3 to fifth place in Q4, while motor vehicles saw an increase in both value and share, rising from R32.60 billion to R35.07 billion, indicating stronger demand.

Ranking	Imported Commodities	Import Value	% Share to RSA Imports
1	Mineral fuels, mineral oils and products	R82 712 919 052,00	18,1%
2	Nuclear reactors, boilers	R60 277 216 479,00	13,2%
3	Electrical machinery and equipment	R46 437 779 996,00	10,2%
4	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	R35 066 425 531,00	7,7%
5	Original equipment components	R28 349 849 964,00	6,2%
6	Plastics	R13 395 218 132,00	2,9%
7	Optical, photographic, cinematographic	R11 195 180 840,00	2,5%
8	Pharmaceutical products	R10 723 940 416,00	2,4%
9	Miscellaneous chemical products	R8 289 868 417,00	1,8%
10	Inorganic chemicals	R8 264 723 034,00	1,8%

Source: TIKZN Economic Report 2025

Optical, photographic, and cinematographic products and inorganic chemicals recorded an untick in import shares, sectors like plastics and pharmaceutical products maintained consistent import values, there was a slight decrease in their share. The growth in import shares across energy related products signifies South Africa's reliance on imports in the energy-related sectors.

South Africa Top Trading Partners, Q4 2024

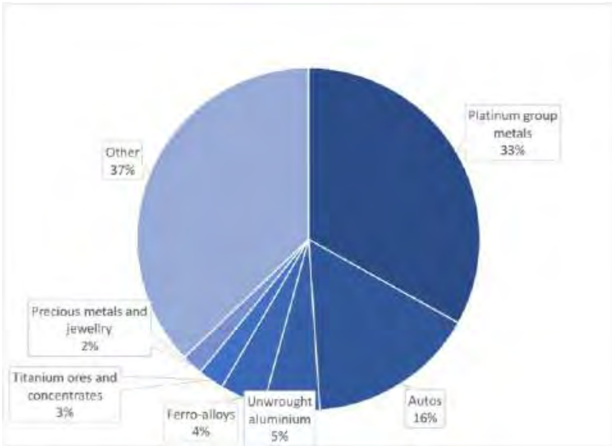
Country	Exported Value, 2024 Q3	% Share	Country	Imported Value, 2024 Q3	% Share
1.China	R51 121 453 937,00	10%	**1.China**	R105 887 409 617,00	23%
2.United States	R36 706 045 677,00	7%	**2.India**	R38 464 240 512,00	8%
3.Germany	R35 160 324 206,00	7%	**3.United States**	R29 395 403 154,00	6%
4.Japan	R26 669 766 500,00	5%	**4.Germany**	R27 291 295 802,00	6%
5. Mozambique	R24 967 739 761,00	5%	**5.Thailand**	R15 920 501 777,00	3%
Total RSA Exports	**R520 560 482 879,00**		**Total RSA Imports**	**R455 776 880 584,00**	

China remains South Africa's dominant trade partner, accounting for 11% of exports (R58.13 billion) and an overwhelming 22% share of imports (R106.82 billion). United States remains a significant partner despite geopolitical tensions, ranking second among South Africa's export destinations (7%, R37.6 billion) and fourth on the import side (7%, R30.91 billion). Germany and Mozambique appear consistently among South Africa's top five partners. Mozambique with 7% of national exports (R33.52 billion).

5.1. USA TRADE TARIFF IMPLICATIONS FOR SOUTH AFRICA

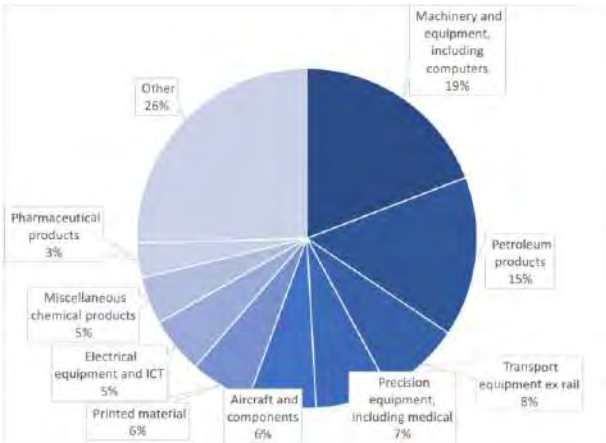
South Africa's main continental export destinations are in Asia, Europe and Africa. Total exports to the USA account for 8 per cent of all South African exports. South African exports to the US. Platinum group metals, titanium and some ferro alloys are exempt from the tariffs. In 2024, the USA imported a quarter of South African exports of autos and unwrought aluminium, and an estimated 90% of South African exports of gold and jewellery. USA also imported around a quarter of South African exports of platinum group metals and titanium.

Major South African exports to USA



Source: dtic Trade Map

South African imports from USA vary across petroleum products (largely petrol), automotive, aircraft and aircraft components, computers, and other machinery and equipment. The USA is South Africa's largest supplier of imported aircraft and components. Other major prominent imports are registered for precision equipment; chemical products; pharmaceuticals and machinery.



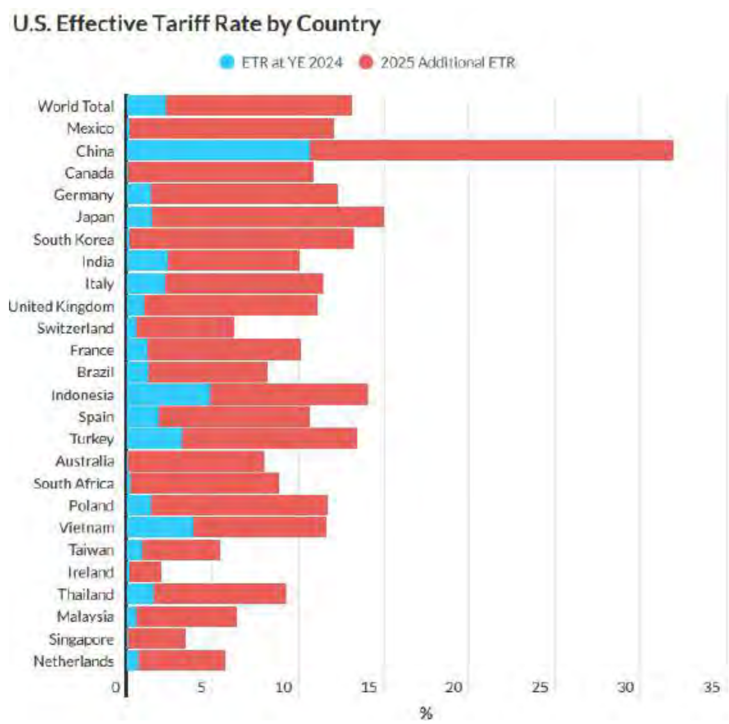
Source: dtic Trade Map

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT *(Continued)*

5.1. IUSA TRADE TARIFF MPLICATIONS FOR SOUTH AFRICA *(Continued)*

USA Reciprocal Tariffs

From 5 April – all articles (unless excluded) imported in the US will be subject to an additional 10% ad valorem tariff. The United States of America implemented an effective tariff rate by country that saw South African exports get imposed with a 30% tariff.



Source: FitchRatings Global Economic Outlook, 2025

The United States of America placed a 90-day moratorium on higher tariffs subject to finalisation of bilateral trade negotiations. Should the negotiations not yield concessions from United States of America, implementation of the tariffs as announced on 5 April 2025, will be adversely exposed to new raft of tariffs will include:

- Vehicles, aircraft, vessels & associated transport equipment
- Ships and Boats for pleasure or sports
- Nuclear reactors, boilers, machinery and mechanical appliances.

These product categories will experience tariffs ranging from 35 to 45 percent, with new adjusted price elasticities anticipated to reduce the demand, sales and export volumes into the USA.

It appears that South African exporters of affected products will pay the administered new tariff rate(s) over and above the U.S. general (MFN2) should the tariffs be applicable post the 90-day suspension.

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT (Continued)

5.1. IUSA TRADE TARIFF MPLICATIONS FOR SOUTH AFRICA (Continued)

Description	AGOA Status	MNF Tariff	NEW APPLICABLE TARIFF Ad Valorem Tariff	NEW APPLICABLE TARIFF Section 232 tariffs / Reciprocal Tariff Policy
Motor cars and other motor vehicles principally designed for the transport of persons: other	D-AGOA	2.5%	10%	25%
Palladium, unwrought or in powder form	N/A	Free	10%	Free (products in HS code covered in exclusion Annexure)
Platinum, unwrought or in powder form	N/A	Free	10%	Free (products in HS code covered in exclusion Annexure)
Rhodium, unwrought or in powder form	N/A	Free	10%	Free (products in HS code covered in exclusion Annexure)
Aluminium, not alloyed, unwrought	D-AGOA	2.6%	10%	25%
Rhodium in semi-manufactured forms	N/A	Free	10%	Free (products in HS code covered in exclusion Annexure)
Ferrochromium, containing by weight > 4% of carbon	D-AGOA	1.9%	10%	Free (products in HS code covered in exclusion Annexure)
Chemical products, mixtures and preparations	N/A	0-65%	10%	Free (products in HS code covered in exclusion Annexure)
Wines and Whiskeys	N/A	2.6%	10%	31%
Titanium ores and concentrates	N/A	Free	10%	Free (products in HS code covered in exclusion Annexure)
Articles of jewellery and parts thereof, of precious metal other than silver, whether or not plated or clad with precious metal (excluding articles > 100 years old)	D-AGOA	5.5% - 7%	10%	31%
Ships and Boats		0%-4%	10%	31%
Electrical machinery and equipment and parts thereof	N/A	0% - 40%	10%	Free (products in HS code covered in exclusion Annexure)
Nuclear reactors, boilers, machinery and mechanical appliances		0%-40%	10%	31%

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT (Continued)

5.1. IUSA TRADE TARIFF MPLICATIONS FOR SOUTH AFRICA *(Continued)*

Minerals excluded from the Section 232 tariffs and Reciprocal tariff Policy are what USA considers critical minerals for mining, beneficiation and processing under the USA Critical Minerals Security Act passed by Congress in 2024.

KWAZULU-NATAL TRADE OUTLOOK

The KwaZulu-Natal province's total regional gross domestic product (R-GDP) amounted to approximately R769,745 billion during the fourth quarter of 2024, which translates to approximately 16% of the national output, thereby making KZN the second largest economy after Gauteng at 34%, followed by the Western Cape at 14%.

Source: Quantec Research, 2025

During the fourth quarter of 2024, the KwaZulu-Natal economy expanded by 0.6 percentage points, a modest recovery from the revised third quarter slow-down of -0.6 percentage points. The catalyst for the fourth quarter growth was the agriculture sector, rebounding substantially from the third quarter doldrums to record a growth of 16.1%. A favourable climate during the latter part of 2024 and increased production in field crops contributed to growth in the sector. Agriculture continues to be a critical economic and employment nodal point for the province.

KwaZulu-Natal's trade balance, which consistently showed surpluses in 2019, shifted to deficits in 2024. The province experienced a trade deficit of R11.61 billion in Q3 2024, the highest deficit observed in the analysed period followed by a smaller deficit of -R4.23 billion in Q4 2024. In Q3 2024, aluminium was the province's leading export, valued at R8. 4 billion and constituting 20% of total exports.

Top 10 Exported Products by KZN 2024 (q4)

Rank	Exported Commodities	Export Value (ZAR)	% Share in KZN Exports
1	Motor Vehicle	R 10 720 952 891,00	23,1%
2	Aluminium and articles thereof	R 8 327 664 862,00	17,9%
3	Ores, slag and ash	R 4 103 408 587,00	8,8%
4	Nuclear reactors, boilers	R 2 212 906 380,00	4,8%
5	Sugars and sugar confectionery	R 1 552 337 743,00	3,3%
6	Cereals	R 1 355 962 238,00	2,9%
7	Mineral fuels, mineral oils and products	R 1 015 746 799,00	2,2%
8	Paper and paperboard	R 993 073 833,00	2,1%
9	Iron and steel	R 977 802 135,00	2,1%
10	Animal or vegetable fats and oils	R 915 682 556,00	2,0%
	Total Exports	**R 46 480 733 886,00**	

Source: TIKZN Research, 2025

Exports of nuclear reactors and boilers have shown relative stability, with a slight increase from R2. 1 billion (5% share) in Q3 2024 to R2. 2 billion (4. 8% share) in the fourth quarter of 2024. The exports of sugar and sugar confectionery have decreased from representing 4% of exports to 3. 3%, accompanied by a corresponding decline in value. Machinery exports, which were significant at R1. 6 billion in Q3 2024, no longer feature among the top ten products in the latest data. The province has expanded its export share across Motor vehicles and a recorded relative decrease in the prominence of aluminium.

Top 10 Imported Products by KZN 2024 (q4)

Rank	Commodities	Import Value (ZAR)		% Share in KZN Imports
1	Mineral fuels, mineral oils	R	6 250 706 317,00	12%
2	Vehicles	R	5 123 085 567,00	10%
3	Nuclear reactors, boilers	R	4 636 858 556,00	9%
4	Inorganic chemicals	R	4 573 984 050,00	9%
5	Cereals	R	2 487 596 463,00	5%
6	Animal or vegetable fats and oils	R	2 377 741 520,00	5%
7	Plastics	R	2 245 287 405,00	4%
8	Electrical machinery and equipment	R	2 065 893 808,00	4%
9	Articles of apparel and clothing accessories	R	1 372 314 232,00	3%
10	Miscellaneous chemical products	R	1 254 254 030,00	2%
	KZN Total Imports	**R**	**50 712 297 165,00**	

During the fourth quarter of 2024, KwaZulu-Natal experienced notable shifts in its import trends compared to the previous quarter. Mineral fuels, including oil, remained the top import commodity with a value of R6.2 billion, although this represented a decline of R500 million from Q3 2024. Vehicles followed closely in second place, with imports totalling R5.1 billion, making up 10% of the province's total imports and surpassing nuclear reactors, which had been the second-highest imported commodity in Q3. Nuclear reactors and boilers dropped to third place, with R4.6 billion spent on these imports, accounting for 9% of total imports. Inorganic chemicals ranked fourth, with an import value of R4.5 billion, also representing 9% of the total imports. Cereals rounded out the top five, with an import value of R2.4 billion, making up 5% of the total.

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT *(Continued)*

KWAZULU-NATAL TRADE OUTLOOK *(Continued)*

The US consistently ranks among KwaZulu-Natal's (KZN) top export destinations. In both Q3 and Q4 of 2024, the United States accounted for a significant share of KZN's exports—contributing 12% (R5.08 billion) in Q3 and maintaining its position as a key partner with 10% (R4.79 billion) in Q4. Namibia and Zimbabwe continue to serve as persistent regional trade partners, reflecting KZN's strong economic ties within the SADC region. Namibia represented 8% of KZN's exports in Q3, with a slight decrease to 7% in the following quarter, while Zimbabwe maintained a steady share of around 5% across both periods.

The implementation of USA reciprocal tariffs on South Africa is anticipated to adversely affect market shares and export values of the following KwaZulu Natal exports into the USA.

Table: KZN Exports to USA 2024 (Trade Tariff implications)

Product	Export Value 2024	% share
Aluminium	R9,8 billion	54,9
Ores, Slag and ash	R3,5 billion	19,6
Vehicles	R855 million	4,8
Nuclear reactors, boilers, machinery	R635 million	3,6
Iron and steel	R418 million	2,3
Sugar and Sugar Confectionary	R345 million	1,9
Organic Chemicals	R303 million	1,7
Copper	R215 million	1,2
Electrical machinery and equipment	R180 million	1,0
Essential oils	R156 million	0,9
KZN EXPORT TOTAL	**R17 billion**	

Source: TIKZN 2025

PROGRAMME 3: BUSINESS DEVELOPMENT AND SUPPORT *(Continued)*

RBIDZ SITUATIONAL OUTLOOK

The SEZ has managed to attract a pipeline of over R255 billion which is at various stages of development. It is expected that majority of the projects in the investment pipeline will be operationalised by Quarter 4 of 2028. The pipeline will create 2377 direct jobs, 8475 construction jobs and 26 860 indirect jobs.

There are 4 projects that are under construction. Wilmar Processing SA is in the process of commissioning their plant, commencing full operation of the edible oil refinery by the end of October 2025 and introducing 201 direct employment opportunities. The project has grown to a value of R2.1 billion.

Nyanza Light Metals has fully established a product testing and development centre in the Zone with a value of R200 million for the production of Titanium Dioxide Pigment. Construction of the main plant awaits finalisation of the financial close which is to be concluded by Quarter 3 of 2025/2026. The project has an investment value of R15 billion, creating 550 direct and 2000 construction jobs.

Prostar Paints construction is 60% complete which will result in the full operation of the paints and lubricants production plant resulting in the creation of 50 direct and 50 constructions jobs.

Bote Industries construction is underway with completion and full operation by end of 2025/2026, creating 120 direct and 80 construction jobs with an investment value of R220 million. The facility will be utilized to manufacture hoses and valves.

Of the full pipeline, R219.4 billion is attributed to energy projects which will aid in the mitigation of energy supply challenges within the country, introducing 7.3GW of new energy capacity into the region. Part of the 7.3GW is the Eskom 3GW combined cycle gas-to-power plant within Phase 1D of the RBIDZ, a project that is strategically awarded outside of the IRP allocations, introducing new generation capacity by quarter 1 of 2028. The region has been designated as an energy hub which will serve as the LNG import destination for the country, growing the LNG sector from its nascency stage nationally.

INVESTMENT ATTRACTION OUTLOOK FOR RBIDZ

The Investment Promotion activities of the company are aligned with national objectives. As such, the RBIDZ Investment Promotion and Marketing Strategy was reviewed in the context of the new R2 trillion investment drive for South Africa over the next five years. The strategy evaluation of investment performance in the zone across priority sectors, leads to attraction efforts to position RBIDZ as the leading investment destination. The objective of the updated strategy is to attract foreign and domestic direct investments, enhance promotional efforts of the zone with emerging investment opportunities and contribute towards the attainment of the RBIDZ Strategic Plan 2025 – 2030.

The strategic aims are to: Attract and promote catalytic projects into the zone; attract and retain green and brownfield investment projects that will contribute to increasing productive capacity; facilitate commercialisation and optimisation of investors already located in the zone. The strategy action programmes seek to enable the attainment of the revised RBIDZ Strategic Outcomes:

- Outcome 1: Job creation
- Outcome 2: Economic growth
- Outcome 3: Land and infrastructure development
- Outcome 4: Commercialisation
- Outcome 5: Operational investment

The strategy outlines import substitution opportunities, identifies commodities for local beneficiation and export, and identifies companies that can be approached to invest within the RBIDZ. The strategy's pillars reinforce targeted investment promotional efforts and strengthen the advocacy value proposition of the Zone's offering for investors, as well as the performance of the Business Development and Support Unit.

The company will focus on commercialisation and the delivery of sustainable utilities to Investment, contributing towards the development of a Smart SEZ.

PART C

CORPORATE GOVERNANCE

GATEWAY TO WORLD MARKETS

CORPORATE GOVERNANCE

INTRODUCTION

The RBIDZ is a Company (SOC) and a provincial government business entity, and is therefore governed by both the PFMA and the Companies Act. In addition to this, the RBIDZ has established a solid corporate governance framework through a Shareholder's Compact and Funding Agreement with the Executive Authority, a Board Charter, and Charters for each Board Committee. The charters consider the guidance of the King IV Reports on Corporate Governance published by the Institute of Directors. A Charter also governs Management's Executive Committee. The reporting protocols are well-structured throughout the Organisation.

EXECUTIVE AUTHORITY

The entity reports against the set targets in the Annual Performance Plan on a quarterly basis to EDTEA. Written reports are submitted 15 days after the end of the quarter, after which a meeting to discuss the reports is organised by EDTEA. During the financial year under review, all 4 reports were submitted timeously to EDTEA, and the CEO attended all meetings to discuss progress against set targets.

THE ACCOUNTING AUTHORITY/BOARD

The Board has an independent role with accountability to the Shareholders and the Company, and is responsible as the primary oversight body of the Company. The Board appreciates that strategy, risk, performance, and sustainability are inseparable; and gives effect to this by contributing to, approving the strategy, and satisfying itself that the strategy and business plans do not give rise to risks that have not been thoroughly assessed by management, identifying key performance and risk areas, ensuring that the strategy will result in sustainable outcomes.

THE ROLE OF THE BOARD

The Board members have the specific responsibilities set out in the PFMA, the Companies Act, and the King IV Reports on Corporate Governance, including:

- The duty of utmost care to ensure reasonable protection of the assets and records of the company;
- To act with fidelity, honesty, integrity, and in the best interests of the company, in managing the financial affairs of the company;
- To disclose to the Executive Authority responsible for the Company or the Provincial Legislature on request all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority or legislature;
- To act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders, and other stakeholders of the Company along sound corporate governance principles;
- To ensure that the Company is, and is seen to be, a responsible corporate citizen, by having regard to not only the financial aspects of the business of the Company, but also the impact that business operations have on the environment and the society within which it operates;
- To be responsible for the governance of risk;
- To be responsible for information technology (IT) governance; and
- To ensure that the Company complies with applicable laws and considers adherence to non-binding rules and standards and to ensure the integrity of the Company's Annual Report; and to appoint and evaluate the performance of the Chief Executive Officer.

The Board acts collectively and does not assume the operational functions of Management, which remain the responsibility of the executive directors, officers, and other members of senior management.

BOARD CHARTER

The Board has adopted a Board Charter setting out its roles and responsibilities.

Name	Designation	Area of Expertise	Other Committees	Meetings For The Year	
				Number of Meetings	Number of Meetings Attended
Adv. BA Mbili	Chairperson Non-Executive Director	Management, Law and Labour	Member of Human Resources and Remuneration Committee Member of Infrastructure and Investment Committee	7	7
Mr. TB Hlongwa - CA(SA)	Non-Executive Director	Management, Accounting and Finance	Chairperson of Audit, Risk and Finance Committee Member of Infrastructure and Investment Committee	7	7
Ms. SP Mangole	Non-Executive Director	Management, Trade, Industry and Competition	Member of Human Resources and Remuneration Committee Member of Infrastructure and Investment Committee	7	7
Mr. EF Mbatha	Non-Executive Director	Management and Local Government	Chairperson of Social and Ethics Committee Member of Audit, Risk & Finance Committee	7	7
Mr. SW Mchunu	Non-Executive Director	Management and Local Government	Chairperson of Infrastructure and Investment Committee	7	7
Mr. SE Mdlalose	Non-Executive Director	Management and Labour	Member of Human Resources and Remuneration Committee	7	7
Ms. MT Ndlovu	Non-Executive Director	Management Law and Local Government	Chairperson of Human Resources and Remuneration Committee	7	6
Ms. SG Skosana	Non-Executive Director	Management and Risk	Member of Social and Ethics Committee	7	4
Ms. CP Vilakazi	Non-Executive Director	Management and Economic Development	Member of Social and Ethics Committee Member of Audit, Risk & Finance Committee	7	7
Cllr. X Ngwezi	Non-Executive Director	Management Law and Local Government	None	7	0
Mr. TW Zulu	CEO / Executive Director	Management and Energy	None	7	7
Ms. S Mvelase - CA(SA)	CFO / Executive Director	Management, Finance, Accounting, Taxation and Auditing	None	7	7

COMPOSITION OF THE BOARD

BOARD COMMITTEES

BoD	COMMITTEE MEETINGS							
	Audit, Risk and Finance		Social and Ethics		HR and Remuneration		Infrastructure and Investment	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Adv. BA Mbili					3	3	3	2
Mr. TB Hlongwa - CA(SA)	6	6[A]					3	2
Ms. SP Mangole					3	0	3	0
Mr. EF Mbatha	6	6	4	4[A]				
Mr. SW Mchunu					3	3	3	3[A]
Mr. SE Mdlalose					3	2	3	2
Ms. MT Ndlovu					3	2[A]		
Cllr X Ngwezi								
Ms. SG Skosana			4	4				
Ms. CP Vilakazi	6	6	4	4				

[A] Chairperson

REMUNERATION OF BOARD MEMBERS

The remuneration of directors is determined by the shareholders. The Company reimburses / does travel bookings for directors, other than those in the employ of government departments. During the year, the method of remuneration for Board meetings was amended to include a retainer, which is only paid if the scheduled meeting is attended.

Executive And Non- Executive Directors of RBIDZ	Fees For Services As Directors	Fees for Services as Committee Members	Managerial Services		2025	2024
			Salary	Retirement Fund & Medical Aid Contribution		
	R	R	R	R	R	R
Executive Directors of RBIDZ						
TW Zulu[A]	-	-	3 290 743	569 798	3 290 743	3 093 826
S Mvelase[A] **- CA(SA)**	-	-	2 035 665	98 571	2 035 665	1 880 185
Non- Executive Directors of RBIDZ						
BA Mbili[B]	609 547	70 721	-	-	609 547	453 774
SP Mangole[C]	-	-	-	-	-	-
EF Mbatha	192 421	253 034	-	-	192 421	146 585
MT Ndlovu	-	-	-	-	-	-
CP Vilakazi	160 327	216 383	-	-	160 327	145 761
SW Mchunu	192 421	89 046	-	-	192 421	146 585
SE Mdlalose[D]	-	-	-	-	-	-
SG Skosana	141 807	69 073	-	-	141 807	9 458
TB Hlongwa - CA(SA)	192 421	250 682	-	-	192 421	-
X Ngwezi[E]	-	-	-	-	-	-

Notes

A: Executives are not paid for meeting attendance
B: Appointed as Board Chairperson from 03/04/2023
C: Civil servant in the employ of the dtic
D: Civil servant employed by the KZN DOT
E: Full-time Councillor of the uMhlathuze Local Municipality

RISK MANAGEMENT

In accordance with the PFMA and King IV, the Company is keenly aware of the need to manage its risks effectively. To this end, the Company conducts annual risk assessment as part of the strategic planning process, where both high-level strategic risks and operational risks affecting the different business units are identified. These are then included in the Company's Strategic Plan and Annual Performance Plan.

The risks identified are included in the monthly dashboard reports, where the different business units report to Executive Management on the mitigations to address the identified risks. Emerging risks are also identified and reported at monthly Executive Committee meetings, as the Executive Committee serves as the internal risk committee of management, thus ensuring buy- in at an executive level.

While the Legal Manager is responsible for risk management in the company, all Executive Managers are risk champions for the operational risks emanating from their business units.

Management reports to the Audit, Risk and Finance Committee four times per year, on both the steps being taken to address identified risks, as well as on any emerging risks which have been identified.

INTERNAL AUDIT AND AUDIT COMMITTEES

The Company has adopted both an Internal Audit Charter and an Audit, Risk and Finance Committee Charter, to ensure that the internal audit function is able to operate as an independent appraisal function, to examine and evaluate the company's processes in the effective discharge of its responsibilities. Its objectives include promoting effective risk management and operational efficiency at reasonable cost, in accordance with the standards for the Professional Practice of Internal Audit established by the Institute of Internal Auditors (IIA).

The internal audit function evaluates governance processes; assesses the effectiveness of risk management, analyses and evaluates business processes; and controls and provides information on fraud, corruption, unethical behaviour, and irregularities, and performs other related activities.

The internal audit function is conducted by Bonakude Consulting, who reports to the Audit, Risk and Finance Committee.

For the year under review, the Internal Audit focus was on the following audit scope:

- Annual Performance Report
- Annual Financial Statements
- Supply Chain and Expenditure Management
- Property Development
- Business Continuity Management
- Investment Review
- Revenue Management
- Cyber Security
- IT Security
- Human Resources and Payroll Management
- Risk Management
- Assets Management
- Zone Development
- Budget Management
- Project Management
- Fraud and Corruption

The functions of the Audit, Risk and Finance Committee are set out in a Committee's Charter, which is based on the recommendations of the King VI Report on Corporate Governance issued by the Institute of Directors.

RISK MANAGEMENT (Continued)

The key functions of the Committee is to assist the Board in fulfilling its oversight functions in terms of the PFMA, including assisting the Chief Executive Officer and Executive Management in carrying out their functions as prescribed in Sections 38(1), 76(4)(d), and 77 of the PFMA Regulation 3.1.8 of the Treasury Regulations, the Companies Act, and principles of sound corporate governance; to evaluate the adequacy and efficiency of the internal control systems, accounting practices, information systems and auditing processes; to give an opinion and introduce measures that may serve to enhance the credibility and objectivity of financial statements and reports prepared with reference to the affairs of the Company, to facilitate, promote, and maintain effective communication and work relations with the Board of directors, Management, and the internal and external auditors; to monitor compliance with laws, code of business conduct, and regulations; to publicly issue a statement to the Shareholders confirming the effectiveness of the internal financial controls and provide a written assessment of Company's system of internal control; to review an integrated annual report with special emphasis on the impact of the company in the economic, environmental, and social spheres; to ensure that the Company has implemented an effective policy and plan for risk management that will enhance the Company's ability to achieve its strategic objectives; and to ensure that the disclosure regarding risk is comprehensive, timely, and relevant.

THE BELOW TABLE PRESENTS RELEVANT INFORMATION ON THE MEMBERS OF THE AUDIT, RISK AND FINANCE COMMITTEE

Name	Qualifications	Internal or External	If Internal, Position In The Public Entity	Date of First Appointment	End of Appointment
Mr. TB Hlongwa	• **CA (SA)** • **BCom Hons in Accounting; and** • **BCom Accounting**	External	Non-Executive Director	17/08/2023	2025 AGM
Mr. EF Mbatha	• **MA in Governance and Political Transformation;** • **BA, and** • **Executive Leadership Municipal Development Programme**	External	Non-Executive Director	04/09/2017	2025 AGM
Ms. CP Vilakazi	• **MA in Policy and Development Studies;** • **Post Graduate Diploma in Marketing Management; and** • **BA Social Work**	External	Non-Executive Director	04/09/2017	2025 AGM
The members of the Committee are appointed / re-appointed at the Annual General Meeting, as contemplated in the Companies Act, 2008.					

RISK MANAGEMENT

COMPLIANCE WITH LAWS AND REGULATIONS

The Legal Manager is responsible for the Compliance function. The Company has adopted a comprehensive Compliance Policy. Research is conducted on applicable laws and various open-source databases are used to determine upcoming legislation, as well as relevant judgments.

Checklists are compiled on key legislation, which is prioritised based on a risk-based approach. Compliance issues are reported to the Board through the Audit, Risk and Finance Committee on a quarterly basis.

FRAUD AND CORRUPTION

The Company has adopted a comprehensive Fraud Prevention Policy and compiles a Fraud Prevention Plan on an annual basis. This includes a response plan to allegations of fraud and corruption; probity investigations of prospective staff and even suppliers, thereby creating an open and transparent culture; protection of whistle-blowers; annual declarations of financial interests, as well as declarations at certain meetings; mandatory reporting of gifts and gratuities received by staff, and encouragement of staff to report suspected fraud and corruption. The Company also has a whistleblowing hotline utilised to report fraud related activities.

The Company is particularly proud of the conflict-of-interest review, where the Company was the first to request such a review where various databases are interrogated, to ensure that directors and employees of the Company do not have any undisclosed conflicts of interest. It is understood that this is being rolled out to other public entities in KwaZulu-Natal.

Another innovative way that the Company addresses the risk of fraud and corruption is in the field of procurement. The Company has adopted a transparent process, where all unsuccessful tenderers for public tenders are invited to debriefing sessions, where the reasons for awarding the tender and reasons for disqualifying each tenderer or scored low are provided. This reduces the possibility of tender awards being manipulated by corrupt persons.

Where fraud is reported, the policy provides for the investigation of the matter by a person independent of the division in which the fraud is suspected.

MINIMISING CONFLICT OF INTEREST

In addition to the afore - mentioned, Fraud Prevention Policy, the Company has an adopted Code of Conduct, which also addresses the issue of conflicts of interest. These are further supported by a Supply Chain Management Policy, which also seeks to avoid undisclosed conflicts of interest, and persons being able to make decisions where they have a conflict of interest. While the Fraud Prevention Policy relies on gifts and conflicts of interest being declared, conflict of interest reviews is also conducted to ensure that all conflicts of interest are disclosed.

Regarding external parties, the Company's procurement processes require that potential service providers complete and sign a form indicating any conflicts of interest in the processes or any linkages they may have with directors or staff members of the Company.

CODE OF CONDUCT

The Company has adopted a Code of Conduct which is applicable to all directors and staff and is intended to guide the behaviour that the Company expects in its interaction with all internal and external stakeholders, with special emphasis on the interactions of internal stakeholders with each other, and with the communities within which the Company operates. The Code of Conduct seeks to ensure that behaviour is guided by socially established principles of honesty, fairness, accountability, non-discrimination, and respect for human dignity.

The Policy requires staff members to report dishonest activities and provides for the investigation of all infringements of the Code, followed by the taking of appropriate remedial action, which may include disciplinary action, termination of relationships with a supplier, or taking steps to prevent a re-occurrence.

RISK MANAGEMENT *(Continued)*

HEALTH, SAFETY, ENVIRONMENTAL AND WELL - BEING

The RBIDZ is committed to a safe and healthy workplace for employees, tenants, visitors, contractors and service providers and contractors. Furthermore, we are committed to the protection and enhancement of the natural environment. This commitment is embodied in our SHEQ Policy, and it is expressed in the implementation of the quality (ISO 9001), environmental (ISO 14001) and (ISO 45001) management systems as well as the Board-approved SHEQ Strategy (2024 – 2029).

The objectives of the said management systems include customer engagement, stakeholder mapping, SHEQ risk assessments, management of documents and records, provision of equipment and resources for emergency preparedness and response, prevention of work-related injuries, illnesses and diseases, incident management and promoting worker health and productivity through the Employee Assistance Program.

In line with RBIDZ good governance and the application of the health and safety, environmental specifications, construction regulations, all contractors are required to take responsibility of their activities including provision and maintenance of safe work sites as well as ensuring legal compliance and duty of care for people, property and the environment.

RISK MANAGEMENT *(Continued)*

THE HIGHLIGHTS FOR THE FINANCIAL YEAR IN THE SCOPE OF SHE INCLUDED THE FOLLOWING:

- Maintained zero employee loss time injuries or fatalities;
- Achieved zero contractor loss time injuries or fatalities (against a baseline of 5 LTIs from 2023/2024 FY);
- Maintained zero major environmental incidents or compliance notices;
- Approval of the 2nd SHEQ Strategy (2024 – 2029);
- Achievement of 90% SHEQ internal customer satisfaction score (the baseline was 90%). The survey assists the SHEQ Team to assess the effectiveness of systems and processes as well as identify gaps and areas for improvement to better meet the needs and expectations of employees;
- Maintained the ISO 9001 and 14001 certifications by the SABS;
- Commenced with the certification process for ISO 45001 by the SABS;
- Developed a File Plan for improved identification and maintenance of records in line with the national and provisional archives legislation;
- Collaborated with EDTEA, City of uMhlathuze and King Cetshwayo District Municipality various environmental initiatives including World Water Day, Green Belts Clean-up Drives, Earth Day Commemoration, Arbor Day, International Coastal Clean-up and World Food Day; and
- Established a Tenant SHE Forum for the purpose of coordinating emergency and disaster preparedness and response between the RBIDZ and Zone tenants.

The Company remains committed to upholding a safe and healthy working environment as well as the application of SHE legislation and ISO standards.

B – BBEE COMPLIANCE PERFORMANCE INFORMATION

The RBIDZ as a public entity is committed to economic transformation and inclusive participation following guidance by the revised Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice; and as such its performance is measured against the targets of the Specialised Scorecard, which focuses on four scorecard elements. These include, management control, employment equity, skills development, and socio-economic development. The RBIDZ is further committed to B-BBEE through initiatives implemented to promote economic empowerment and compliance. The entity continues to embrace inclusive participation that fosters transformation of all groups mainly, the previously disadvantaged communities. In measuring performance, the RBIDZ conducts independent annual B-BBEE audits. During the reporting year , the entity obtained Level 5 which was a regressed score compared to the previous year where it had obtained Level 3.

The regress in the score was a consequence of targeted projects that were not implemented to allow for diverse participation of targeted groups that are able to advance the scorecard elements. The entity aims to refocus its plans and strategies to allow for improved representation of all elements of the scorecard.

Through the independent verification the company has been confirmed to be a Level 5 contributor in line with the B- BBEE Codes.

The company applied relevant Code of Good Practice (B-BBEE Certificate – Levels 1 – 8) with regards to the following:

CRITERIA	RESPONSE Yes/No	DISCUSSION (Includes discussion based on the response and indicating measures that have been taken to comply)
Determining qualification criteria for issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	NO	The RBIDZ does not perform such functions.
Developing and implementing a preferential procurement policy?	YES	SCM Policy
Determining qualification criteria for the sale of state- owned enterprises?	NO	The RBIDZ has not been involved in such activities.
Developing criteria for entering into partnerships with the private sector?	NO	The RBIDZ has not been involved in such activities.
Determining criteria for the awarding of incentives, grants, and investment schemes in support of Broad Based Black Economic Empowerment?	NO	The RBIDZ has not been involved in such activities.

B – BBEE COMPLIANCE PERFORMANCE INFORMATION

BROAD-BASED BLACK ECONOMIC EMPOWERMENT COMMISSION FORM: B-BBEE 1
LEVEL: 5

COMPLIANCE REPORT BY SPHERE OF GOVERNMENT, PUBLIC ENTITIES, ORGANS OF STATE OR COMPANY LISTED ON THE JOHANNESBURG STOCK EXCHANGE (in terms of Section 13G (2) of the Act).

SECTION A: DETAILS OF ENTITY

Name of Entity / Organisation:	Richards Bay Industrial Development Zone SOC Ltd
Registration Number:	2002/009856/30
Physical Address:	RBIDZ Office Complex, Harbour Arterial, Richards Bay
Telephone number:	035 797 2600
Email Address:	info@rbidz.co.za
Indicate Type of Entity or Organisation:	Operator of Special Economic Zone
Industry/Sector:	Public Entity/Manufacturing
Relevant Code of Good Practice:	B-BBEE Codes of Good Practice (Gazette Number 38076) of 10 October 2014
Name of Verification Agency:	Inkomba Verification Agency
Name of Technical Signatory:	Khulekani Ziphozonke Mvubu

SECTION B: INFORMATION AS VERIFIED BY THE BROAD- BASED BLACK ECONOMIC EMPOWERMENT VERIFICATION PROFESSIONALS AS PER THE SCORECARDS

B-BBEE Elements	Target Score Including	Bonus Points	Actual Score Achieved
Management Control	20	0	16,72
Skills Development	25	0	8,48
Enterprise and Supplier Development	50	0	52.00
Socio- Economic Development	5	0	5.00
Total Score	100		82.20
Broad-Based BBBEE Status Level	5		
Priority Elements Achieved	Yes		
Empowering Supplier Status	Yes		

SECTION C: FINANCIAL REPORT

BASIC ACCOUNTING DETAILS:

- Accounting Officer’s Name: Thabane Wiseman Zulu
- Address: RBIDZ Office Complex, 4 Harbour Arterial, Richards Bay
- Accounting Policy: Monthly/ Quarterly, Annually

The Annual Financial Statements and Annual Report were approved by the entity at the Board meeting on the 25 July 2025

SOCIAL AND ETHICS COMMITTEE REPORT

We are pleased to present the report of the Social & Ethics Committee for the financial year ended 31 March 2025.

The Committee, as per its statutory duties, consider whether the company's operations are compliant with the environment, health and public safety and that it was considerate of the company's activities, products and services. Management stated that the company was monitoring various construction projects, including Prostar Paint factory, Wilmar's vegetable oil, refinery plan,Phase 1A substation and Phase 1F site clearance and levelling. The company also ensures that all companies conducting business with the RBIDZ conduct the EIAs, as the company is progressing towards becoming an eco-friendly organisation and further promoting energy generation from offshore wind and natural gas.

During the year under review, the Company consulted with KZNDARD for the development of an agri-hub which is an agro-processing facility for agricultural products that link producers with markets. The implementing agency agreement was signed by both RBIDZ and KZNDARD enabling the first trench of funding from the BFI to be transferred to RBIDZ. The second tranche of funding is expected during the financial year. The construction of the fresh-produced Agri-hub is expected to be implemented in two stages.

The first stage includes site preparation work which is site clearance, fencing and levelling, which procurement has commenced. Of concern however, has been the litigation status in the cases of the Minister. Groundwork and Others, and the Richards Bay Gas Power 2 (Pty) Ltd, respectively. In this matter the applicant filed a review application in Court. In late 2022, the court dismissed the application and set aside the EIA approval. The appellants then filed leave to appeal which was denied. Following their petition to the Supreme Court Appeal, the leave to appeal was granted on 28 April 2023. The appeal was heard on 30 August 2024 and judgement was reserved. There have not been any developments around the case since then.

Regarding Richards Bay Gas Power 2 (Pty) Ltd (RBGP2), in Phase 1F, the EIA application was approved in 2016, and in 2020 the RBGP2 lodged an application to amend the EIA which was granted in 2021. However, the decision was appealed in the same year. In 2022, a review application was lodged in the High Court, which was dismissed in 2023. In late 2023, the appellants lodged an application seeking leave to appeal, but such an application was dismissed with costs in February 2024. In March 2024, the appellants approached SCA to appeal the cost portion of the order. In response thereto, the RBGP2 proposed to abandon the High Court, but only on condition that the appellants withdrew the SCA petition. The Appellants accepted the RBGP2 proposal in April 2024. It is based on the above submissions that these litigations are delaying the economic objectives of the Company to grow the economy.

As per its statutory obligation the Company does consider various reports at its ordinary meetings including the company's employment equity plan and its accompanying targets for a 5-year period ending in 2027. The Company is obliged to comply with the employment equity laws of the Republic, particularly in ensuring that all categories of the designated groups are employed by the Company in fulfilment of the Equity Plan and its objectives. Amongst others, the Company highlighted the difficulty of achieving the disabled persons target and stated that it has an approach to undertake to ensure that it complies with this target. As an intervening measure the company would be categorically stating in its designated adverts that only disabled persons should apply.

Regarding the Corporate Social Investment Report the Company had approved the CSI budget of R3,5m during 2024/2025 for the following programs: study assistance (universities), social relief, school support and Mandela day initiatives. The study assistance budget was R1.5m and the actual spent was R957 761.08, with a committed value of R109 629.00 with a balance of R432 609.17.

SOCIAL AND ETHICS COMMITTEE REPORT

On social relief, the budgeted amount was R1.5m, actual spent was R362 864 with the balance of R1 137 135. On school support, an amount of R300 000 was budgeted and the amount spent was R81 967, Mandela day initiatives was budgeted for R200 000, of which R226 967.00 was spent with a deficit of R18 063. This was accompanied by notes explaining the overspending and how the budget was spent, for ease of reference by the committee.

On Transformation Report, the company spent the amount of R42 574 501 on black suppliers during Q2 of which R12 377 205 was spent within the King Cetshwayo District Municipality. The accumulative spent to BEE amounted to R39 029 900 while the total spent on black women owned business amount to R16 354 948.

The total spent for Black Youth Owned businesses amounted to R7 900 872 while the total accumulation spent on People with Disability amounted to R348 728 while the amount spent on B-BBEE level 1 - 4 was R42 449 497.

The Company also embarked on agricultural training courses and appointed the service provider to render training on Agricultural Plant Production, Agricultural mixed farming, agricultural venture creation, and farm business management with a budget of R300 000 for the implementation of these trainings which commenced in Q1 up to Q2. A total of 57 beneficiary co-operatives were identified through the needs assessment of co-operatives, that the company previously supported. Beneficiaries were trained in agriculture plant production, agricultural mixed farming, agricultural business management and agricultural venture creation.

Regarding Intervention Plan for Stakeholder perception and satisfaction survey findings, the company conducted a survey focusing on the company's areas of operations using various methods and tools for the survey outcomes. The company procured the services of an independent research and consulting company to conduct the stakeholder perception and satisfaction survey which gathered and analysed the feedback provided by the RBIDZ stakeholders.

We are looking forward to a fulfilling year ahead.

Mr. EF Mbatha

Chairperson of the Social and Ethics Committee

Date : 25 July 2025

COMPANY SECRETARY'S CERTIFICATION

The Company Secretary's functions include being the central source of guidance and advice to Board and within the Company on matters of good governance and changes in legislation, responsibility for Board and Committee Charters, preparation of the annual work plan and meeting schedules, circulation of Board and Committee papers, induction, orientation, and on-going training of directors; ensuring returns are provided to the Companies and Intellectual Property Commission; and assisting with Board evaluations.

CERTIFICATION BY COMPANY SECRETARY

I, the undersigned, R. Maruma, in my capacity as Company Secretary, certify that the Company has lodged with the Companies and Intellectual Property Commission all such returns as are required of a State-owned company in terms of the Companies Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

Adv. R. Maruma
Company Secretary
Date: 25 July 2025

AUDIT, RISK AND FINANCE COMMITTEE REPORT

We are satisfied to present our report for the financial year ended 31 March 2025.

AUDIT, RISK AND FINANCE COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the PFMA and Treasury Regulation 3.1.13.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

THE EFFECTIVENESS OF INTERNAL CONTROL

The system of internal controls applied by the entity over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King IV Report on Corporate Governance requirements, internal audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the internal auditors, the Audit Report on the annual financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the executive management of the entity during the year under review.

THE FOLLOWING INTERNAL AUDIT WORK WAS COMPLETED DURING THE YEAR UNDER REVIEW:

- Strategic Risk Assessment;
- Operational Risk Assessment ;
- Fraud Risk Assessment; and
- Risk Management Monitoring.

IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

The company has reported monthly and quarterly to the Treasury, as stipulated by the PFMA.

EVALUATION OF FINANCIAL STATEMENTS

The Audit, Risk and Finance Committee has:

- reviewed and discussed the audited annual financial statements to be included in the Annual Report, with the Auditor – General of South Africa and the executive management;
- reviewed the Auditor – General of South Africa's management report and management's response thereto;
- reviewed the entities compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from audit.

The Audit Committee concurs with and accepts the Auditor – General of South Africa's report to the annual financial statements and that the audited annual financial statements should be accepted and read together with the report of the Auditor – General of South Africa.

AUDIT, RISK AND FINANCE COMMITTEE REPORT *(Continued)*

INTERNAL AUDIT

The Audit Committee is satisfied audit that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

AUDITOR'S REPORT

We have reviewed the Company's implementation plan for audit issues raised in the prior year, and we are satisfied that the matters have been adequately resolved.

The Audit, Risk and Finance Committee concurs and accepts the conclusions of the External Auditor on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the External Auditor.

Mr. Thamsanqa B. Hlongwa - CA(SA)
Chairperson of the Audit, Risk and Finance Committee
Date: 25 July 2025

PART D

HUMAN RESOURCES MANAGEMENT

GATEWAY TO WORLD MARKETS

HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

INTRODUCTION

The RBIDZ aims to position itself as an employer of choice; and to this end, impactful progress has been yielded through the appointment and functioning of the fully fledged executive management team within the organisational structure.

The success of the company lies in the pool of talent and sound leadership that possess diverse acumen contributing to the strategic guidance of the company. The focused outcomes were because of a functional human resource planning and aligned strategies that are also geared towards enhancing the organisational culture as well as skills development and re-skilling.

HUMAN RESOURCES OVERSIGHT STATISTICS

The Human Resources Strategy manages short and long-term organisational priorities, including:

- Skills Development, Training and Employee Retention
- Leave Management
- Disciplinary Code of Conduct
- People Management
- Organisational Culture

The escalating rate of unemployment for youth is considered as high priority to all Company programmes, hence, programmes such as internships and learnerships are incorporated in various Business Units as means to provide on-the-job training.

During the reporting period, the company continued to advance the company's capacity by recruiting additional resources in various levels, this resulted in the employment of ten (10) new employees. The company continues to drive excellence through its values and instilled organisational culture that leads to the stability of a social system and the organisational culture that fosters collective participation among staff.

HUMAN RESOURCES STATISTICS

THE BELOW TABLES PRESENT THE HUMAN RESOURCES STATISTICS PERSONNEL COSTS FOR BUSINESS UNITS

Business Units	Total Opex Budget for the Year	Total Personnel Budget for the Year	Personnel Budget As A % Of Total Opex Budget %	Number of Permanent Employees
	R	R		
OCEO	8 828 087	6 466 634	73%	3
OCOO	27 440 555	14 676 326	53%	11
ZDO	189 779 167	20 294 622	11%	17
BDS	24 041 417	13 796 629	57%	13
FINANCE	64 093 855	16 929 376	26%	16
CORPORATE SERVICES	39 634 577	17 665 063	45%	14
Total	**353 813 658**	**64 036 523**	**25%**	**74**
Table includes the Cost of Interns				

ACTUAL PERSONNEL COSTS VS BUDGET

Business Units	2024/2025 Total Personnel Budget Ytd	2024/2025 Ytd Actual Personnel Expenditure	% of Personnel Budget Spent
	R	R	
OCEO	6 466 634	6 623 204	102%
OCOO	14 676 326	14 538 770	99%
ZDO	20 294 622	17 706 915	87%
BDS	13 796 629	12 957 740	94%
FINANCE	16 929 377	16 565 000	98%
CORPORATE SERVICES	17 665 063	17 968 540	102%
Total	**89 828 651**	**86 360 169**	**96%**

***Notes: The table above excludes bonus provision and leave provision charges in the statement of financial performance**

HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

TRAINING COSTS

Business Units	Total Personnel Budget for the Year	Training Expenditure	Training Expenditure as A % of Personnel Cost	Number of Employees Trained
	R	R	%	
OCEO	6 466 634	8 500	0,1%	1
OCOO	14 676 326	20 405	0,1%	3
ZDO	20 294 622	160 002	0,8%	10
BDS	13 796 629	123 043	0,9%	8
FINANCE	16 929 376	312 294	1,8%	13
CORPORATE SERVICES	17 665 063	265 914	1,5%	14
TOTAL	**89 828 650**	**890 158**	**1,0%**	**49**

***By Business Units**

EMPLOYMENT AND VACANCIES BY SALARY BANDS

The table below includes interns, who are graded at A1.

Salary Bands/Level	Males				Females				
Race	A	C	I	W	A	C	I	W	Total
Senior Management [E1-E3]	0	0	0	0	1	0	0	0	**1**
Professionally qualified and experienced specialists and middle management [D1- D5]	6	0	0	0	2	0	1	0	**9**
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents [C1-C5]	7	0	0	0	16	0	1	0	**24**
Semi-skilled and discretionary B1-B5	0	0	0	0	4	1	0	0	**5**
Unskilled and defined decision making [A1-A3]	5	0	0	0	5	0	0	0	**10**
TOTAL	**18**	**0**	**0**	**0**	**28**	**1**	**2**	**0**	**49**

***By salary bands**

HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

EMPLOYMENT AND VACANCIES BY BUSINESS UNITS (Staff Complement Approved vs. Current Complement)

Vacancies by Business Units	2024/2025 Board Approved Posts	Current Total Number of Employees	2024/2025 Vacancies	% of Vacancies
OCEO	3	3	0	0%
OCOO	11	11	0	0%
ZDO	21	17	4	19%
BDS	15	13	2	13%
FINANCE	18	16	2	11%
CORPORATE SERVICES	16	14	2	13%
TOTAL	84	74	10	12%

EMPLOYMENT CHANGES/ TERMINATIONS

Salary Bands/Level	2024/2025 Board Approved Posts	2024/2025 Vacancies	2024/2025 Number of Employees by 31/03/2025	% of Vacancies
Senior Management [E1- E4]	6	1	5	17%
Professionally qualified and experienced specialists and middle management [D1- D4]	27	4	23	15%
Skilled technical and academicallyqualified workers, junior management, supervisors, foremen and superintendents [C1-C5]	46	5	41	11%
Semi-skilled and discretionary [B1-B5]	5	0	5	0%
Unskilled and defined decision making [A1-A3]	0	0	0	0%
TOTAL	84	10	74	12%

HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

EMPLOYMENT CHANGES/ TERMINATIONS

Occupational Level	Employment as at 01/04/2024	Appointments	Departures	Employment as at 31/03/2025
Senior Management [E1- E4]	5	0	0	5
Professionally qualified and experienced specialists and middle management [D1- D4]	24	0	0	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents [C1-C5]	41	1	2	40
Semi-skilled and discretionary [B1-B5]	5	0	0	5
Unskilled and defined decision making [A1-A3]	0	0	0	0
TOTAL	**75**	**1**	**0**	**74**

PERSONNEL REASONS FOR LEAVING

Reason	Number	% Of Total Number Of Staff Leaving
Death	0	0%
Resignation	1	1,4%
Dismissal	0	0%
Retirement	1	1,4%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
TOTAL	**2**	**2,8%**

LABOUR RELATIONS : MISCONDUCT AND DISCIPLINARY ACTION

Nature Of Disciplinary Action	Number
Verbal warning	0
Written warning	0
Serious written warning	0
Final written warning	1
Dismissal	0
TOTAL	**1**

Grievances Lodged
None.

Disputes Lodged with CCMA
None

Precautionary Suspensions
In the year under review, two (2) employees were subjected to precautionary suspensions.

EQUITY TARGET GOALS AND EMPLOYMENT EQUITY STATUS 2024/2025

Below is the breakdown of the Company's employment equity targets for the 5-year period ending in 2027. The Employment Equity targets are determined after taking into consideration both national and provincial demographics, and correspondingly, establish the Company's targets on the provincial benchmark.

RACIAL EQUITY TARGET GOALS

		AFRICAN	COLOURED	INDIAN	WHITE	TOTAL
Males	Target	43,2%	2,1%	6,4%	2,3%	**54,0%**
	Actual	**38%**	**0%**	**0%**	**0%**	38%
	Staff numbers	**28**	**0**	**0**	**2**	**28**
		AFRICAN	**COLOURED**	**INDIAN**	**WHITE**	**TOTAL**
Females	Target	41,1%	0,4%	3,8%	1,8%	**47,1%**
	Actual	52,7%	2,7%	4,1%	2,7%	**62%**
	Staff numbers	39	2	3	2	**46**
		AFRICAN	**COLOURED**	**INDIAN**	**WHITE**	**TOTAL**
TOTAL	Target	84,3%	2,5%	10,2%	4,1%	**100%**
	Actual	90,5%	2,7%	4,1%	2,7%	**100%**
	Staff numbers	67	2	3	2	**74**

DISABLED EMPLOYEES

	MALES			FEMALES		
	CURRENT	**TARGET**	**GOAL**	**CURRENT**	**TARGET**	**GOAL**
Senior Management	0	1	0	0	1	0
Professional Qualified	0			0		
Skilled	0			0		
Semi-Skilled	0			0		
Unskilled	0			0		
TOTAL	**0**	**1**	**0**	**0**	**1**	**0**

Legend Green: target achieved Red: target not achieved Orange: reduce (overrepresented).

Note: Due to the limited number of eligible disabled persons that are available, disabled staff can be appointed at any occupational level.

PART E

AUDITED ANNUAL FINANCIAL STATEMENTS

GATEWAY TO WORLD MARKETS

ANNUAL FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2025

Country of incorporation and domicile	South Africa
Controlling Entity	Provincial Government of KZN through the Department of Economic Development, Tourism and Environmental Affairs (EDTEA)
Legal form of Entity	State-owned Company
Nature of Business and principal activities	Richards Bay Industrial Development Zone Company SOC Ltd was formed to undertake the development of industrial land in the region.
Bankers	ABSA Ltd
Auditors	"Auditor - General" of South Africa Chartered Accountants (SA) Registered Auditors
Secretary	Adv. Risenga Maruma
Company Registration Number	2002/009856/30

NOTICE

These Financial Statements were prepared on the 30 May 2025 and have been independently audited by the Auditor – General of South Africa in accordance with the provisions of the Public Audit Act 2006, as well as any applicable provisions of the Companies Act 2008.

The Annual Financial Statements were prepared, under the supervision of Ms. Simangele Mvelase, the Chief Financial Officer of the Company.

TABLE OF CONTENTS

SUPPLEMENTARY SCHEDULE

Detailed Statement of Comprehensive Income

The Annual Financial Statements, set out on pages 137 to 184, and the Statement of Responsibility by the Directors, on page 124, were approved by the Board of Directors and signed on its behalf by:

Adv. Bhekisisa A. Mbili
Board Chairperson
Date: 25 July 2025

Mr. Thabane W. Zulu
Chief Executive Officer
Date: 25 July 2025

STATEMENT OF RESPONSIBILITY PAGE BY DIRECTORS AS OF MARCH 2025

ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements have been prepared by management in accordance with International Financial Reporting Standards, and in the manner required by the South African Companies Act. They are based on appropriate accounting policies, which have been consistently applied, and which are supported by reasonable and prudent judgements and estimates.

The directors are responsible for the preparation of Annual Financial Statements that fairly present the state of affairs and the results of the Company. The external auditors are responsible for independently auditing and reporting on these Annual Financial Statements, in conformity with International Audit Standards.

INTERNAL CONTROL

The Board of Directors is responsible for the Company's systems of internal control. These systems are designed to provide reasonable, but not absolute, assurance as to the integrity and reliability of the financial statements and to safeguard and maintain accountability of its assets, and to detect and minimise significant fraud, potential liability, loss and material misstatement, while complying with applicable laws and regulations.

The controls concentrate on critical risk areas. These areas are identified by operational management and are monitored by the directors. All controls relating to the critical risk areas are closely monitored and subject to internal audit. Nothing has come to the attention of the directors to indicate that a material breakdown in the controls within the company has occurred during the year.

PERFORMANCE MANAGEMENT

The Company reports on its own performance against pre-determined objectives, as contained in the Annual Performance Plan for the 2024/2025 financial year and in accordance with the Public Finance Management Act No. 1 of 1999, as amended. The performance report is tabled on a quarterly basis to the following structures: Audit, Risk and Finance Committee, the Accounting Authority (RBIDZ Board), and the Executive Authority (Department of Economic Development, Tourism, and Environmental Affairs) .

BOARD REMUNERATION

The remuneration of directors and senior managers is set out in Note 36 to the Annual Financial Statements. The financial statements set out on pages 137 to 184, which have been prepared on the going concern basis, were approved by the Board of Directors, and signed on its behalf by:

Adv. Bhekisisa A. Mbili
Board Chairperson
Dated: 25 July 2025

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Board of directors is required by the Public Finance Management Act (Act 1 of 1999), 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 the responsibility of the Board of directors to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the reporting period and the results of its operations and cash flows for the period then ended. The internal auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The board of directors acknowledges that it is ultimately responsible for the system of internal financial controls established by the entity and place considerable importance on maintaining a strong control environment. To enable the board of directors to meet these responsibilities, the executive management sets standards for internal control aimed at reducing the risk of error or deficit 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 entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board of directors is 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 deficit.

The board of directors reviewed the entity's cash flow forecast for the year to 31 March 2026 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly dependent on the controlling entity for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern, and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the board of directors are primarily responsible for the financial affairs of the entity, they are supported by the entity's external and internal auditors.

The internal auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's internal auditors and their reports are available for verification.

The annual financial statements set out on pages 137 to 184, which have been prepared on the going concern basis, were approved by the board of directors on 25 July 2025 and were signed on its behalf by:

Adv. Bhekisisa A. Mbili
Board Chairperson
Date: 25 July 2025

AUDIT, RISK AND FINANCE COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025.

AUDIT, RISK AND FINANCE COMMITTEE MEMBERS AND ATTENDANCE

The committee consists of the members listed hereunder and should meet 4 times per annum as per its approved terms of reference. During the reporting year, 6 meetings were held, and members attended as follows:

NAME OF MEMBER	DATE OF APPOINTMENT *	NUMBER OF MEETINGS
Mr. TB Hlongwa (Chairperson)	17 August 2023	6
Ms. CP Vilakazi	18 December 2023 (Re-appointment)	6
Mr. EF Mbatha	23 February 2023 (Re-appointment)	6

* Appointment date as the committee member

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 77 of the PFMA and Treasury Regulation 27.

The Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Controls

The system of internal controls applied by the entity over financial and risk management is effective, efficient, and transparent. In line with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

The Audit Committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the executive management of the entity during the year under review.

Evaluation of Annual Financial Statements

The Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor General and the executive management;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- and reviewed the entity's compliance with legal and regulatory provisions
- reviewed significant adjustments resulting from the audit

Internal Audit

The Audit Committee is satisfied that the internal audit function is operating effectively and that it has addressed risks pertinent to the entity and its audits.

Auditor – General of South Africa

The Audit Committee has met with the Auditor – General of South Africa to ensure that there are no unresolved issues.

Mr. Thamsanqa B. Hlongwa - CA(SA)
Chairperson of the Audit , Risk and Finance Committee
Date: 25 July 2025

REPORT OF THE AUDITOR - GENERAL OF SOUTH AFRICA

Report of the Auditor - General of South Africa to KwaZulu – Natal Provincial Legislature on Richards Bay Industrial Development Zone Company SOC Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the Richards Bay Industrial Development Zone Company SOC Limited set out on pages 137 to 184, which comprise the statement of financial position as of 31 March 2025, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Richards Bay Industrial Development Zone Company SOC Limited as at 31 March 2025 , and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Companies Act of South Africa, 2008 (Act No. 71 of 2008) (Companies Act).

BASIS FOR OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general’s responsibilities for the audit of the financial statements section of my report.

4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF THE MATTER

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material impairments - receivables from exchange transactions

7. As disclosed in Note 8 to the financial statements, material impairments of R137,17 million (2023-24; R69,03 million) were recognised on receivables from exchange transactions as the recover ability of the debtors was doubtful.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE FINANCIAL STATEMENTS

8. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and Companies Act; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the accounting authority is responsible for assessing the entity’s ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE AUDITOR - GENERAL OF SOUTH AFRICA

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

10. My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor'sreport.This description from which is located at pages six and seven, forms part of my auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

13. I selected these indicators that measure the entity's performance on it's primary mandated and that are of significant national, community and public interest.
    - Number of hectares of available land for development.
    - Number of hectares of land developed.
    - Number of projects implemented.
    - Number of construction jobs created.

14. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework as defined in the general notice. When the annual performance report is prepared using these criteria, it is provides useful and reliable information and insights to users on the entity's planning and delivery on it's mandate and objectives.

15. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives.
    - all the indicators relevant for measuring the entity's performance against its primary mandated and prioritised functions and planned objectivesareincluded.
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used formeasuring achievements.
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revisedplanningdocuments.
    - the reported performance information is presented in the annual performance report in theprescribed manner.
    - there is adequate supporting evidence for the achievements reported (and for the reasons provided for any over-or underachievement of targets.

16. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

17. I did not identify any material findings on the reported performance information for the selected indicators.

REPORT OF THE AUDITOR - GENERAL OF SOUTH AFRICA - *Continued*

OTHER MATTER

18. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over or under achievements.

20. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 42 to 48.

ZONE DEVELOPMENT AND OPERATIONS

KEY INDICATOR NOT ACHIEVED	PLANNED TARGET	REPORTED ACHIEVEMENT
Number of hectares of land available for development	256 ha	0 ha
Number of hectares of land developed	172 ha	0 ha

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

21. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the entity's compliance with legislation.

22. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

23. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

24. I did not identify any material non-compliance with the selected legislative requirements.

OTHER INFORMATION

25. The accounting authority is responsible for the other information included in the annual report 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. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

26. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

27. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programme presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

28. The other information I obtained prior to the date of this auditor's report are board chairperson's foreword, chief executive officer's overview and audit risk and finance committee report, and the MEC's foreword and company secretary's certificate are expected to be made available to us after 31 July 2025.

29. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

REPORT OF THE AUDITOR - GENERAL OF SOUTH AFRICA - *Continued*

30. When I do receive and read the MEC's foreword and company secretary's certificate, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

31. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

32. I did not identify any significant deficiencies in internal controls.

Auditor-General

Auditor – General of South Africa

Pietermaritzburg

Date: 25 July 2025

AUDITOR-GENERAL SOUTH AFRICA

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The Auditor – General's responsibility for the audit
- The selected legislative requirements for compliance testing

AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the entity's compliance with selected requirements in key legislation.

FINANCIAL STATEMENTS

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- Identify and assess the risks of material misstatement of the 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 my 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 entity's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a entity to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE.

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I 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 my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

COMPLIANCE WITH LEGISLATION REQUIREMENTS

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS
Public Finance Management Act 1 of 1999	Section 50(3)(a); 50(3)(b); 51(1)(a)(iii); 51(1)(b)(i); Section 51(1)(b)(ii); 51(1)(e)(iii); 52(b); Section 55(1)(a); 55(1)(b); 55(1)(c)(i); Section 56; 57(b); 66(3)(d); 66(5); 67
Treasury Regulations 2005	Regulation 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; Regulation 29.2.2; 29.3.1; 31.2.5; 31.2.7; Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; Regulation 31.1.2(c); 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Section 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment to National Treasury Instruction No. 5 of 2020-21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020-21	Paragraph 2
National Treasury Instruction No. 4 of 2015-16	Paragraph 3.4
National Treasury Instruction No. 5 of 2020-21	Paragraph 4.8; 4.9; 5.3
National Treasury SCM Instruction No. 03 of 2021-22	Paragraph 4.2
National Treasury SCM Instruction No. 11 of 2020-21	Paragraph 3.1; 3.4(b); 3.9
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2(1)(a); 2(1)(f)
Preferential Procurement Regulations, 2022	Paragraph 4.4; 5.4
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2, 5.1; 5.3; 5.6; 5.7; Paragraph 6.8; Paragraph 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Paragraph 11.1
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)

DIRECTORS' REPORT

The directors presenting their report for the year ended 31 March 2025.

1.INCORPORATION

The entity was incorporated on 29 April 2002 and obtained its certificate to commence business on the same day.

2. REVIEW OF ACTIVITIES

MAIN BUSINESS AND OPERATIONS

Richards Bay Industrial Development Zone Company SOC Ltd was formed to undertake the development of industrial land in the Richards Bay area and operates principally in South Africa.

The operating results and state of affairs of the entity are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

3. GOING CONCERN

We draw attention to the fact that at 31 March 2025, the entity had an accumulated surplus of R980 514 586 and that the entity's total assets exceeded its liabilities by R1 131 715 586 The entity is liquid and is able to meet its financial obligations in the near future with the current ratio of 1.77 (March 2024: 1.81) as at end of the financial year.

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

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations of the entity.

4. SUBSEQUENT EVENTS

The Directors are not aware of any material subsequent events that occurred between the end of the reporting period and the date that these financial statements were presented to the Board.

5. ACCOUNTING POLICIES

The annual financial statements were prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury. These accounting policies are consistent with those used in the prior year.

6. SHARE CAPITAL AND PREMIUM

There were no changes in the authorised or issued share capital of the entity during the year under review.

Richards Bay Industrial Development Zone Company SOC Limited has 1 000 authorised no-par value shares and issued share capital. The share capital is as follows: 1000 shares held by the Province of KwaZulu Natal represented by the Department of Economic Development, Tourism and Environmental Affairs.

7. BOARD OF DIRECTORS

The directors of the entity during the year and to the date of this report are as follows:

DIRECTORATE	NATIONALITY	CHANGES	DATES
NON-EXECUTIVE DIRECTORS			
Adv. BA Mbili	South African	Appointed Chairperson	01 April 2023
Ms. SP Mangole	South African	Reappointed	04 September 2021
Cllr. X Ngwezi	South African	Appointed	02 October 2023
Mr. EF Mbatha	South African	Reappointed	04 September 2021
Ms. MT Ndlovu	South African	Reappointed	04 September 2021
Ms. CP Vilakazi	South African	Reappointed	04 September 2021
Mr. TB Hlongwa CA(SA)	South African	Appointed	17 August 2023
Mr. SW Mchunu	South African	Appointed	04 September 2021
Mr. SE Mdlalose	South African	Appointed	04 September 2021
Ms. SG Skosana	South African	Appointed	04 September 2021

DIRECTORS' REPORT *(Continued)*

7. BOARD OF DIRECTORS (continued)

DIRECTORATE	NATIONALITY	CHANGES
EXECUTIVE DIRECTORS		
Mr. TW Zulu (CEO)	South African	-
Ms. S Mvelase (CFO) - CA(SA)	South African	-

8. COMPANY SECRETARY

The Secretary of the entity as at 31 March 2025 is: **Adv. R. Maruma**	**Business Address** 4 Harbour Arterial Richards Bay 3900	**Postal Address** Private Bag X 1005 Richards Bay 3900

9. CORPORATE GOVERNANCE

General

The board of directors is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the board of directors supports the highest standards of corporate governance and the ongoing development of best practices.

The entity confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2016. The board of directors discuss the responsibilities of management in this respect at Board meetings and monitor the entity's compliance with the code on a three- monthly basis.

The salient features of the entity's adoption of the Code are outlined below:

Board of Directors

The Board:

- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity;
- is of a unitary structure comprising:
  - non-executive directors, all of whom are independent directors as defined in the Code; and
  - executive directors.
- has established a Board directorship continuity programme.

Chairperson and Chief Executive

The Chairperson is a non-executive and independent director (as defined by the Code).

The roles of Chairperson and Chief Executive are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Remuneration

The upper limits of the remuneration of the Chief Executive Officer, and the Chief Financial Officer, who are the only two executive directors of the entity, are determined by the Parent entity, and the board of directors will determine the remuneration within the above-mentioned limits.

Internal audit

The entity has outsourced its internal audit function to Bonakude Consulting (Pty) Ltd.

DIRECTORS' REPORT *(Continued)*

10. CONTROLLING ENTITY

The entity's controlling entity is Provincial Government of KZN through the Department of Economic Development, Tourism and Environmental Affairs incorporated in South Africa.

11. BANKERS

ABSA Ltd

12. AUDITORS

Auditor - General of South Africa will continue in office for the next financial period.

The annual financial statements set out on pages 137 to 184, which have been prepared on the going concern basis, were approved by the board of directors on 25 July 2025 and were signed on its behalf by:

Adv. Bhekisisa A. Mbili
Board Chairperson
Date: 25 July 2025

COMPANY SECRETARY'S CERTIFICATION

Declaration by the company secretary in respect of Section 88 (2) (e) of the Companies Act.

In terms of Section 88 (2) (e) of the Companies Act 71 of 2008, 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 Companies Act and that all such returns are true, correct and up to date.

Adv. R. Maruma
Company Secretary
Date: 25 July 2025

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	NOTE(S)	2025	2024
		R	R
Assets			
Non-Current Assets			
Investment property	3	366 342 029	347 198 823
Property, plant and equipment	4	464 025 217	472 403 475
Intangible assets	5	2 517 333	2 478 687
Deposits receivable	6	3 732 597	2 222 597
		836 617 176	**824 303 582**
Current Assets			
Prepayments	7	102 630 531	96 965 270
Receivables from exchange transactions	8	12 592 034	33 101 494
VAT Receivables	9	-	14 526 370
Cash and cash equivalents	10	588 728 809	730 031 934
		703 951 374	**874 625 068**
Total Assets		**1 540 568 550**	**1 698 928 650**
Liabilities			
Current Liabilities			
Operating lease liability	11	104 558	-
Payables from exchange transactions	12	34 707 542	30 021 917
Unspent conditional grants	13	327 537 217	435 926 157
Provisions	14	35 108 464	17 002 952
VAT payable	15	88 746	-
		397 546 527	**482 951 026**
Non-Current Liabilities			
Deposits payable	16	11 306 437	10 055 679
Total Liabilities		**408 852 964**	**493 006 705**
Net Assets		**1 131 715 586**	**1 205 921 945**
Share capital and premium		151 201 000	151 201 000
Accumulated surplus		980 514 586	1 054 720 945
Total Net Assets		**1 131 715 586**	**1 205 921 945**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2025

	NOTE(S)	2025	2024
		R	R
Revenue			
Revenue from exchange transactions			
Rental of facilities	18	28 584 686	29 173 816
Management fees	17	3 541 718	3 167 595
Sundry income	19	25 949	267 982
Tender fee income	19	261 548	152 174
Finance income	20	41 724 261	45 383 920
Gain on disposal of assets	4	15 529	-
Total revenue from exchange transactions		**74 153 691**	**78 145 487**
Revenue from non-exchange transactions			
Transfer Revenue			
Government grants & subsidies	21	255 500 704	153 625 516
Total Revenue	17	**329 654 395**	**231 771 003**
Expenditure			
Employee related costs	22	(87 771 956)	(68 752 152)
Depreciation and amortisation	23	(34 610 893)	(35 956 830)
Reversal of impairments/ (Impairment loss)	24	(95 266)	142 154
Lease rentals on operating lease	25	(1 847 188)	(1 668 662)
Debt Impairment	26	(68 149 296)	(29 017 052)
Bad debts written off	8	-	(59 457)
Loss on disposal of assets	4	-	(36 230)
General expenses	27	(211 386 158)	(111 180 794)
Total Expenditure		**(403 860 757)**	**(246 529 023)**
Deficit for the year		**(74 206 362)**	**(14 758 020)**

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2025

	SHARE CAPITAL	SHARE PREMIUM	TOTAL SHARE CAPITAL	ACCUMULATED SURPLUS	TOTAL NET ASSETS
	R	R	R	R	R
Balance on 01 April 2023	**1 000**	**151 200 000**	**151 200 000**	**1 069 478 965**	**1 220 679 965**
Changes in net assets				**-**	**-**
Deficit for the year*	-	-	-	(14 758 020)	(14 758 020)
Total Changes	**-**	**-**	**-**	**(14 758 020)**	**(14 758 020)**
Balance on 01 April 2024	**1 000**	**151 200 000**	**151 201 000**	**1 054 720 948**	**1 205 921 948**
Changes in net assets					
Deficit for the year*	-	-	-	(74 206 362)	(74 206 362)
Total Changes	**-**	**-**	**-**	(74 206 362)	(74 206 362)
Balance on 31 March 2025	**1 000**	**151 200 000**	**151 201 000**	**980 514 586**	**1 131 715 586**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

	NOTE(S)	2025 R	2024 R
Cash flows from operating activities			
Receipts			
Sale of goods and services		21 488 026	22 109 832
Grants		147 111 765	301 062 643
Finance income		26 932 487	37 641 016
		195 532 278	**360 813 491**
Payments			
Employee costs		(86 360 178)	(67 462 980)
Suppliers		(209 024 999)	(173 913 112)
		(295 385 177)	(241 376 092)
Net cash flows from operating activities	31	**(99 852 899)**	**119 437 399**
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(22 314 998)	(25 587 494)
Proceeds from sale of property, plant and equipment	4	85 677	19 432
Purchase of investment property	3	(19 171 405)	(102 584 180)
Purchase of other intangible assets	5	(49 500)	-
Net cash flows from investing activities		**(41 450 226)**	**(128 155 242)**
Net increase/(decrease) in cash and cash equivalents		**(141 303 125)**	**(8 717 843)**
Cash and cash equivalents at the beginning of the year		730 031 934	738 749 777
Cash and cash equivalents at the end of the year	10	**588 728 809**	**730 031 934**

The accounting policies on pages 143 to 162 and the notes on pages 163 to 184 form an integral part of the annual financial statements.

STATEMENT OF COMPARISON FOR THE YEAR ENDED 31 MARCH 2025

Budget on Accrual Basis

	Approved Budget	Adjustment	Final Budget	Actual Amounts On Comparable Basis	Difference between final budget and actual	Reference
	R	R	R	R	R	R
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rental of facilities	40 056 025	(10 135 583)	**29 920 442**	29 334 308	(586 134)	
Management fees	1 932 003	860 093	**2 792 096**	2 792 096	-	
Sundry income	-	51 304	**51 304**	25 949	(25 355)	
Tender fee income	168 500	23 353	**191 853**	261 548	69 695	
Finance income	23 900 000	(1 627 358)	**22 272 642**	41 724 261	19 451 619	A
Total revenue from exchange transactions	**66 056 528**	**(10 828 191)**	**55 228 337**	**74 138 162**	**18 909 825**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	113 335 652	-	113 335 652	255 500 704	142 165 052	B
Total revenue	**179 392 180**	**(10 828 191)**	**168 563 989**	**329 638 866**	**161 074 877**	
Expenditure						
Employee related costs	(89 508 000)	(320 649)	**(89 828 649)**	(87 771 956)	2 056 693	C
Depreciation and amortisation	(34 416 169)	(194 724)	**(34 610 893)**	(34 610 893)	-	
Impairment loss/ Reversal of impairments	-	(95 266)	**(95 266)**	(95 266)	-	
Lease rentals on operating lease	(2 460 600)	500 845	**(1 959 755)**	(1 847 188)	112 567	
Debt Impairment	-	(12 637 013)	**(12 637 013)**	(68 149 296)	(55 512 283)	D
General Expenses	(227 928 958)	9 461 795	**(218 467 163)**	(211 386 158)	7 081 005	E
Total Expenditure	**(354 313 727)**	**(3 285 012)**	**(357 598 739)**	**(403 860 757)**	**(46 262 018)**	
Operating deficit	**(174 921 547)**	**(14 113 203)**	**(189 034 750)**	**(74 221 891)**	**114 812 859**	
Profit / (Loss) on disposal of assets and liabilities	-	15 529	15 529	15 529	**-**	
Deficit for the year	**(174 921 547)**	**(14 097 674)**	**(189 019 221)**	**(74 206 362)**	**114 812 859**	
Major Capital expenditures	(171 150 000)	40 530 035	**(130 619 965)**	(34 028 253)	**96 591 712**	F
Minor Capital expenditures	(15 735 000)	3 849 366	**(11 885 634)**	(11 613 053)	**272 581**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**(361 806 547)**	**30 281 727**	**(331 524 820)**	**(119 847 668)**	**211 677 152**	

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

A. Finance income

The over-collection of interest is due in one part to holding of funds longer by the conveyancing attorneys than anticipated. The interest on overdue accounts, which is not budgeted for, has significantly increased in the current year due to non-payment by two of our major customers. This has contributed to the increase in the debt impairment as well.

B. Government grants

The budget amount reflects only the EDTEA operational unconditional grant whereas the actual includes dtic and EDTEA conditional grants applied during the year. The conditional grant applied is not budgeted for due unpredictability of spend in the projects. The variance of R142 million is largely driven by the Deforestation and Geotech Investigations within Phase 1F, which was solely funded by a conditional grant from the Dtic.

The revenue from non-exchange transactions (conditional grants) are recognised as the expenditure on capital projects is incurred.

C. Employee related costs

Savings achieved due positions still vacant at the end of the financial year. These positions were budgeted to be filled in quarter 4, being the earliest.

D. Debt impairment

The actual movement in the provision reflects an increase in the provision. This is due to some tenants not paying the rental and management fees which are billed on a monthly basis. This has contributed to the increase in the long-outstanding debt over 90 days in ageing. This was not included in the budget.

E. General expenses

The following contributed to the under expenditure during the year:

Professional fees – The underspending on Professional Fees largely contributes to the underspending of General Expenses. There were a few projects still within the procurement process at 31 March 2025, while some budgeted projects were not yet started, but deferred to the next financial year. There were also projects that were in progress, but due to challenges on the works being completed, the expected spending on those projects had not materialise as planned.

Water and Electricity – The budget estimate anticipated an increase in demand in Phase 1A, as the palm oil manufacturing plant was set to become fully operational in quarter 4. However, the actual demand did not increase as the plant is still within the construction phase at the end of the period.

License Fees – There were savings achieved on a few licenses that were procured, as the estimates for these were higher than the actual costs. Additionally, the procurement of the CRM license was deferred to 2025/26. This is due to the need to align the requirements for CRM System (Build and Functionality) to the outcomes of the ICT Commercialisation Strategy, which is still in progress.

Major Capital Expenditure - The under expenditure on major capital project was due to delays in delivery of electrical materials that were expected to be delivered at the beginning of Q3 and this contributed to slow performance, poor weather conditions(heavy rains causing high water tables) where no site activities could be performed until weather conditions and water levels improved and additional scope of work that required funding approval.

The current year deficit is fully funded from our roll over funds carried from the previous financial years and capital projects are fully funded by the dtic.

The accounting policies on pages 143 to 162 and the notes on pages 163 to 184 form an integral part of the annual financial statements.

1. Significant accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand (ZAR), which is the functional currency of the entity.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months. This basis presumes that the entity will be able to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future.

1.3 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made based on the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment considers how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The 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 judgements include:

Impairment testing

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

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in note 14 - Provisions.

Useful lives of assets

The entity's management determines the estimated useful lives and related depreciation charges for investment properties, intangible assets and property, plant and equipment. The estimates are based on industry norms and expected usage or benefits to be derived from them. Useful lives are reviewed at least once annually.

1.4 Significant judgements and sources of estimation uncertainty- (continued)

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the recoverable amount.

1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Cost model

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value by equal installments over the useful life of the property, which is as follows:

Item	Useful Life
Property - land	indefinite
Property - buildings	25 years

Property that is being constructed or developed for future use as investment property is recognised as work in progress under investment property during the construction phase. Once construction is completed, the property is transferred to the completed category. During the construction phase, the property is considered for impairment on an annual basis and is not depreciated. The cost of work in progress is recognised on a stage of completion basis.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The entity separately discloses expenditure to repair and maintain investment property in the notes to the annual financial statements (see note 3).

The entity discloses relevant information relating to assets under construction or development, in the notes to the annual financial statements (see note 3).

SIGNIFICANT ACCOUNTING POLICIES - *Continued*

1.6 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

SIGNIFICANT ACCOUNTING POLICIES - *Continued*

1.6 Property, plant and equipment - *(continued)*

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight-line	10 to 25 years
Plant and machinery	Straight-line	5 to 40 years
Furniture and fixtures	Straight-line	10 to 20 years
Motor vehicles	Straight-line	5 to 10 years
Office equipment	Straight-line	5 to 10 years
IT equipment	Straight-line	3 to 15 years
Infrastructure electricity	Straight-line	10 to 50 years
Infrastructure roads	Straight-line	5 to 25 years
Billboards	Straight-line	5 to 10 years
Infrastructure water	Straight-line	10 to 25 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity's expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

SIGNIFICANT ACCOUNTING POLICIES - *Continued*

1.6 Property, plant and equipment - *(continued)*

Assets that the entity holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available for sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 4).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 4).

1.7 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

:

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Internally generated goodwill is not recognised as an intangible asset.

SIGNIFICANT ACCOUNTING POLICIES - *Continued*

1.7 Intangible assets - *(continued)*

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight-line	3 to 12 years
Computer software, other	None	Indefinite

1.8 Deposits receivable

The deposits receivable are recognised as an asset on an accrual basis and are measured as the consideration receivable. These are subsequently measured at cost.

The deposits receivable within 12 months from reporting date are classified under current assets and all other deposits are classified under non-current.

1.9 Deposits payable

The deposits payables are recognised as a liability on an accrual basis and are measured as the consideration payable. Based on contractual arrangements, these are subsequently measured at cost or at amortised cost.

The deposits payable within 12 months from the reporting date are classified under current liabilities and all other deposits are classified under non-current.

1.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment.

A concessionary loan is a loan granted to or received by an entity on terms that are not market-related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses.

SIGNIFICANT ACCOUNTING POLICIES - *Continued*

1.10 Financial instruments - *(continued)*

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:
- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:
- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed off the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

SIGNIFICANT ACCOUNTING POLICIES - *Continued*

1.10 Financial instruments *(Continued)*

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
  - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
  - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
  - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
  - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

Initial measurement

When a financial asset or financial liability is recognised initially, the entity measures it at its fair value plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement

An entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value;
- Financial instruments at amortised cost; and
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review accordingly.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value shall be recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Derecognition of financial assets

The entity derecognise a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or

the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

In this case, the entity shall:

(i) derecognise the asset; and
(ii) recognise separately any rights and obligations created or retained in the transfer.

Derecognition of financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

SIGNIFICANT ACCOUNTING POLICIES - *Continued*

1.10 Financial instruments *(Continued)*

Classification

The entity has the following types of financial assets (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from exchange transactions	Financial asset measured at amortised cost
Prepayments	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at cost
Deposits receivable	Financial asset measured at cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Deposits payable	Financial liability measured at cost
Unspent conditional grants	Financial liability measured at amortised cost

The entity has the following types of residual interests (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Share capital and share premium	Measured at cost

1.11 Tax

Current 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.

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.

Deferred tax assets and liabilities

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 surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus 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 surplus nor taxable profit (tax loss).

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

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.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit 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 net assets; or
- a business combination

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

1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Income from operating leases is recognised as revenue. The lease payments are straight-lined over the lease term depending on the stage of establishment within the zone:

Pre-occupation – the period from signing of lease agreement to construction date. Due to the conditional nature of the lease agreements, the minimum lease payments are accounted for on a month-to-month basis. Should conditions not be fulfilled, or the investor decide not to continue with the investment, the lease agreement is then subject to cancellation.

Construction – the accounting treatment is dependent on the lease terms and each agreement is assessed separately. Treatment of the minimum lease payments will either be recognised on a straight-line basis or month-to-month basis, depending on the terms and conditions of the lease agreements.

Operational – minimum lease payments are calculated as per lease agreement and are accounted for on a straight-line basis excluding the effect of changes in CPI as this is considered a contingent rental.

1.12 Leases - *(continued)*

Operating leases - lessor - *(continued)*

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in the statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.13 Cash and cash equivalents

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 which are subject to an insignificant risk of changes in value.

Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Cash and cash equivalents comprise bank balances, cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less which are available on demand.

Some equity investments are included in cash equivalents when they are, in substance, cash equivalents.

Bank overdrafts which are repayable on demand forms an integral part of the entity's cash management activities, and as such are included as a component of cash and cash equivalents.

1.14 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

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.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

SIGNIFICANT ACCOUNTING POLICIES - *Continued*

1.14 Impairment of cash-generating assets - *(Continued)*

Designation

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of an entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cashgenerating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the entity designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the entity applies the appropriate discount rate to those future cash flows.

Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.14 Impairment of cash-generating assets - *(Continued)*

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.
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1.15 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:
- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

Designation

At initial recognition, the entity designates an asset as non-cash-generating, or an asset or cash-generating unit as cashgenerating. The designation is made on the basis of an entity's objective of using the asset.

The entity designates an asset or a cash-generating unit as cash-generating when:
- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return; such that
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, thatare expected to be significantly higher than the cost of the asset.

The entity designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

1.15 Impairment of non-cash-generating assets - *(Continued)*

Designation - *(Continued)*

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cashgenerating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the entity designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

1.16 Share capital and premium

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

1.17 Employee benefits

Identification

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept an offer of benefits in exchange for the termination of employment.

1.18 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, thereimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of an activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

No obligation arises as a consequence of the sale or transfer of an operation until the entity is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately aresubsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 34.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

SIGNIFICANT ACCOUNTING POLICIES - *Continued*

1.18 Provisions and contingencies - *(Continued)*

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The entity recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the entity for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the entity considers that an outflow of economic resources is probable, an entity recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.19 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.20 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

1.20 Revenue from exchange transactions - *(Continued)*

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising from a transaction that is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

Tender fee income

This is revenue generated from the sale of tender documents. Revenue is recognised upon delivery of tender documents purchased to the prospective bidder and is measured as the consideration received.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion.

When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Finance income

Revenue arising from the use by others of entity assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.21 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

1.21 Revenue from non-exchange transactions - *(Continued)*

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulations, or a binding arrangement imposed upon the use of a transferred asset by entities external to the reporting entity.

Government grants

RBIDZ receives both unconditional and conditional grants:

- Unconditional grants are recognised as revenue from non-exchange transactions on receipt.
- Conditional grants are recognised as a liability on receipt. Once grant condition has been met, grant is then recognised as revenue to an extent that the condition is met.

Recognition

An inflow of resources from a non-exchange transaction recognised as revenue immediately on receipt.

An inflow of resources from non-exchange transaction is recognised as a liability until an obligation to perform is met. Once a condition is met, revenue from non-exchange transaction will be recognised.

Measurement

Revenue from a non-exchange transaction is measured as a consideration received net of VAT and to the extent that the grant conditions are met

1.22 Finance income

Finance income is recognised on a time-proportion basis using the effective interest method.

1.23 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

SIGNIFICANT ACCOUNTING POLICIES - *Continued*

1.23 Translation of foreign currencies *(Continued)*

Cash flows arising from transactions in a foreign currency are recorded in Rands, by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.24 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

If retrospective application is impracticable for a particular prior period, or for periods before those presented, disclose the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.

1.25 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with its nature and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.26 Irregular expenditure

Irregular expenditure that was incurred and identified during the current financial year and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonation is being awaited at year-end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme /expenditure item, be disclosed as such in the note to the financial statements and be updated accordingly in the irregular expenditure register.

1.27 Budget information

Entity is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by programmes linked to performance outcome objectives.

The approved budget covers the fiscal period from 2023/04/01 to 2024/03/31.

The budget for the economic entity includes all the entities approved budgets under its control.

SIGNIFICANT ACCOUNTING POLICIES - *Continued*

1.27 Budget information - *(Continued)*

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period has been included in the statement of comparison of budget and actual amounts.

1.28 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement and exists only when the strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.29 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date)

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements

1.30 General expenses.

Expenses are decreases in the net financial position of the entity, other than decreases arising from ownership distributions. The general expenses are recognised as expenses on an accrual basis and are measured as the consideration payable exclusive of Value Added Tax as allowed by the South African Revenue Service. These are recognised when they are incurred and not necessarily when they are paid.

2. New Standards and Interpretation

2.1 Standards and interpretations issued, but not yet effective

The entity has not yet applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2025 or later periods.

Standard / Interpretations	Effective Date	Expected Impact
GRAP 107 Mergers	To be determined	Unlikely there will be a material impact as a result of the amendments
GRAP 106 Transfer of Functions Between Entities Not Under Common Control	To be determined	Unlikely there will be a material impact as a result of the amendments
GRAP 105 Transfer of Functions Between Entities Under Common Control	To be determined	Unlikely there will be a material impact
GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	To be determined	Unlikely there will be a material impact
GRAP 103 (as revised): Heritage Assets	To be determined	Unlikely there will be a material impact
iGRAP 22 Foreign Currency Transactions and Advance Consideration	01 April 2025	Unlikely there will be a material impact
GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Investment Property	2025			2024		
	Cost	Accumulated depreciation and accumulated impairment	Carrying Value	Cost	Accumulated depreciation and accumulated impairment	Carrying Value
	R	R	R	R	R	R
Investment property	388 873 704	(22 531 675)	366 342 029	365 596 896	(18 398 073)	347 198 823

Reconciliation of investment property - March 2025

	Opening Balance	Additions	Depreciation	Total
	R	R	R	R
Investment property	347 198 823	23 276 808	(4 133 602)	366 342 029

Reconciliation of investment property - March 2024

	Opening Balance	Additions	Depreciation	Total
	R	R	R	R
Investment property	248 683 767	102 584 180	(4 069 124)	347 198 823

Detailed investment property reconciliation - March 2025	Opening Balance	Additions	Depreciation	Total
	R	R	R	R
Land	248 487 640	-	-	248 487 640
Buildings - Completed	84 992 346	-	(4 133 602)	80 858 744
Buildings - Work in progress	13 718 837	23 276 808	-	36 995 645
	347 198 823	**23 276 808**	**(4 133 602)**	**366 342 029**

Detailed investment property reconciliation - March 2024	Opening Balance	Additions	Depreciation	Total
	R	R	R	R
Land	158 004 392	90 483 248	-	248 487 640
Buildings - Completed	89 061 470	-	(4 069 124)	84 992 346
Buildings - Work in progress	1 617 905	12 100 932	-	13 718 837
	248 683 767	**102 584 180**	**(4 069 124)**	**347 198 823**

Investment property in the process of being constructed or developed	2025	2024
	R	R
Cumulative expenditure recognised in the carrying value of Investment property Buildings	36 995 645	13 718 837
Carrying value of Investment property that is taking a significantly longer period of time to complete than expected	22 172 993	-
Prostar Paint Top Structure The main reason for the delay is due to additional funding that is still being sourced towards additional scope of work. As at 31 March 2025, there are no indicators for impairment as work is still being done towards construction	22 172 993	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Investment Property - *(Continued)*

	2025	2024
	R	R
Amounts recognised in surplus or deficit		
Rental revenue from Investment property	28 584 686	29 173 816
From Investment property that generated rental revenue		
Repairs and maintenance	3 764 708	3 732 614
From Investment property that did not generate rental revenue		
Repairs and maintenance	1 080 493	839 225

4. Property, Plant and Equipment

	2025			2024		
	Cost	Accumulated depreciation and accumulated impairment	Carrying Value	Cost	Accumulated depreciation and accumulated impairment	Carrying Value
	R	R	R	R	R	R
Land and Buildings	218 218 777	(82 873 209)	135 345 568	217 706 746	(71 527 219)	146 179 527
Furniture and fixtures	5 606 113	(3 711 860)	1 894 253	5 463 103	(3 547 584)	1 915 519
Motor vehicles	3 937 585	(1 162 430)	2 775 155	1 517 484	(892 910)	624 574
Office equipment	3 517 155	(2 851 705)	665 450	3 634 917	(3 001 641)	633 276
IT equipment	23 333 754	(10 136 243)	13 197 511	16 903 627	(8 478 001)	8 425 626
Infrastructure electricity	189 369 333	(32 583 519)	156 785 814	178 469 948	(28 363 323)	150 106 625
Infrastructure Roads	178 765 890	(52 455 898)	126 309 992	178 769 444	(45 229 490)	133 539 954
Plant and Machinery	50 566 659	(35 127 266)	15 439 393	50 132 009	(31 577 221)	18 554 788
Billboards	473 000	(283 832)	189 168	473 000	(236 540)	236 460
Infrastructure Water	16 321 450	(4 898 537)	11 422 913	16 321 450	(4 134 324)	12 187 126
TOTAL	**690 109 716**	**(226 084 499)**	**464 025 217**	**669 391 728**	**(196 988 253)**	**472 403 475**

Reconciliation of property, plant and equipment - March 2025

	Opening balance	Additions	Disposals	Other Adjustments	Depreciation	Impairment Loss	Total
	R	R	R	R	R	R	R
Land and Buildings	146 179 527	512 031	-	-	(11 345 990)	-	135 345 568
Furniture and fixtures	1 915 519	367 373	(2 028)	-	(385 261)	(1 350)	1 894 253
Motor vehicles	624 574	2 420 100	-	-	(269 519)	-	2 775 155
Office equipment	633 276	238 083	(1 113)	-	(204 796)	-	665 450
IT equipment	8 425 626	7 443 376	(112 076)	(13 905)	(2 545 510)	-	13 197 511
Infrastructure electricity	150 106 625	10 899 385	-	-	(4 170 351)	(49 845)	156 785 814
Infrastructure Roads	133 539 954	-	(2 431)	-	(7 227 531)	-	126 309 992
Plant and Machinery	18 554 788	434 650	-	-	(3 523 960)	(26 085)	15 439 393
Billboards	236 460	-	-	-	(47 292)	-	189 168
Infrastructure water	12 187 126	-	-	-	(746 227)	(17 986)	11 422 913
TOTAL	**472 403 475**	**22 314 998**	**(117 648)**	**(13 905)**	**(30 466 437)**	**(95 266)**	**464 025 217**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. Property, Plant and Equipment - *(Continued)*

Reconciliation of property, plant and equipment - March 2024

	Opening balance	Additions	Disposals	Depreciation	Impairment Loss	Impairment Reversal	Total
	R	R	R	R	R	R	R
Land and Buildings	157 962 586	-	-	(11 783 059)	-	-	146 179 527
Furniture and fixtures	2 028 982	349 133	-	(449 003)	(13 593)	-	1 915 519
Motor vehicles	734 128	-	-	(109 554)	-	-	624 574
Office equipment	773 578	86 605	-	(223 703)	(3 204)	-	633 276
IT equipment	4 408 477	5 920 711	(52 662)	(1 839 437)	(11 463)	-	8 425 626
Infrastructure electricity	135 605 399	18 905 715	-	(4 430 908)	-	26 419	150 106 625
Infrastructure Roads	140 554 205	208 839	-	(7 223 090)	-	-	133 539 954
Plant and Machinery	23 314 777	116 491	-	(5 020 475)	-	143 995	18 554 788
Billboards	283 800	-	-	(47 340)	-	-	236 460
Infrastructure water	12 933 714	-	-	(746 588)	-	-	12 187 126
TOTAL	**478 599 646**	**25 587 494**	**(52 662)**	**(31 873 157)**	**(28 260)**	**170 414**	**472 403 475**

Compensation received for losses on property, plant and equipment

	2025	2024
	R	R
IT equipment	85 677	16 432

Property, plant and equipment with a net book value of R117 648 (2024: R52 662) was disposed, donated, returned and/or lost and a total consideration amounting to R85 677 (2024: R16 432) in the current financial year resulting in a gain on disposal of R15 529 (Loss 2024: R36 230).

Property, plant and equipment in the process of being constructed or developed

	2025	2024
Cumulative expenditure recognised in the carrying value of property, plant and equipment	R	R
Infrastructure electricity	37 968 177	27 216 732

The electrical upgrade project is still work in progress as the project was split into two stages. The first stage was to appoint a service provider to assist with the professional designs, assist with drafting of terms of reference for the appointment of the main contractor as well as supervision of the project. The second part was for the appointment of a service provider for the supply, installation and commissioning of a substation. The installation process is well underway and the substation is expected to be commissioned in the first half of the new financial year. There are no indicators of impairment as at 31 March 2025.

Reconciliation of Work-in-Progress March 2025	Infrastructure Electricity	Total
	R	R
Opening balance	27 216 732	27 216 732
Additions/capital expenditure	10 751 445	10 751 445
	37 968 177	**37 968 177**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. Property, Plant and Equipment - *(Continued)*

Reconciliation of Work- in-Progress March 2024	Infrastructure Electricity	Infrastructure Roads	Total
	R	R	R
Opening balance	8 311 020	2 062 292	10 373 312
Additions/capital expenditure	18 905 712	208 838	19 114 550
Transferred to completed items	-	(2 271 130)	(2 271 130)
	27 216 732	**-**	**27 216 732**

Expenditure incurred to repair and maintain property, plant and equipment	2025	2024
	R	R
Land and buildings	581 062	752 876
Furniture and fixtures	103 351	30 039
IT Equipment	4 249 510	1 945 606
Office equipment	281 050	166 440
Plant and Machinery	164 487	49 662
Infrastructure Roads	-	1 344
Infrastructure electricity	1 416 701	3 598 406
	6 796 161	**6 544 373**

Reassessment of useful lives

The estimated useful lives of assets were reviewed during the year taking into account changes in circumstances. The effect of the change is disclosed in note 37

5. Intangible Assets	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying Value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying Value
	R	R	R	R	R	R
Computer software, other	2 820 515	(303 182)	2 517 333	2 771 015	(292 328)	2 478 687

Reconciliation of intangible assets - March 2025	Opening Balance	Additions	Amortisation	Total
	R	R	R	R
Computer software, other	2 478 687	49 500	(10 854)	2 517 333

Reconciliation of intangible assets - March 2024	Opening Balance	Amortisation	Total
	R	R	R
Computer software, other	2 493 235	(14 548)	2 478 687

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. Intangible Assets - *(Continued)*

Other information

Intangible assets with indefinite lives:	2025 R	2024 R
Software	2 465 362	2 465 362

Certain items of softwares were assessed to have an indefinite useful lives as there is no foreseeable limit to the period over which the assets are expected to generate future economic benefits for the entity. These assets were reviewed at year-end and there were no changes to their useful lives and no impairment indicators were identified.

6. Deposits Receivable

The balance relates to rental and electricity deposits paid.

	2025 R	2024 R
Deposits split		
Rental	1 942 924	432 924
Electricity	1 789 673	1 789 673
	3 732 597	**2 222 597**
Deposits		
Non-current	3 732 597	2 222 597

7. Prepayments

The prepayment balance is made up of:

- An amount of R55.9 million (March 2024: R52.5 million) which is the balance of funds transferred to Shepstone and Wylie for capital contributions (Allumina Alley, Phase 1F Industrial substation, Medway road), the purchase price of Phase 1F Land and full service cost for phase 1F. With all the projects now complete, the process to facilitate the refund back to RBIDZ is underway and engagements with the attorneys are being held.
- An amount of R45.6 million deposited with the conveyancers for the bulk contributions for the development of Phase 1D land purchased by RBIDZ from the City of Umhlathuze. This was placed as a condition and security by the City to ensure availability of funds for the bulk infrastructure.
- The prepaid expense relates to licenses fees paid upfront during the development of the ERP system. These are being amortised evenly over the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7. Prepayments - *(Continued)*

	2025	2024
	R	R
Prepayments		
Land Transfer debtor -Shepstone and Wyli	55 915 635	52 509 852
Land Transfer debtor - Duvenage	46 548 229	43 288 751
Prepaid expense	166 667	1 166 667
	102 630 531	**96 965 270**

	2025	2024
	R	R

Reconciliation of the balance is provided below:

Reconciliation of prepayments

Opening balance	96 965 270	49 287 501
Interest earned	7 513 791	8 317 805
Commission paid	(487 044)	(205 691)
Transfer to conveyancers	-	147 319 341
Other movements	(361 486)	(180 575)
Transfer from conveyancers	-	(4 680 647)
Lisense fees pre-paid	-	1 166 667
Release of prepayment	(1 000 000)	-
Registration of land	-	(104 059 131)
	102 630 531	**96 965 270**

8. Receivables from exchange transactions

	2025	2024
	R	R
Trade debtors	145 933 144	97 081 219
Sundry debtors	3 833 767	5 045 856
Provision for doubtful debts	(137 174 877)	(69 025 581)
	12 592 034	**33 101 494**

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2025, R 6 688 008 (2024: R 6 020 052) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

	2025	2024
	R	R
1 Month past due	2 773 362	6 020 052
2 Months past due	3 914 646	-

Trade and other receivables impaired

As of 31 March 2025, trade and other receivables of R 137 174 877 (2024: R 69 025 581) were impaired and provided for. Provision has not been updated in the current year and will be updated at year end.

The ageing of these receivables is as follows:

	2025	2024
	R	R
Less than 3 months	14 498 363	-
3 to 6 months	4 006 205	9 076 559
Over 6 months	118 670 309	59 949 022

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

8. Receivables from exchange transactions - *(Continued)*

Reconciliation of provision for impairment of trade and other receivables

	2025 R	2024 R
Opening balance	69 025 581	41 059 339
Provision for impairment increase	68 149 296	29 017 052
Amounts written off as uncollectible	-	(1 050 810)
	137 174 877	**69 025 581**

During the prior year, long outstanding debtors that were considered uncollectable were approved for write off. Some of these were previously provided for as doubtful and the write off has been applied against the provision account. Below is the breakdown of the write off amount:

Debt written off breakdown

	2025 R	2024 R
Debtors previously included in the provision for doubtful debts	-	1 050 810
New debt not previously impaired	-	59 457
	-	**1 110 267**

9. VAT Receivable

	2025 R	2024 R
VAT Control	-	14 526 370

The significant balance from the prior year was due to mainly the input VAT claimed from the purchase of Phase 1D land that had not been refunded by SARS. This was subsequently refunded in the current year.

10. Cash and Cash Equivalents

Cash and cash equivalents consist of:

	2025 R	2024 R
Cash on hand	169	169
Bank balances	23 903 409	5 426 838
Short-term deposits	564 825 231	724 604 927
	588 728 809	**730 031 934**

The entity had the following bank accounts

Account description / number	Bank statement balances			Cash book balances		
	31 March 2025 R	31 March 2024 R	31 March 2023 R	31 March 2025 R	31 March 2024 R	31 March 2023 R
ABSA - current account -4072219190	23 903 409	5 426 838	10 475 380	23 903 409	5 426 838	10 475 380
ABSA - call account -9223273582	2 400 029	445 775	413 200	2 400 029	445 775	413 200
ABSA - call account -9305663726	2 626 092	2 437 069	2 260 107	2 626 092	2 437 069	2 260 107
ABSA - call account -9330654257	56 807 498	52 561 651	48 629 890	56 807 498	52 561 651	48 629 890
ABSA - call account -9241181797	8 365 431	113 892 393	73 383 266	8 365 431	113 892 393	73 383 266
ABSA Call - Invest Tracker	105 451 051	116 864 457	117 609 646	105 451 051	116 864 457	117 609 646
ABSA - call account -9258960039	11 913 515	11 106 977	3 069 187	11 913 515	11 106 977	3 069 187
ABSA - call account -9310493415	462 283	35 794 962	72 967 602	462 283	35 794 962	72 967 602
ABSA - call account -9371144532	24 850 915	28 944 515	40 287 209	24 850 915	28 944 515	40 287 209
ABSA - call account -9383432363	105 876 097	111 883 834	-	105 876 097	111 883 834	-
ABSA - call account -9380071279	7 916 976	7 347 123	-	7 916 976	7 347 123	-
FNB - call account -62689927419	24 769 656	42 195 935	57 865 671	24 769 656	42 195 935	57 865 671
ABSA - call account -9386885210	14 210 999	-	-	14 210 999	-	-
ABSA - Call account -9393961885	8 542 048	-	-	8 542 048	-	-
FNB - call account -62407957755	322 835	298 575	29 576 593	322 835	298 575	29 576 593
FNB - call account -62407956848	5 442 116	11 024 401	10 174 773	5 442 116	11 024 401	10 174 773
Investec - call account -50007013249	10 262 785	9 491 561	86 913 436	10 262 785	9 491 561	86 913 436
Investec - call account -500011909214	31 615 857	29 333 200	27 072 552	31 615 857	29 333 200	27 072 552
Nedbank - 03/7881104074/0002	102 737 773	94 957 157	106 300 563	102 737 773	94 957 157	106 300 563
Nedbank - 03/7881104074/0003	40 251 273	56 025 342	51 750 533	40 251 273	56 025 342	51 750 533
TOTAL	**588 728 638**	**730 031 765**	**738 749 608**	**588 728 638**	**730 031 765**	**738 749 608**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

11. Operating lease liability

	2025	2024
	R	R
Current liabilities	104 558	-

The entity entered into an operating lease for its office building. The lease escalates on an annual basis at the anniversary of the lease.

12. Payables from exchange transactions

	2025	2024
	R	R
Trade payables	23 350 290	27 406 477
Accrued expense	2 756 609	2 611 442
Debtors with credit balances	-	3 998
Construction contract - Fresh Produce Hub	8 600 643	-
	34 707 542	**30 021 917**

Construction contract - Fresh Produce Hub

RBIDZ entered into an implementing agency agreement with the KwaZulu Natal Department of Agriculture al Development for the construction of the Fresh Produce Hub that will be constructed within the Phase 1A of RBIDZ. The amount presented above relates to the first tranche transferred to kick start the project. As at 31 March 2025, no expenditure has been incurred towards the project and no revenue has been generated by RBIDZ from this arrangement. The balance is made up of the first tranche of R8 400 000 transferred to RBIDZ plus R 200 643 which is interest earned from funds invested. The interest is accumulated with the initial balance and it is recognised as a payable under payables from exchange transactions.

13. Unspent conditional grants

The entity receives three types of grants from dtic (earmarked for capital projects and is conditional), EDTEA (mainly for operational costs and minor projects and are unconditional) and EDTEA (for special projects and are conditional). The main distinction between the two funders is that interest earned on EDTEA grant can be used for operational purposes without any prior approval whereas the interest earned from dtic grants cannot be used without the necessary prior approval.

Unspent conditional grants from dtic and EDTEA is disclosed below:

Unspent conditional grants breakdown

	2025	2024
	R	R
dtic Interest	13 856 734	8 678 994
Nyanza Light Metals Top Structure	2 641 370	2 453 007
Elegant Afro-Line Chemicals Top Structure	57 152 467	52 918 782
Mandlanzini Pipeline	7 963 035	7 395 171
EDTEA Technopark	109 291	558 620
Phase 1A Electrical upgrade	104 560 136	106 942 664
Prostar Paint Top Structure	25 021 706	27 563 212
Bote Industries Top Structure	101 893 177	112 729 553
Nyanza - Deforestation	14 339 301	116 686 154
	327 537 217	**435 926 157**

Reconciliation of dtic and EDTEA unspent conditional grants

	2025	2024
	R	R
Balance at the beginning of the year	435 926 157	285 669 290
Additions during the year	-	166 970 068
Grant applied during the year	(142 165 052)	(42 829 864)
Interest received from conditional grants	33 776 112	26 116 663
	327 537 217	**435 926 157**

14. Provisions

Reconciliation of provisions - March 2025

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
	R	R	R	R	R
Provision for leave pay	4 671 227	6 394 364	(5 183 886)	-	5 881 705
Performance bonus	-	8 478 400	(8 478 400)	-	-
Other provision	12 331 725	21 568 913	(2 824 949)	(1 848 930)	29 226 759
	17 002 952	**36 441 677**	**(16 487 235)**	**(1 848 930)**	**35 108 464**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

14. Provisions - *(Continued)*

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
	R	R	R	R	R
Provision for leave pay	4 671 227	6 394 364	(5 183 886)	-	5 881 705
Performance bonus	-	8 478 400	(8 478 400)	-	-
Other provision	12 331 725	21 568 913	(2 824 949)	(1 848 930)	29 226 759
	17 002 952	**36 441 677**	**(16 487 235)**	**(1 848 930)**	**35 108 464**

Reconciliation of provisions - March 2024

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
	R	R	R	R	R
Provision for leave pay	3 545 626	2 237 739	(1 112 138)	-	4 671 227
Performance bonus	338 425	8 061 799	(8 034 519)	(365 705)	-
Other provision	9 000 425	4 834 248	(1 502 948)	-	12 331 725
	12 884 476	**15 133 786**	**(10 649 605)**	**(365 705)**	**17 002 952**

	2025	2024
	R	R
Non-current liabilities	-	-
Current liabilities	35 108 464	17 002 952
	35 108 464	**17 002 952**

Other provisions

	2025	2024
	R	R
Litigation claims	5 486 757	5 486 757
COIDA	1 847 193	1 369 858
Retentions	8 854 335	3 406 453
Project provision	12 971 072	908 219
Leasing of property	-	1 128 597
13th cheque provision	67 402	31 841
	29 226 759	**12 331 725**

Litigation claims - these are claims against the entity where the entity is more likely to settle the liability and are expected to be finalised within the next financial year. The provision amount is estimated as the amount expected to be settled plus estimated legal fees.

COIDA - provision was raised for the submission of annual returns for the relevant assessment year.

Retention - these are retentions from construction projects held. The percentage retention held is agreed with service providers as well as the period to be held after project completion.

Project provision - a provision was raised for a completed project whose final claim has not been settled due to administrative issues in finalising the project.

Leasing of premises - provision raised in the prior year for rental and utilities for the lease of office buildings occupied by RBIDZ pending finalisation of the lease agreement. The lease expired end of September 2023 and a provision is being raised as the building is being occupied while the lease is being finalised. The lease has been finalised in the current year and all relevant invoices have been raised and settled.

13th Cheque provision - provision raised for employees that have opted to restructure their packages to include a 13th cheque.

15. VAT Payable

	2025	2024
	R	R
VAT Control	88 746	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

16. Deposits Payable

This balance represents rental and utility deposits paid by our customers as per the lease agreement:

	2025	2024
	R	R
Rental and utility deposits		
Deposits	11 306 437	10 055 679

17. Revenue

	2025	2024
	R	R
Rental of facilities	28 584 686	29 173 816
Management fee income	3 541 718	3 167 595
Sundry income	25 949	267 982
Tender fee income	261 548	152 174
Finance income	41 724 261	45 383 920
Government grants & subsidies	255 500 704	153 625 516
	329 638 866	**231 771 003**

The table above excludes gain from the disposal of assets. This is disclosed under note 4 - Property, plant and equipment.

The amount included in revenue arising from exchanges of goods or services are as follows:

	2025	2024
	R	R
Rental of facilities	28 584 686	29 173 816
Management fee income	3 541 718	3 167 595
Sundry income	25 949	267 982
Tender fee income	261 548	152 174
Finance income	41 724 261	45 383 920
	74 138 162	**78 145 487**

The amount included in revenue arising from non-exchange transactions is as follows:

	2025	2024
	R	R
Transfer revenue		
Government grants	255 500 704	153 625 516

18. Rental of facilities

	2025	2024
	R	R
Premises		
Rental of facilities	28 584 686	29 173 816

Brief description of leases

The entity enters into lease agreements with investors for the rental of land and/or buildings. Each lease arrangement is unique to the investor's business case and caters for the different stages of establishment, i.e pre-occupation, construction and operational. The rental rates at each of these stages will also differ accordingly and escalate on the 1st of April annually, based on changes in CPI.

Contingent rentals

Contingent rentals recognised from leasing of premises and included under rental of facilities in the statement of comprehensive income is R1 739 266 (March 2024: R3 102 031). These contingent rentals are as a result of lease escalations linked to changes in CPI.

The minimum lease receipts below are for operational investors and have been estimated using changes in the CPI as at April 2025

	2025	2024
	R	R
Minimum lease receipts due		
Within one year	11 802 486	8 271 487
In second to fifth year inclusive	29 886 568	18 007 669
Later than five years	96 158 267	94 566 296
	137 847 321	**120 845 452**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

19. Other Revenue

	2025	2024
	R	R
Management fees	3 541 718	3 167 595
Sundry income	25 949	267 982
Tender fee income	261 548	152 174
	3 829 215	**3 587 751**

20. Finance Income

	2025	2024
	R	R
Interest revenue		
Interest charged on trade debtors	14 791 775	7 742 904
Bank	26 932 486	37 641 016
	41 724 261	**45 383 920**

21. Government Grants

	2025	2024
	R	R
Operating grants		
EDTEA	113 335 652	110 795 652

	2025	2024
	R	R
Capital grants		
dtic (Grant applied)	141 715 724	42 829 864
EDTEA (Grant applied)	449 328	-
	142 165 052	42 829 864

22. Employee Related Costs

	2025	2024
	R	R
Basic	73 492 614	56 655 489
Bonus provision	8 478 400	7 696 094
Medical aid	2 564 449	1 687 507
UIF	167 463	135 726
SDL	794 536	625 085
Leave pay provision charge	1 411 779	1 289 172
Overtime payments	28 192	104 579
Cellphone Allowance	714 313	558 500
Standby allowance	108 510	-
Callout allowance	11 700	-
	87 771 956	**68 752 152**

Note that standby and callout allowances were previously disclosed under Basic salary line and no adjustments have been made as these are considered immaterial to adjust prior year.

Included in the above employee-related costs is remuneration for the following key executive management personnel:

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22. Employee Related Costs - *(Continued)*

Chief Executive Officer	2025 R	2024 R
Annual Remuneration	3 290 743	3 093 826
Performance Bonuses	569 798	632 771
Contributions to Medical Aid, UIF and SDL	38 747	37 564
Cellphone allowance	24 000	24 000
	3 923 288	**3 788 161**

Chief Operations Officer	2025 R	2024 R
Annual Remuneration	2 065 038	1 922 420
Performance Bonuses	335 586	440 219
Contributions to Medical Aid, UIF and SDL	98 571	92 646
Cellphone allowance	24 000	24 000
	2 523 195	**2 479 285**

Chief Financial Officer	2025 R	2024 R
Annual Remuneration	2 035 665	1 880 185
Performance Bonuses	267 353	356 673
Contributions to Medical Aid, UIF and SDL	46 821	44 641
Cellphone allowance	24 000	24 000
	2 373 839	**2 305 499**

Executive Manager - Business Development and Support	2025 R	2024 R
Annual Remuneration	1 932 187	1 787 632
Performance bonus	313 685	318 606
Acting allowance	104 488	-
Contributions to Medical Aid, UIF and SDL	90 989	83 832
Cellphone allowance	24 000	24 000
	2 465 349	**2 214 070**

Executive Manager - Corporate Services	2025 R	2024 R
Annual Remuneration	1 953 431	1 798 991
Performance Bonuses	338 576	337 316
Contributions to Medical Aid, UIF and SDL	100 422	96 306
Cellphone allowance	24 000	24 000
	2 416 429	**2 256 613**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

23. Depreciation and Amortisation

	2025 R	2024 R
Property, plant and equipment	30 466 437	31 873 157
Investment property	4 133 602	4 069 124
Intangible assets	10 854	14 549
	34 610 893	**35 956 830**

24. (Reversal of Impairments)/ Impairment Loss

	2025 R	2024 R
Impairment loss (Reversal of impairments)		
Property, plant and equipment	95 266	(142 154)

During the asset verification exercise, a conditional assessment was conducted for each asset. Assets with poor, very poor and scrap conditions were impaired. The RBIDZ has adopted depreciated replacement cost method for determining impairment of assets in use.

Refer to note 4 (property, plant and equipment) for the detailed breakdown of the impairment per each asset class.

25. Lease Rentals on operating Lease

	2025 R	2024 R
Premises		
Contractual amounts	1 847 188	1 668 662

Included in the above rentals are operating lease rentals at straight-lined expense of R104 050 (income 2024: R22 569).

26. Debt Impairment

	2025 R	2024 R
Debt impairment	68 149 296	29 017 052

Refer to note 8 for a detailed disclosure of the debt impairment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

27. General Expenses

	2025	2024
	R	R
Advertising	3 363 553	2 037 889
Assessment rates & municipal charges	8 670 944	6 456 448
Auditors remuneration	2 382 710	2 591 701
Bank charges	59 049	42 014
Bursaries	1 082 560	258 132
COID	2 156 601	1 239 716
CSI Expenses	3 707 432	3 360 828
Cleaning	1 250 773	1 081 669
Commission paid	430 373	529 857
Consulting and professional fees	20 533 396	42 006 748
Contributions to Fidelity Fund	361 343	447 583
Directors' fees	2 437 883	1 509 302
Donations	247 263	-
Economic Development initiatives	2 723 963	412 595
Electricity	12 654 100	10 912 502
Employee Assistance	70 458	86 400
Employee wellness	462 413	549 144
Foreign exchange gains and losses	40 197	9 615
IT expenses	721 027	222 938
Insurance	2 342 909	1 866 064
Marketing	613 754	596 529
Motor vehicle expenses	262 275	188 416
Office accessories	54 994	88 847
Deforestation expense	108 094 800	-
Printing and stationery	159 973	128 764
Construction expenses	25 000	-
Recruitment Fees	140 445	354 606
Refreshments and consumables	1 373 460	1 381 352
Repairs and maintenance	11 641 362	11 116 212
SMME Development	4 839 013	4 688 971
Security	5 529 938	4 364 364
Skills development expenses	22 681	-
Subscriptions and licences fees	3 839 014	4 842 323
Telecommunications	942 883	876 807
Training	906 071	574 173
Travel - local	2 877 799	3 166 910
Travel - overseas	160 953	725 151
Venue hire and exhibitions	3 023 564	1 422 707
	1 179 232	1 043 517
	211 386 158	**111 180 794**

Consulting and professional fees
As reported in the prior year, the significant amount incurred under professional fees was due to fees incurred during the customisation of an ERP system. RBIDZ entered into an agreement with a service provider for the development of an integrated accounting and payroll system that will ensure efficiencies within our operations and to assist management with better reporting tool. The accounting system will be a cloud-based system and its license is renewed annually. The system went live from the 1st of April 2024, hence the significant decrease in costs in the current year. Costs incurred in the current year are more for support and maintenance.

Deforestation expense
This was costs incurred towards site clearance, leveling and de-forestation on the Nyanza site in preparation for phase 2 of the project.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

28. Auditors' Remuneration

	2025 R	2024 R
Fees	2 382 710	2 591 701

The total audit fees above include both fees paid to external and internal auditors during the year, breakdown is provided below:

Auditors' remuneration split	2025 R	2024 R
External	1 491 459	1 580 253
Internal	891 251	1 011 448
	2 382 710	**2 591 701**

29. Taxation

Reconciliation of the tax expense

Grant income and finance income are exempt for income tax purposes. All expenses that are funded by exempt income are also not deductible. The entity has therefore claimed deductions to the extent that it is linked to taxable income. No provision has been made for the current and prior years as the entity has no taxable income.

The probability of the entity realising the deferred tax benefit is remote, deferred tax asset has therefore not been recognised in the current and prior years. Management will assess if there is a change in the income structure which may result in taxable income on a regular basis.

30. Operating Deficit

Operating deficit for the year ended 31 March 2025 is stated after accounting for the following:

	2025 R	2024 R
Operating lease charges		
Premises		
Contractual amounts	1 847 188	1 668 662
Gain /(Loss) on sale of property, plant and equipment	15 529	(36 230)
Impairment on property, plant and equipment	95 266	28 260
Reversal of impairment on property, plant and equipment	-	(170 414)
Amortisation on intangible assets	10 854	14 549
Depreciation on property, plant and equipment	30 466 437	31 873 157
Depreciation on investment property	4 133 602	4 069 124
Employee related costs	87 771 956	68 752 152

31. Cash Generated from Operations

	2025 R	2024 R
Deficit	(74 206 362)	(14 758 020)
Adjustments for:		
Depreciation and amortisation	34 610 893	35 956 830
Loss/ (Gain) on disposal of assets	(15 529)	36 230
Impairment loss (reversal)	95 266	(142 154)
Debt impairment	68 149 296	29 017 052
Bad debts written off	-	59 457
Movements in operating lease assets and accruals	104 558	(22 569)
Movements in provisions	18 105 512	4 118 476
Changes in working capital:		
Receivables from exchange transactions	(47 639 836)	(47 709 229)
Prepayments	(5 665 261)	(47 677 769)
Payables from exchange transactions	1 484 179	17 943 144
VAT	15 230 925	(14 765 035)
Unspent conditional grants	(108 388 940)	150 256 867
Deposits payable	1 250 758	7 124 119
	(99 852 899)	**119 437 399**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

32. Financial Instruments Disclosure

Categories of financial instruments

March 2025

Financial assets

	At amortised cost	At Cost	Total
	R	R	R
Receivables from exchange transactions	12 592 034	-	12 592 034
Deposits receivable	-	3 732 597	3 732 597
Cash and cash equivalents	-	588 728 809	588 728 809
Prepayments	102 630 531	-	102 630 531
	115 222 565	**592 461 406**	**707 683 971**

Financial liabilities

	At amortised cost	At Cost	Total
	R	R	R
Payables from exchange transactions	34 707 544	-	34 707 544
Unspent conditional grants	327 537 217	-	327 537 217
Deposits payable	-	11 306 437	11 306 437
	362 244 761	**11 306 437**	**373 551 198**

Residual interest

	At Cost	Total
	R	R
Share capital	1 000	1 000
Share premium	151 200 000	151 200 000
	151 201 000	**151 201 000**

Richards Bay Industrial Development Zone Company SOC Limited has 1 000 authorised no-par value shares and issued share capital. The share capital is as follows: 1000 shares held by the Province of KwaZulu Natal represented by the Department of Economic Development, Tourism and Environmental Affairs.

March 2024

Financial assets

	At amortised cost	At Cost	Total
	R	R	R
Receivables from exchange transactions	33 101 494	-	33 101 494
Deposits receivable	-	2 222 597	2 222 597
Cash and cash equivalents	-	730 031 934	730 031 934
Prepayments	96 965 270	-	96 965 270
	130 066 764	**732 254 531**	**862 321 295**

Financial liabilities

	At amortised cost	At Cost	Total
	R	R	R
Payables from exchange transactions	30 021 917	-	30 021 917
Unspent conditional grants	435 926 157	-	435 926 157
Deposits payable	-	10 055 679	10 055 679
	465 948 074	**10 055 679**	**476 003 753**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

32. Financial Instruments Disclosure (continued)

Residual interest

	At Cost	Total
	R	R
Share capital	1 000	1 000
Share premium	151 200 000	151 200 000
	151 201 000	**151 201 000**

33. Commitments

Authorised capital expenditure

	2025	2024
	R	R
Already contracted for but not provided for		
Property, plant and equipment	41 317 102	63 639 502
Investment property	102 975 447	131 120 242
	144 292 549	**194 759 744**

Total capital commitments	2025	2024
	R	R
Already contracted for but not provided for	144 292 549	194 759 744

Authorised operational expenditure

	2025	2024
	R	R
Already contracted for but not provided for		
Operational expenditure	79 274 389	78 516 184

Total operational commitments	2025	2024
	R	R
Already contracted for but not provided for	79 274 389	78 516 184

This committed expenditure relates to property and operational expenditure and will be financed by available retained surpluses, existing cash resources, government grants, funds internally generated, etc.

Operating leases - as lessee (expense)

	2025	2024
	R	R
Minimum lease payments due (excl VAT)		
- with one year	1 742 625	798 049
- in second to fifth year inclusive	2 797 675	-
	4 540 300	**798 049**

Operating lease payments represent rentals payable by the entity for certain of its office properties. Leases are negotiated for an average term of three years and rentals escalate at a fixed rate annually. No contingent rent is payable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

34. Contingencies

The entity has no contingent liabilities as at the end of the reporting period.

35. Related Parties

Relationships

Directors	Refer to directors' emoluments in note 36
Controlling entity	Provincial Government of KZN through the Department of Economic Development, Tourism and Environmental Affairs
Subsidiary of controlling entity	Dube TradePort Corporation
Entity has a significant influence through its representation in the RBIDZ board of directors and is a major funder of capital infrastructure projects.	dtic
Entity is a member of the same sphere of government as the shareholder	DARD
Members of key management	Refer to disclosure in note 22

Related party balances

	2025	2024
	R	R
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Construction contract - Fresh Produce Hub (DARD)	(8 600 643)	-
Dube Tradeport	(33 122)	-

Unspent conditional grants

	2025	2024
	R	R
dtic	(327 427 926)	(435 367 537)
EDTEA	(109 291)	(558 620)

Related party transactions

	2025	2024
	R	R
Administration fees paid to (received from) related parties		
Directors fees	2 437 883	1 509 302
Professional fees (Dube Tradeport)	168 086	132 094

	2025	2024
	R	R
Grant income		
EDTEA	(113 335 652)	(110 795 652)
dtic (Grant applied)	(141 715 724)	(42 829 864)
EDTEA (Grant applied)	(449 328)	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

36. Directors' Emoluments

Executive

The only two executive directors are the Chief Executive Officer and the Chief Financial Officer and their remuneration is disclosed in note 22.

Non-Executive

March 2025	Directors' Fees	Committees Fees	Total
	R	R	R
Adv BA Mbili	609 547	70 721	680 268
Ms PS Mangole	-	-	-
Cllr X Ngwezi	-	-	-
Mr EF Mbatha	192 421	253 034	445 455
Ms MT Ndlovu	-	-	-
Ms CP Vilakazi	160 327	216 383	376 710
Mr TB Hlongwa - CA(SA)	192 421	250 682	443 103
Mr SW Mchunu	192 421	89 046	281 467
Mr SE Mdlalose	-	-	-
Ms GS Skosana	141 807	69 073	210 880
	1 488 944	**948 939**	**2 437 883**

March 2024	Directors' Fees	Committees Fees	Total
	R	R	R
Adv BA Mbili	453 774	13 360	467 134
Ms PS Mangole	-	-	-
Cllr X Ngwezi	-	-	-
Mr EF Mbatha	146 585	140 848	287 433
Ms MT Ndlovu	-	-	-
Ms CP Vilakazi	30 149	54 392	84 541
Mr TB Hlongwa - CA(SA)	145 761	107 851	253 612
Mr SW Mchunu	90 207	94 947	185 154
Mr SE Mdlalose	146 585	66 478	213 063
Ms GS Skosana	9 458	8 907	18 365
	1 022 519	**486 783**	**1 509 302**

37. Change in estimate

Property, plant and equipment

The estimated useful lives of property, plant and equipment were reviewed during the year taking into account changes in circumstances. The effect of the change was recognised in the current year so that in subsequent years, the depreciation cost is consistent with the revised remaining useful life of each asset. Each asset class was evaluated for condition and utilisation during the asset verification process.

The effect of the changes in the useful lives has resulted in a decrease in depreciation of R381 832 in the current year. The impact of the change in future years is impracticable to estimate due to the number of assets affected by the change.

The impact of the change in the useful lives for each class is presented below:

Asset Class	Depreciation before change	Depreciation after change	Impact of change
	R	R	R
Billboards	47 344	47 292	52
IT equipment	577 273	339 435	238 137
Infrastructure electricity	211 557	142 481	69 076
Furniture and fixtures	51 037	49 203	1 834
Plant and Machinery	158 428	106 705	51 723
Office equipment	81 685	60 712	20 973
Motor vehicles	19 012	18 975	37
	1 146 636	**764 803**	**381 832**

37. Change in estimate - *(Continued)*

Computer Software

The estimated useful lives of intangible assets were reviewed during the year taking into account changes in circumstances. The effect of the change was recognised in the current year so that in subsequent years, the amortisation cost is consistent with the revised remaining useful life of each asset. The effect of the change has resulted in a decrease in amortisation of R2 658 in the current year. The impact of the change in future years is impracticable to estimate due to the number of assets affected by the change.

The financial impact of the change is as follows:

Asset class	Amortisation before change	Amortisation after change	Impact of the change
	R	R	R
Computer software	8 496	5 838	2 658

38. Comparative figures

The prior year comparative figures have not been restated.

39. Risk management

Financial risk management

Liquidity risk

The entity's exposure to liquidity risk is very minimal as it is 100% funded by the EDTEA (operations) as well as the dtic (special infrastructure projects). Budgets are approved at the beginning of each fiscal year and funding agreements are concluded between the parties. Cash flows are monitored monthly against budgets and adjustments are made where necessary. Risk management assessments are conducted to assist with identifying any possible cash flow, liquidity or other risks. In addition, the entity is exploring opportunities for raising income to ensure the sustainability of the organisation and to reduce grant dependency.

Credit risk

The entity has a significant debtors book, as a result, there is exposure to credit risk in particular with two investors. Defaulting debtors have been provided for as per debt management policy. The cash and cash equivalents are deposits that are placed with A1-rating financial institutions. The entity limits its exposure by dealing with well-established financial institutions. The entity does not have significant exposure to an individual debtor or counter party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	March 2025	March 2024
	R	R
Trade debtors	145 933 144	97 081 219
Cash and cash equivalents	588 728 809	730 031 934
Prepayments	102 630 531	96 965 270
Deposits receivable - non-current	3 732 597	2 222 597

Market risk

Interest rate risk

Although the entity's funds are subject to interest rate risk, these funds are placed with reputable financial institutions. The entity does not hedge any of its funds but monitors the fluctuations in interest rates and obtains advice from bank officials on a regular basis. Further, the entity doesn't have any interest-bearing liabilities in its books.

Foreign exchange risk

The entity doesn't have significant exposure to foreign exchange risk as foreign-denominated transactions are adhoc. Transactions are recognised using the spot rate on the transaction date and balances are revalued to the closing rate at each reporting date. Management will monitor the number and value of foreign transactions and a decision will be taken on whether to hedge the foreign exchange rate or not.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

40. Going concern

We draw attention to the fact that at 31 March 2025, the entity had an accumulated surplus of R980 514 586 and that the entity's total assets exceeded its liabilities by R1 131 715 586.

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

41. Events after the reporting date

There were no material events that occurred from the reporting date to the date these financial statements were authorised for issue.

42. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure was incurred during the year under review.

43. Irregular expenditure

No irregular expenditure was incurred during the year under review.

SCHEDULE: FORMS OF REGULATION

BROAD-BASED BLACK ECONOMIC EMPOWERMENT COMMISION FORM: B-BBEE 1 LEVEL: 5

COMPLIANCE REPORT BY SPHERE OF GOVERNMENT, PUBLIC ENTITIES, ORGANS OF STATE OR COMPANY LISTED ON THE JOHANNESBURG STOCK EXCHANGE (in terms of section 13G (2) of the Act).

SECTION A: DETAILS OF ENTITY

Name of Entity / Organisation:	Richards Bay Industrial Development Zone SOC Ltd
Registration Number:	2002/009856/30
Physical Address:	RBIDZ Office Complex, Harbour Arterial, Richards Bay
Telephone number:	035 797 2600
Email Address:	info@rbidz.co.za
Indicate Type of Entity or Organisation:	Operator of Special Economic Zone
Industry/ Sector:	Public Entity / Manufacturing
Relevant Code of Good Practice:	B-BBEE Codes of Good Practice (Gazette Number 38076) of 10 October 2014
Name of Verification Agency:	Inkomba Verification Agency
Name of Technical Signatory:	Khulekani Ziphozonke Mvubu

SECTION B: INFORMATION AS VERIFIED BY THE BROAD- BASED BLACK ECONOMIC EMPOWERMENT
VERIFICATION PROFESSIONALS AS PER THE SCORECARDS

B-BBEE Elements	Target Score Including	Bonus Points	Actual Score Achieved
Management Control	20	0	16,72
Skills Development	25	0	8,48
Enterprise and Supplier Development	50	0	52,00
Socio- Economic Development	5	0	5,00
Total Score	100		82.10
Broad-Based BBBEE Status Level	5		
Priority Elements Achieved	Yes		
Empowering Supplier Status	Yes		

SECTION C: FINANCIAL REPORT
BASIC ACCOUNTING DETAILS:

- Accounting Officer's Name: Thabane Wiseman Zulu
- Address: RBIDZ Office Complex, 4 Harbour Arterial, Richards Bay
- Accounting Policy: Monthly/ Quarterly, Annually

The Annual Financial Statements and Annual Report were approved by the entity at the Board meeting on the 25 July 2025

RBIDZ B-BBEE CERTIFICATE

INKOMBA VERIFICATION AGENCY

B-BBEE Verification Certificate

THIS SERVES TO CERTIFY THAT:

RICHARDS BAY INDUSTRIAL DEVELOPMENT ZONE COMPANY SOC LTD

Registration Number: 2002/009856/30

Vat Number: N/A

Physical Address: 04 HARBOUR ARTERIAL, ALTON, RICHARDS BAY, 3900

Certificate No: RIC20250345GENERIC

has been rated as per the Department of Trade and Industry 's Codes of Good Practice Gazette No. 38766. In obtaining the B-BBEE status, Generic Specialised Enterprise principles were used, based on the information provided to Inkomba Verification Agency. An independent opinion based on verification, validation, and audit analysis was performed.
This B-BBEE certificate is valid for 12 months from the date of issue.

Specialised Generic Scorecard:

LEVEL 05 CONTRIBUTOR

	Elements	Element Weighting	Actual Score
Direct Empowerment	Management Control	20.00	16.72
HR Department	Skills Development	25.00	8.48
Indirect Empowerment	Enterprise and Supplier Development	50.00	52.00
	Socio-Economic Development	05.00	05.00
Total			**82.20**
B-BBEE Procurement Recognition Level		80%	
Black Owned		N/A	
Black Women Owned		N/A	
Black designated group		N/A	
Black Youth		N/A	
Black Disabled		N/A	
Black Unemployed		N/A	
Black people living in Rural Areas		N/A	
Black Military Veterans		N/A	
Modified flow through principle applied		N/A	
Exclusion principle used		No	
Discounting Principle Used		Yes	
Empowering Supplier		Yes	
Financial Year End		01April 2023 to 31 March 2024	
Participated in Y.E.S initiative		No	
Achieve Y.E.S target and 2.5% Absorption		No	
Achieve 1.5 * Y.E.S target and 5% Absorption		No	
Achieve double Y.E.S target and 5% Absorption		No	

Date of Issue: 20 MARCH 2025
Expiry Date: 19 MARCH 2026
Revision Date: N/A

Khulekani Ziphozonke Mvubu – Technical Signatory

sanas B-BBEE Rating Agency
BVA 126

**Address: 38 Noble Road, Berea, Durban
T: 031 201 8546 | F: 086 734 377
Email: inkomba@worldonline.co.za
Website: www.inkomba.co.za**


RBIDZ
Our Vision
Excella

RBIDZ
Special Economic Zone

South Africa
KWAZULU-NATAL
Zulu Kingdom. Exceptional

RBIDZ Office Complex
4 Harbour Arterial
Richards Bay, 3900

Tel: +27 35 797 2600
Email:info@rbidz.co.za

www.rbidz.co.za

PR 282/2025
ISBN: 978-1-83491-147-2