Virtual Tour
of the Coega SEZ

INTEGRATED ANNUAL REPORT
2020/21

CEO TODAY GLOBAL AWARDS 2020 WINNER

GAME CHANGERS AWARDS 2020

COEGA
DEVELOPMENT CORPORATION

▪ right PLACE ▪ right TIME ▪ right CHOICE

TOP HIGHLIGHTS **FOR 2020/21 FY**

INVESTMENT DESTINATION OF CHOICE
5 New investors with a combined investment value of
R49.81 million

50 OPERATIONAL INVESTORS
To-date, the CDC has recorded a staggering fifty operational investors with a combined investment value of
R11.63 billion

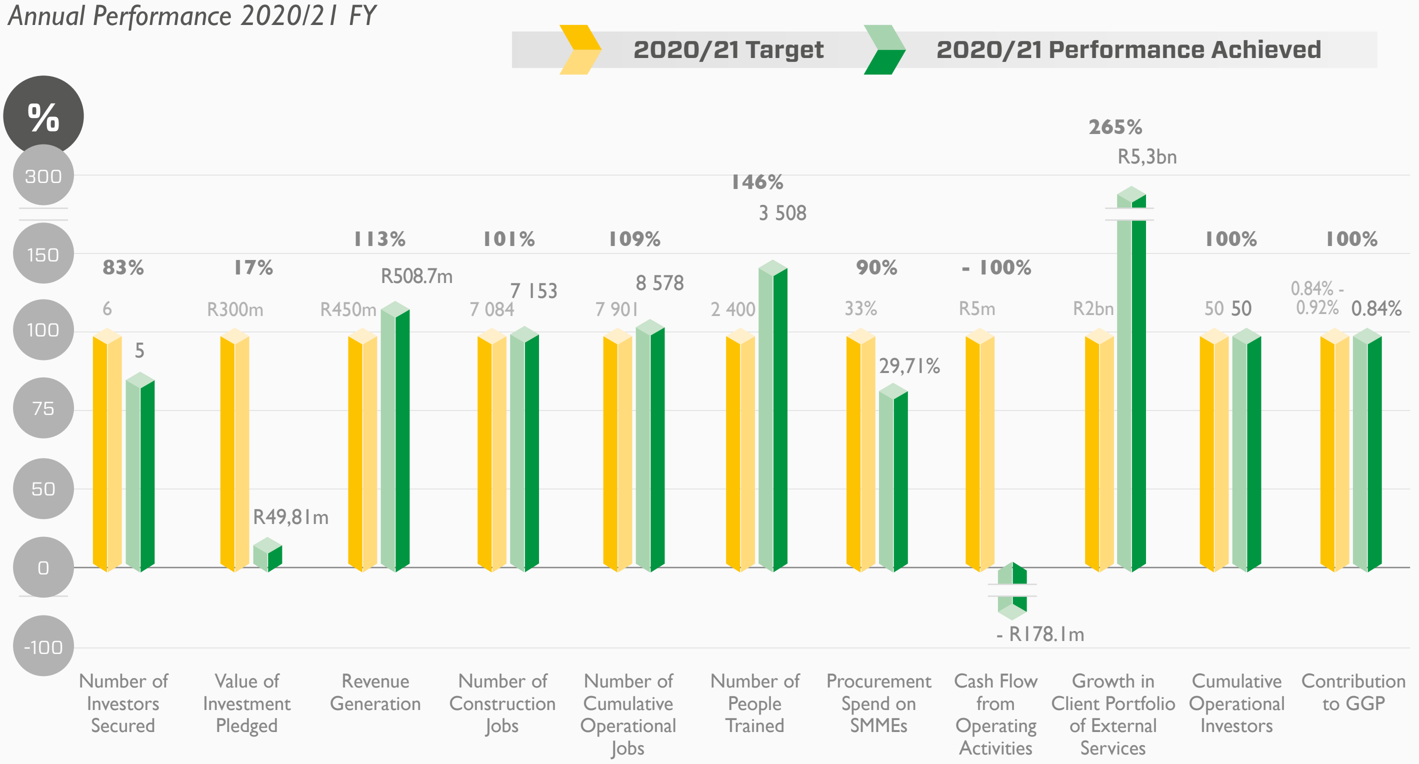
REVENUE GENERATED
R508.7 million
which includes both the SEZ and non-SEZ programmes

JOB CREATION HUB
The CDC secured 7 153 additional construction jobs, reaching 8 578 operational jobs and has also trained over 3 508 people
8 578 OPERATIONAL JOBS

SMME PROCUREMENT
SMME procurement spend of
29.71%

3 508 PEOPLE TRAINED

Annual Performance 2020/21 FY



NB: Variance percentages are expressed at a maximum of negative 100%

Strategic Plan 2020-2025

2025

2020/21 **IMPACT STATEMENTS**

1. **Financial Sustainability**
2. Increased Economic Advantage for Targeted Industries
3. Increased Economic Opportunities for the Marginalised

FINANCIAL SUSTAINABILITY

1. **Achieved Financial Sustainability**
   - Cash Flow from Operating Activities
   - Revenue Generated
2. **Increased Market Share**
   - Growth in Client Portfolio of External Services

INCREASED ECONOMIC ADVANTAGE FOR TARGETED INDUSTRIES

1. **Grow the SEZ by Increasing Developed Land**
   - Number of Investors Signed
   - Cumulative Operational Investors
2. **Increased Economic Impact**
   - Contribution to GGP
   - Investment Value

INCREASED ECONOMIC OPPORTUNITIES FOR THE MAGINALISED

1. **Increased SMME Participation in Economic Activities**
   - Procurement Spend on SMMEs
2. **Job Creation**
   - Number of Construction Jobs
   - Cumulative Jobs Sustained in SEZ Operations
3. **Skills Development**
   - Number of People Trained

2020

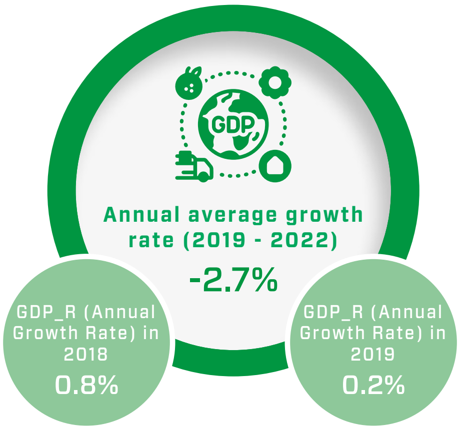
EASTERN CAPE ECONOMIC INDICATORS

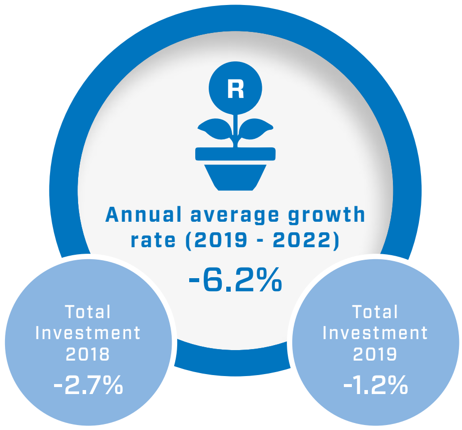
Regional Gross Domestic Product (GDP_R)

R236.1bn (in 2018)

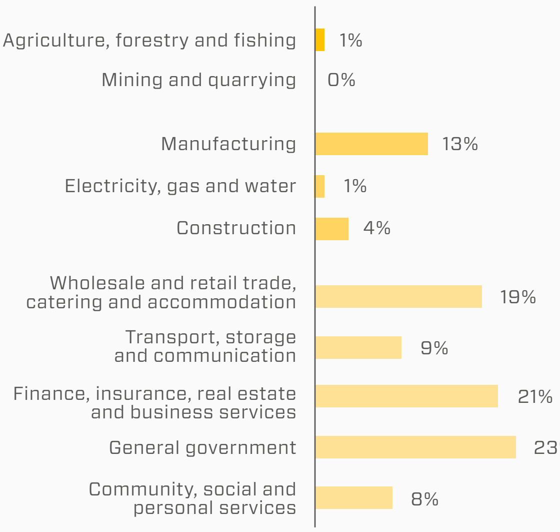
R237.1bn (in 2019)

Constant prices 2010

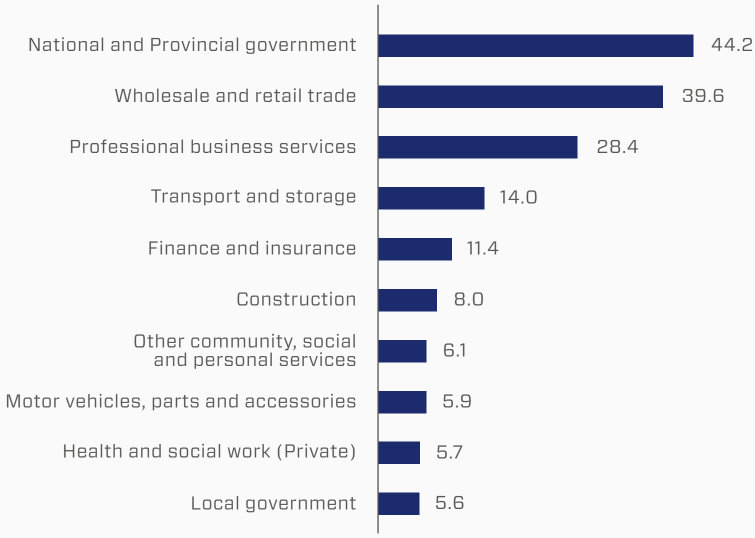




EC Sector Proportion (2019)



Top 10 Industries (GVA) - R Billions (2019)



Price Inflation

The CDC is one of the organisations that has positively contributed to the economic and socio-economic growth of the Eastern Cape Province and in areas where it has operations, throughout the country.

"As the sixth administration, we will not rest until we grow and transform our economy to benefit all the people of our province. We will not rest until all those that enter the labour market find jobs. We will not rest until we have a capable and ethical state that serves the interests of the people. We will not rest until we can all look at our province with pride, because we would have built the Eastern Cape we want, a province that is enterprising and connected where all citizens reach their full potential," said the Premier of the Eastern Cape, Honourable Lubabalo Oscar Mabuyane, during his State of the Province Address, in February 2020.

COEGA DEVELOPMENT CORPORATION

▪ right **PLACE** ▪ right **TIME** ▪ right **CHOICE**

BBBEE LEVEL 3 CONTRIBUTOR
ISO 9001:2015 ▪ ISO 14001:2015 ▪ ISO 45001:2018
ISO 20000-1:2011 ▪ ISO 27001:2013

VISION

To be the leading catalyst for championing of socio-economic development.

MISSION

To provide competitive investment locations, facilitate holistic infrastructure and value-adding commercial business solutions.

VALUES

Integrity
Honesty, reliability and trust

Innovation
Needs-based service innovation, continuous improvement

Partnership
Teamwork, building long term relationships with clients and stakeholders

Service Excellence
Delivery, speed, quality, customer focus

Sustainability
Social, economic and environmental growth

CONTENTS


DEDISA PEAKING POWER

ABOUT THIS REPORT

REPORTING PHILOSOPHY

The International Integrated Reporting Council (IIRC) requires Coega Development Corporation (CDC) to compile a fully integrated annual report in terms of the International Integrated Reporting Framework <IR>. Over the eight years that the CDC has complied with this requirement, the process of collecting and collating information and the opportunity it gives to reflect on both successes and challenges has become a welcomed exercise.

The CDC supports the view of the IIRC that, in a climate of uncertainty and restrained economic performance, there is a need to develop more meaningful interactions and relations between investment decisions, corporate behaviour and reporting to promote financial stability and sustainable development.

According to the IIRC, the use of <IR> helps businesses to think holistically about their strategy and plans, make informed decisions and manage key risks to build investor and stakeholder confidence and improve future performance. It is shaped by a diverse coalition including business leaders and investors to drive a global evolution in corporate reporting.

This integrated thinking breaks down internal silos and reduces duplication while also improving the quality of information available, thereby enabling a more efficient and productive allocation of capital. Its focus on value creation, and the "capitals" used by the business to create value over time, contributes towards a more financially stable global economy.

The reporting process has stimulated integrated thinking within the CDC, once more. It sharpened the organisation's focus on first evaluating and understanding the external environment, stakeholder needs and concerns in order to make decisions on material issues. This process informs the CDC's strategic response, planning and performance targets which are aimed at creating value over time for shareholders including both the CDC and its broad base of stakeholders.

The CDC is confident that the 2020/21 Integrated Annual Report will provide all its stakeholders, including shareholders and investors with clear, concise, connected and comparable information about how the CDC's strategy, governance, performance and prospects are creating value over the short, medium and long term. This information is supplemented by the website (www. coega.co.za), which carries more in-depth information on the various projects and initiatives in which the CDC is involved. The CDC's website is updated regularly for relevance and information.

This report provides a clear picture of the CDC's strategic goals and objectives, current position, and future direction. The objective is to enable shareholders, investors, and other stakeholders in general to make an informed assessment of the CDC's performance and ability to continue creating value.

In the pages that follow, the reader will discover details of the CDC's mandate, strategy, business model, governance structure, performance review and outlook. The report also illustrates how the CDC is responding to risks and opportunities in its drive to create sustainable value and to support the provincial government, business and civil society in addressing the socio-economic development needs of the Eastern Cape.

REPORTING APPROACH AND CHANGES

In the 2020/21 Integrated Annual Report, the focus of the content continues to be on connecting performance more closely to strategy and material issues in line with the guiding principles of the International Integrated Reporting Framework <IR> Framework and the King IV report on corporate governance.

The following reporting standards have been applied in the preparation of this report:

- <IR> Framework v1.0, International Integrated Reporting Council, December 2013;
- Public Finance Management Act (PFMA), Act 1 of 1999;
- Companies Act, Act 71 of 2008;
- International Financial Reporting Standards (IFRS); and
- King Code of Corporate Governance for South Africa by the Institute of Directors of Southern Africa, which came into effect on 1 November 2016 (King IV™). King IV™ builds on King III™. It was revised to bring it up to date with international governance codes and best practice; to align it to shifts in the approach to capitalism (towards inclusive, integrated thinking across the six capitals) and to take account of specific corporate governance developments concerning effective governing bodies, increased compliance requirements, new governance structures (e.g. Social and Ethics Committee and Investment Committee), emerging risks and opportunities from new technologies and new reporting and disclosure requirements, e.g., Integrated Reporting. Therefore, the CDC's Integrated Annual Report 2020/21 is based on the King IV.

SCOPE, BOUNDARIES AND MATERIALITY

This report covers the financial year 2020/21 from the period 1 April 2020 to 31 March 2021. It encompasses all operations related to the mandate of the CDC. This includes its role as the entity responsible for the development and operation of the Coega Special Economic Zone (SEZ), as gazetted, and non-SEZ Services.

Using the expertise and experience acquired during the development of the Coega SEZ infrastructure, since inception in 1999, the CDC serves as an Implementing Agent (IA) to government departments in support of the Infrastructure Delivery Programme (IDP).

The IDP is an initiative of the South African government to fast-track and improve the standard of infrastructure delivered by the public sector. To provide this support, the CDC has adopted the Infrastructure Delivery Management System (IDMS) helping the organisation support efficient and effective public sector infrastructure investment.

The CDC operates in a dynamic environment. Therefore, the organisation must adapt to meet the needs and requirements of all its stakeholders, including funders, investors, tenants and non-SEZ clients. This is reflected in the performance report, which highlights the performance of the CDC measured against its Strategic Plan.

The activities of investors, tenants and the adjacent deepwater Port of Ngqura are addressed only to the extent that they impact upon, or are serviced or influenced by, the CDC's execution of its strategy.

ASSURANCE AND COMPARABILITY

The CDC employs a rigorous system of internal controls, as well as external oversight, to assure the quality of its reported results and its adherence to international standards.

Wherever possible, the results for the year under review are compared to at least one of the following:

- The previous year;
- The previous quarter;
- Cumulative for the past five years; and/or
- Cumulative, since inception in 1999.

Financial controls and risk management are subject to review through an internal audit process. As a public entity, the CDC's financial statements and performance information are independently reviewed and reported on by the Auditor-General of South Africa (AGSA).

Similarly, non-financial information is subject to internal review and controls in accordance with the standards set by the Board and independent external verification that has taken place during the period under review.

The Board provides leadership and ongoing support to create an environment with controls and risk management mechanisms that have strengthened the CDC and enhanced governance.

Internal assurances included internal audit, risk management and executive management committee supervision, with additional oversight from the Board, its committees and the CDC's project committees.

Certification

The CDC retained the following standards and certification in the year under review:

- ISO 9 001: 2015 (Quality Management);
- ISO 14 001: 2015 (Environmental Management);
- ISO 45 001: 2018 (Occupation Health & Safety);
- ISO 20 001: IT Service Management; and
- ISO 27 001: Information Management.

Similarly, the CDC undertakes an annual independent project management maturity audit based on internationally accepted project management standards such as OPM3 and P3M3, which were developed by the Philadelphia, USA-based Project Management Institute (PMI).

In addition, the CDC received two certificates of excellence (or recognition awards) during the period under review. These were:

- Game Changers Awards 2020 by International Finance Monthly; and
- Global Awards 2020 by CEO Today.

These awards celebrate the success, innovation, and strategic vision of some of the world's most respected leaders and organisations.

BOARD STATEMENT OF APPRECIATION, RESPONSIBILITY AND APPROVAL

There are several individuals and organisations whom the Board would like to thank for their vital roles in achieving the successes captured in this report, including: the Chair of the Parliamentary Portfolio Committee on Trade and Industry, Mr. Duma Moses Nkosi; the Minister of Trade, Industry and Competition, Mr. Ebrahim Patel; and his Deputy Ministers and Director-General.

The Board would also like to express its appreciation to the Premier of the Eastern Cape, Mr. Oscar Lubabalo Mabuyane; the Eastern Cape MEC for Finance, Economic Development, Environmental Affairs and Tourism, Mr. Mlungisi Gerald Mvoko; Chair of the Portfolio Committee on Economic Development, Environment Affairs and Tourism, Mr. Pumelele Ndamase; and their respective heads of department for their support, oversight and leadership.

CDC staff and external stakeholders are vital to the success of the organisation. Therefore, the Board extends a special and warm-hearted thank you to every person who continues to uphold the values and high-performance standards of the organisation.

The CDC Board, assisted by its committees, is ultimately responsible for oversight of the integrity of the annual report. Therefore, the Board has collectively reviewed the output of the integrated reporting process and has concluded that the 2020/21 Integrated Annual Report has made substantial progress over the previous year in the journey to meeting the requirements of the International Integrated Reporting Framework.

OUR BUSINESS

REVIEW OF THE CHAIRPERSON

Dr. Paul Jourdan
Chairperson

As I look back on the last financial year, I am proud of the results achieved by the Coega Development Corporation (CDC) during the now infamous COVID-19 pandemic that has caused the deaths of millions of people worldwide. Our strategic direction was set before the numerous impacts of COVID-19 were fully understood, and none could have anticipated the consequences of the pandemic for the economy and the lives of ordinary people.

The CDC's new Strategic Plan 2020 - 2025 is directly aligned with the government's goals, and particularly promoting economic development through constructing relevant infrastructure to attract and secure investors in the Coega Special Economic Zone (SEZ) and other socio-economic development initiatives outside the Coega SEZ.

The CDC fully supports the government's priorities and has taken these into account in creating our impact and outcome statements, which focus on financial sustainability, increased economic advantage for targeted industries, and higher economic opportunities for the marginalised. Key to our strategic focus is infrastructure development, job creation, skills transfer and development, the beneficiation of the country's natural resources, and contributing towards expanding the local manufacturing sector.

Against the backdrop of the COVID-19 pandemic, our organisation has shown remarkable resilience despite often swimming against the tide. Notably, we signed five new investors who have pledged investments to the value of R49.81 million which are expected to create an estimated 101 new operational jobs in the regional economy of the Eastern Cape. The resulting socio-economic development from these investments will lead to a noticeable improvement in the lives of ordinary citizens. Additionally, 3,508 people have received skills development and training from the CDC over the past year, comprising of youth, women and persons with disabilities.

Furthermore, the CDC believes that the support of small businesses is paramount. Small Medium and Micro Enterprises (SMMEs) have therefore played a key part in the CDC's procurement spending, reaching 29.71%.

South Africa's small business sector is a critical part of the national economy, and the government's National Development Plan (NDP) 2030 looks to SMMEs as major sources of employment and drivers of economic growth. This role is especially important as the formal sector continues to shed jobs. This area will therefore continue to be a major focus for the organisation.

Operating in difficult times means that we have to face our reality. South Africa's unemployment issue is well known, with the unemployment rate reaching 32.6% at the end of the first quarter of 2021. This brought the total number of officially unemployed persons to 7.2 million – the highest number on record. The CDC's achievements in creating 15 731 jobs are therefore commendable, and our organisation will be intensifying efforts to create employment opportunities with multiple projects being implemented throughout the country.

The country's SEZs continue to thrive despite challenging circumstances. According to the Department of Trade, Industry and Competition (*the dtic*), the SEZ programme is one of the government's most important tools for driving economic growth and regional development, as well as accelerating the country's industrial development agenda. However, South Africa's economic trends and outlook remain bleak.

In its Quarterly Bulletin for March 2021, the South African Reserve Bank (SARB) noted that the local economy had suffered its second-largest contraction in 100 years. In 2020, real Gross Domestic Product (GDP) fell by a substantial 7.0% after a marginal increase of only 0.2% in 2019. The 2020 contraction was thus about five times larger than the contraction of 1.5% that followed the global financial crisis (GFC) in 2009.

In the rest of the continent, Sub-Saharan Africas largest economies (which, include Ghana, Kenya, South Africa and Nigeria) continues to feel the pandemic's impacts. The region suffered a contraction of 1.9% in 2020 but is expected to rebound to 3.4% in 2021. Additionally, the continuing development of the COVID-19 pandemic – such as the emergence of new strains – remains a risk to the outlook, the International Monetary Fund has warned.

At the time of writing, the IMF's latest World Economic Outlook report revealed that it expected a stronger global recovery and that it had revised its growth outlook from 5.5% to 6% in 2021 (as compared to South Africa's 3.1%). However, global growth was revised to 4.4% for the year 2022, and over the medium-term is expected to moderate to 3.3%. But the global recovery is not even – emerging market economies and low-income developing countries are expected to suffer "more significant" medium-term losses due to the pandemic.

This said, according to the 2021 PricewaterhouseCoopers (PwC) 24th Annual Global CEO Survey, sentiment regarding the outlook for the global economy was generally positive. Of the 5,050 CEOs surveyed, 76% responded that they believe the global economic outlook will improve during the next 12 months. That's nearly 20 percentage points greater than the survey's previous record high for optimism. It also marks a significant rebound from the 2020 survey (conducted in the autumn of 2019), when just 22% of CEOs expected improved growth. This trend could mean that increased investor optimism is possible next year, and to seize the advantage, the CDC will need to intensify the foreign direct investment (FDI) attractiveness of the Coega SEZ as an investment location of choice and a gateway to the continent and world markets.

Yet, according to the United Nations Conference on Trade and Development's World Investment Report 2020, the COVID-19 crisis will cause a dramatic fall in FDI. Global FDI flows are forecast to decrease up to 40% in 2020 from $1.54 trillion in 2019, bringing FDI levels below $1 trillion for the first time since 2005. FDI is projected to decrease a further 5% to 10% in 2021, and the expected level of global FDI flows in 2021 would then have experienced a 60% decline since 2015, from $2 trillion to less than $900 billion.

Meanwhile, the outlook beyond 2021 is highly uncertain. A rebound is possible, with FDI in 2022 reverting to the pre-COVID underlying trend – but this is only at the upper bound of expectations. Economic and geopolitical uncertainty look set to dominate the investment landscape in the medium term. So, at the lower bound of the forecast, further stagnation in 2022 will leave the value of global FDI well below the 2019 level. Alternatively, FDI could enter a phase of gradual stabilisation at a structurally lower level than before the crisis.

The World Investment Report 2020 warns that the global economy is still in the midst of a severe crisis and the immediate impact on FDI will be dramatic – these are risks that the CDC must heed. In the longer term, a drive for supply chain resilience and more autonomy in productive capacity could have lasting consequences. However, COVID-19 is not the only game-changer for FDI. As the report notes, "The new industrial revolution, the policy shift towards more economic nationalism, and sustainability trends will all have far-reaching consequences for the configuration of international production in the decade to 2030."

Overall trends in international production point towards shorter value chains, a higher concentration of value-added and declining international investment in physical productive assets. That will bring additional challenges for developing countries like South Africa. For decades, our development and industrialisation strategies have depended on attracting FDI, increasing participation and value capture in Global Value Chains (GVCs), and gradual technological upgrading in international production networks.

The expected transformation of international production also brings some opportunities for development, such as promoting resilience-seeking investment, building regional value chains and entering new markets through digital platforms. But capturing these opportunities will require a shift in development strategies. Again, as the report notes, "The large amounts of institutional capital looking for investment opportunities in global markets does not look for investment projects in manufacturing, but for value-creating projects in infrastructure, renewable energy, water and sanitation, food and agriculture, and health care."

The report concludes that the sustainability-themed funds in global capital markets are growing rapidly. Simultaneously, it shows that capital is not yet finding its way to investments on the ground in developing countries.

Next, energy poverty represents one of the most critical challenges for development in Africa. According to the International Energy Agency, the continent had more than 580 million people without electricity access in 2019, and that number is expected to grow to 660 million people by 2030. Energy poverty is catastrophic not only on a macroeconomic level but also in its profound impact on people's daily lives. Without energy, infrastructure, schools, hospitals and other essential services cannot be developed.

As our economic outlook improves, ensuring South Africa's stability of energy supply is critical to growing and converting the FDI pipeline. It is therefore encouraging to see that the South African government is currently implementing an excellent short-term option in a solid attempt to address this problem. Amongst other government interventions, eight energy bids, all backed by global energy companies, were awarded following a highly regulated Department of Mineral Resources and Energy (DMRE) tender process.

The Honourable Minister for Mineral Resources and Energy, Gwede Mantashe, announced the Preferred Bidders for the Risk Mitigation IPP Procurement Programme (RMIPPPP) and released the Request For Proposals (RFP) for bid window 5 Renewable Energy IPP Procurement Programme (REIPPPP). On this point, the CDC has, over the years, conducted extensive work to position itself as one of the preferred destinations for various energy-related projects. It thus gives me great pleasure to report that the CDC has been successful in two projects, namely Karpowership at Coega, and the Mulilo Total Coega LNG project. Karpowership generates electricity from a floating powership moored in the Port of Ngqura.

South Africa is not alone in its journey to improving power supply for our customers in the Coega SEZ. More than 260GW of renewable energy capacity was added globally in 2020, beating the previous record by almost 50%. This demonstrates that there is international appetite to invest in energy projects worldwide. According to the International Renewable Energy Agency's (IRENA) annual Renewable Capacity Statistics 2021, renewable energy's share of all new generating capacity rose considerably for the second year in a row. More than 80% of the new electricity capacity added last year was from renewable sources, and solar and wind accounted for 91% of new renewable energy.

The CDC's non-SEZ services have also continued to grow each year. The CDC is implementing progammes for multiple government departments across the country to enhance state capacity to deliver infrastructure projects on time and within scope, quality and budget parameters. The CDC's current flagship project is the Tshwane Automotive SEZ in Tshwane, positioned as "Africa's First Automotive City." In a significant milestone, the implementation of phase 1 of the project on the bulk earthworks has been completed and the more than 47% SMME component achieved, which included the local community and entrepreneurs.

It was expected that about R4 billion would be spent in less than 24 months on infrastructure development. Government then invested R3.3 billion towards unlocking R4.33 billion in investment by suppliers. A further R15.8 billion investment was announced by Ford Motor Company of Southern Africa as the catalyst investor in the SEZ. These funds will be used to expand manufacturing facilities for the next-generation Ford Ranger bakkie and to produce over 200,000 vehicles by 2022. The Ford investment represents a boost to the government's efforts to recover growth and jobs in the economy in the wake of COVID-19, as well as preparing South Africa for the opportunities of the African Continent Free Trade Area (AfCFTA).

Furthermore, through its Coega Africa Programme, the CDC secured projects in Harare, Zimbabwe, to provide technical consultancy and advisory services at the Eco-soft and Norton SEZs. Other targeted projects during the year included obtaining a 20-year concession of logistics bases in the Central African Republic and the launch of a technical advisory and co-development partnership in Nigeria, to mention but a few. The continental programmes were developed in response to His Excellency, President Ramaphosa's pledge to promote the growth, development and economic integration of the African continent as part of the African Continent Free Trade Area (AfCFTA).

As we look ahead to the next five years of our strategic cycle, there is much to give us hope for a continued upward growth trajectory. There are signs of a concerted effort by the government to attract a total of $100 billion investment to our shores by 2023, while the deepwater Port of Ngqura and the Coega SEZ are well-positioned as an ideal transshipment hub and are already established as the preferred location for global investors seeking growth and a gateway to the rest of the African continent. We are thus ideally placed to take advantage of the lion's share of capital inflows that are to follow. We are also pleased that Transnet has decided to locate the TNPA head office in Ngqura.

Even though the pandemic is likely to continue to be felt locally and globally for years to come, I remain optimistic that the South African government's stimulus package will not only revive our economy but will also be instrumental in the transformation of sectors as described in its economic recovery plan, where (amongst others) infrastructure development will be key. In the words of the Deputy Minister of *the dtic*, Nomalungelo Gina, "As part of the Economic Reconstruction and Recovery Plan (ERRP), SEZs will be an important element of reigniting manufacturing led industrialisation in an accelerated manner. We have embarked on a new SEZ approach that draws in all spheres of government to a partnership in the planning, development and management of Zones."

Moreover, we will pursue opportunities in the ICT sector, especially regarding the fourth industrial revolution. We were encouraged by the Honourable Minister of Communications and Digital Technologies, Stella Ndabeni-Abrahams, during her annual budget vote this year, where she spoke about her department and *the dtic* jointly working towards the establishment and operationalisation of an ICT Special Economic Zone (SEZ). The Coega SEZ has the infrastructure, skills and certainly the appetite to make this vision a reality.

Our achievements this year would not have been possible without the support of our stakeholders in government, and our business, social and strategic partners. Therefore, special gratitude is due to our Executive Authority, the Eastern Cape Department of Economic Development, Environmental Affairs and Tourism (DEDEAT), and the Eastern Cape Portfolio Committee on Economic Development for supporting our mandate and at the same time demanding good performance, governance and high levels of accountability from us. Furthermore, I would like to give a special thank you to the Department of Trade, Industry, and Competition (*the dtic*) and the Portfolio Committee on Trade and Industry for their unwavering support during this financial year.

I would also like to express my warmest gratitude to the Board, its Committees, and the Executive Management Team for the organisational achievements during the 2020/21 financial year as we proceed with the implementation of our new five-year strategic cycle to 2025.

These achievements would not have been possible without the commitment and dedication of the CDC employees who continue to give their best. Finally, I would like to offer special appreciation to all our stakeholders who continue to support and – rightfully so – critique and challenge us when necessary to be a world-class organisation. Through working together, we can ensure that the Eastern Cape, South Africa, and the continent thrive.

Dr. Paul Jourdan
Chairperson

DEDISA PEAKING POWER PLANT: Located in Zone 13 of the Coega SEZ.

OUR BOARD MEMBERS

DR. PAUL JOURDAN
CHAIRPERSON

Appointed: 1999

Dr. Paul Jourdan is an independent consultant on resource-based and spatial development strategies, working across several African states as well as for SADC, the AU and United Nations Economic Commission for Africa (UNECA). As Deputy Director-General in charge of Special Projects at *the dtic*, Dr. Jourdan was responsible for the establishment of the IDZ programme, with the Coega IDZ and CDC as pioneer projects. Later, as CEO of Mintek, he contributed to minerals beneficiation growth strategies, including the planning of the metallurgical cluster at Coega.

He is also on the Board of the GGDA (Gauteng Growth and Development Agency), the CEO of MEMSA (Mining Equipment Manufacturers of South Africa) and a visiting Professor at Wits School of Environmental and Biological Sciences (SEBS: Development Economics).

Dr. Jourdan holds a BSc in Geology and a BA in African Government from UCT; a Postgraduate Diploma in Exploration Geophysics from ITC (in the Netherlands) in Delft; an MSc in Mineral Economics and MSc in Mineral Policy from Wits University; and a PhD in Politics from Leeds University.

AYANDA MJEKULA
DEPUTY CHAIRPERSON

Appointed: 2018 (Board)

Ayanda Mjekula is a member of the Institute of Directors of S.A. He currently holds positions on various boards, including Safika Holdings. He has held board positions at CEF SOC, UBank Limited and the World Petroleum Congress. He is also currently the chairperson of the National Arts Festival- Grahamstown and deputy Chairperson of the council of the University of Fort Hare.

Mjekula has extensive banking experience, having held executive management positions at Nedbank and Standard Bank, over a period of twenty-four years. He was the first black person to be appointed in an executive management position in any bank in South Africa. In 1989, he was honoured with the Black Management Forum/ Kellogs Manager of the Year Award, in recognition of his managerial achievements.

As Chief Executive of the South Africa Supplier Development Agency, Mjekula gained extensive experience in enterprise and supplier development. He has played a major role in the energy sector, particularly in the liquid fuels industry. He holds a BA degree in English from the University of Fort Hare and an MBA in Financial Accounting from Western Michigan University.

MNINAWE (PEPI) SILINGA
CHIEF EXECUTIVE OFFICER

Appointed: 1999
Resigned: 2020

Mninawe (Pepi) Silinga is the founding CEO of the CDC, appointed on the establishment of CDC in 1999.

Silinga is a professionally registered Civil Engineer (Pr. Eng), Project Manager (PMP), Chartered Director (C.Dir) and a fellow of the South African Academy of Engineers (SAAE). He holds a BSc (Eng) from the University of KwaZulu-Natal, MSc (Eng) (Wits) and an MBA from Heriot-Watt University in the UK, and has participated in management programmes with Unisa Management Development Programme (MDP), Stellenbosch (CMP), Oxford and INSEAD (AMP).

Silinga's distinguished service and outstanding contribution to socio-economic development in the Eastern Cape through bringing the vision for the Coega SEZ to life was recognised in late 2014 with the Prestige Award of the NMMU Council.

KHWEZI TIYA
CHIEF EXECUTIVE OFFICER

Appointed: 2021

Khwezi Tiya is no stranger to the CDC, he brings with him a wealth of experience, integrity and a solid investment focus. He holds all the attributes that the CDC requires from a leader to grow to unimagined levels. His credible reputation as an acclaimed and empowering leader will undoubtedly benefit the interests of the shareholder, the Province of the Eastern Cape and the entire country given the role the CDC plays on national economic and social infrastructure projects.

Mr. Tiya holds a BSc. Civil Eng. (University of Natal, South Africa); an MBA (Nyenrode Business Universiteit, the Netherlands) and a MSc. Financial Management (SOAS), University of London, UK). As part of his senior executive development, he has completed the Advanced Management Program (The Wharton School, University of Pennsylvania, (USA).

Mr. Tiya has attended the Harvard Business School's 2014 Global Energy Seminar, which has helped shape his thinking and understanding of the energy transitions. As a testimony to his understanding of the overall requirements for complex project development and project management, he has also been a certified Project Management Professional (PMP) since 2005.

He began his career as an engineer in 1992, working on multidisciplinary projects. Before joining his former employer, Standard Bank Corporate & Investment Banking in 2010, where he was Head of the Oil & Gas and Public Sectors (South Africa) in the Client Coverage Division, he previously worked for the CDC from 1999 in a variety of senior and executive roles in strategy, operations and business development.

SHABEER KHAN

Appointed: 2014

Shabeer Khan joined the Department of Trade and Industry in 2013 as its Chief Financial Officer where he leads a dynamic Financial Management Services team. He continued in the same role in the newly formed Department of Trade, Industry and Competition (*the dtic*) which also includes providing oversight to the many public entities within the group. In view of the DG's recent resignation, Mr. Khan was appointed as part of a 3 member task team to lead *the dtic* going forward. He is also a member of *the dtic's* Executive Board as well as the Bid, Risk, Ethics and other committees where he provides leadership and guidance.

Mr. Khan serves in several other leadership roles; he is a member of numerous audit committees including the South African Bureau of Standards (SABS) and the Export Credit Insurance Corporation (ECIC) of SA. Mr. Khan is also the Chairperson of the Tshwane Automotive Special Economic Zone Audit Committee - Africa's first Automotive City.

In 2020, Mr. Khan was recognised for his contribution to the public service by CFO SA and he was the recipient of many awards.

Mr. Khan holds a BCom Honours degree and is a registered Chartered Accountant. He previously worked at the Auditor-General of South Africa where he was responsible for managing numerous audit portfolios and taking the lead in many United Nations audit assignments.

BATANDWA MDYESHA

Appointed: 2019

Batandwa, a chartered accountant, has more than 17 years' experience, and has worked in senior accounting, auditing, and risk management roles at South African state-owned enterprises, as well as in the private sector, in leading accounting and professional services firm's operations in South Africa and the Netherlands. She is currently a director at Libana Consulting (Pty) Ltd.

Before that, she held various key positions such as the Chief Financial Officer for two years at BAIC Automobile (Pty) Ltd. BAIC SA, is a Chinese car maker that has recently built a plant in Coega; Chief Financial Officer of African Exploration Mining and Finance Corporation (a state-owned mining company established to secure South Africa's energy supply primarily through the mining and supply of coal for five years); and various other roles - including Special Services Group Manager and doing articles at Deloitte's Cape Town, Johannesburg and Amsterdam offices.

She is a non-executive director at the following companies: Innowind Power Projects - Chaba Pty Ltd, Waainek Wind Power Pty Ltd and Grassridge (Pty) Ltd; Coega Development Corporation; and Steve Biko Academic Hospital.

As part of her oversight role in the boards, she advises on and provides expertise in financial management and corporate finance, auditing, risk management, corporate governance and business strategy development.

She was previously an external marker at UNISA for Honours Accounting for the six years until 2017.

PHILA XUZA

Appointed: 2019

Phila Xuza is the Director and Founder of the Centre for Small Towns Regeneration (Pty) Ltd. She holds an MA degree in Geography from the University of Witwatersrand and has over 25-years' experience as a strategist, scholar, and practitioner of spatial economic development in small towns.

Phila's interests are developing small town regeneration strategies for municipalities, conducting leadership training in small town regeneration, and small town research studies. She has completed projects and assignments in SA, Botswana and Namibia. She sits on the Board of Directors of several municipal and government entities. She has published widely on economic development, particularly relating to sustainable regional economies. She lives between Alice, Chintsa (Eastern Cape) and Cape Town (Western Cape).

MZUVUKILE MQUQU

Appointed: 2019

Mzuvukile Mququ is the Director of Supply Chain Management at the Eastern Cape Provincial Treasury since September 2019 to date, where some of his main responsibilities include implementing strategic sourcing for strategic commodities and implementing the Local Economic Development Procurement Framework in the Province.

Between 2012 until his latest appointment in 2019, he has held positions such as Director of Monitoring and Support and Director of Contracts and Supplier Management at the Eastern Cape Provincial Treasury.

He worked for the Coega Development Corporation (CDC) as a Supply Chain Monitor in 2007 and 2008, after which he was appointed as the Contracts Manager at the Transnet National Ports Authority and later as the Eastern Cape Regional Commercial Specialist at Transnet Port Terminal.

Mququ is currently pursuing his Postgraduate Diploma in Public Management from the North West University. He holds a Certificate in Advanced Programme in Sourcing and Supply Chain Management from UNISA and a B.Tech. in Cost and Management Accounting from the Cape University of Technology.

MBULELO SOGONI

Appointed: 2019

Mr. Sogoni holds a Bachelor of Science Degree and Higher Diploma in Education from the erstwhile University of Transkei, as well as a Master's Degree in Public Administration from the University of Fort Hare.

Mr. Sogoni is a highly experienced leader with extensive experience gathered in various roles in the public and private sectors. He began his career as an Educator, Head of Department & Deputy Principal at various schools in the Eastern Cape. He then moved to the Eastern Cape's Department of Education as the Deputy Director of Human Resource Administration. He later became Executive Mayor of the Alfred Nzo District Municipality before joining the Eastern Cape Provincial Legislature as a Member of the Provincial Legislature.

Mr. Sogoni has served as Eastern Cape MEC for Economic Development & Environmental Affairs and MEC for Agriculture & Rural Development. He also had a short stint as Premier of the Eastern Cape before the 2009 election. Mr. Sogoni rendered shareholder oversight over numerous government entities, namely: Eastern Cape Development Corporation; Coega Development Corporation; East London Industrial Development Zone; Eastern Cape Tourism Board; Eastern Cape Parks Board; Eastern Cape Gambling Board; and Eastern Cape Liquor Board. He also served as a Member of the Board at various entities including the Accelerated and Shared Growth Initiative of South Africa (Eastern Cape), Eastern Cape Socio-Economic & Consultative Council, Eastern Cape Rural Development Agency and the Kangela Citrus Farm.

At the national level, Mr. Sogoni served as the Head of SEZ Compliance & Accountability in the Department of Trade & Industry; Head of Investments at Old Mutual's Masisizane Fund and Chairperson of the Small Enterprise Development Agency (Seda) Board. He is a member of the Institute of Directors of Southern Africa.

Currently, Mr. Sogoni is the Director General of the Province of the Eastern Cape.

NOMONDE MTEMBU

Appointed: 2019

Nomonde Mtembu has worked at Tescor in various positions such as Hydro Plant Operator at First Falls and Collywobbles, from 1987 to 1991, before becoming a senior invoice clerk until 1995 when Eskom took over Tescor. After the 1994 elections, she held various positions, such as an Operations Controller, Administration Controller, Materials Requirement Planner (MRP) Controller and Special Projects. From 2013 until 2018, she was the Senior MRP Controller.

She holds a qualification in Labour Law from the Nelson Mandela University, a Higher Certificate (Cum Laude) in Economic Development from the University of Western Cape, a Diploma in Supply Chain Management from the Institution CS Holdings Midrand and a Certificate in Labour Studies from the Natal Technikon.

She completed a three-year National Diploma in Human Resource Management from the Southern Business School in 2019.

MENZI MBINA

Company Secretary

EXECUTIVE AUTHORITY

Mr. Mlungisi Gerald Mvoko
MEC: Finance, Economic Development, Environmental Affairs and Tourism

The Coega Development Corporation (CDC) is a public entity that is wholly owned by the Eastern Cape Provincial Government in South Africa. The Member of the Executive Council (MEC) for Finance, Economic Development, Environmental Affairs and Tourism, the Honourable Mvoko, represents the Eastern Cape Provincial Government as the 100% shareholder and executive authority of the CDC. The Department of Economic Development, Environmental Affairs and Tourism's (DEDEAT) focus is on promoting sustainable and shared economic growth and development while ensuring integrated economic, trade and industrial development.

During the year, the COVID-19 pandemic affected all government entities in the province in terms of achieving their strategic objectives. As a result, following the unveiling of the Economic Reconstruction and Recovery Plan by His Excellency, President Cyril Ramaphosa, the Province responded with a range of short-term business relief packages. These included COVID-19 economic recovery relief and the Eastern Cape Jobs Stimulus Fund.

Furthermore, the Province established programmes to support priority economic sectors through the Provincial Economic Development Strategy (PEDS) and the Provincial Economic Stimulus Fund (PESF). Given the economic challenges that were the result of the COVID-19 pandemic, we are encouraged that the CDC, as one of our entities, has made good progress in achieving some of its objectives in terms of the Special Economic Zone (SEZ) and infrastructure programmes.

The Department of Trade, Industry, and Competition (*the dtic*) is the custodian of the SEZ policy in South Africa in terms of the Special Economic Zone (SEZ) Act, 2014 (Act No. 16 of 2014). This Act provides a clear framework for the development, operation and management of SEZs in the country. Therefore, the SEZ programme is critical to the economic development of the Eastern Cape. In his State of the Province Address (SOPA), Premier Lubabalo Oscar Mabuyane emphasised, "Our two established Special Economic Zones, the East London (EL) SEZ and Coega SEZ, continue to be our shining stars for investment attraction and job creation. However, the availability of a reliable supply of energy is critical in the reconstruction and recovery of our economy... The Province has done considerable work on the Gas-to-Power Programme to host additional gas-driven power generation of between 1,000 to 3,000 MW. We will host the first infrastructure site for the importation of Liquefied Natural Gas (LNG). We are therefore positioning the Coega SEZ as the natural location for the critical off-take projects that will be needed to unlock the development of the offshore projects, and thus use this domestic gas for power generation and gas-based industrialisation. This is the critical next phase of the work to develop the gas hub at Coega."

We are pleased, as the Province, that the Minister of Mineral Resources and Energy, Gwede Mantashe, has confirmed the Eastern Cape Province, Coega SEZ and Port of Ngqura in particular, as the preferred location for two important energy projects as part of the Risk Mitigation IPP Procurement Programme (RMIPPPP), namely the Karpowership at Coega and the Mulilo Total Coega Liquefied Natural Gas (LNG) projects with a combined output of 640 MW. These milestones will go a long way to boosting investor confidence in the province, and to creating jobs and small business opportunities in the value chain during construction and operations for youth, women, and persons with disabilities.

The Wild Coast SEZ is another important project currently being developed by the CDC. It will contribute to the development of economic infrastructure in the eastern part of the province, particularly for freight and logistics. The R1 billion investment in dairy and related agricultural production will be the base for agro-processing investment in the Wild Coast SEZ. Progress to date in the Wild Coast SEZ includes the completion of land and topographic surveys, the appointment of the bulk and top infrastructure consultants, and a fencing contractor.

Since the approval of the Oceans Economy Master Plan, the Province has invested R206 million from the stimulus fund for the development of the first 100 hectares of the Aquaculture Development Zone (ADZ) at the Coega SEZ, for which I had the pleasure to officiate a sod-turning ceremony in September 2020. Therefore, Phase 1 construction started in September last year and will be completed in November 2021. This project is targeted to create 500 construction and 5,600 operational jobs.

Working with *the dtic*, the provincial government will continue to invest in industrial infrastructure to enhance local manufacturing capacity. In addition, as stated in this year's State of the Province Address (SOPA), to deal with challenges that lead to delays in infrastructure delivery, "the Coega Development Corporation has been appointed to assist provincial departments, public entities and municipalities to package projects in order to access funding for socio-economic development."

I wish to congratulate the CDC on the successful implementation of its projects on the African continent as part of the Coega Africa Programme in line with the Province's pledge to promote the development and economic integration of the African continent. We are very keen on contributing to a better Africa and world and look forward to embarking on inter-Africa trade – a feat made possible by the signing of a Free Trade Agreement by African countries, including South Africa.

The DEDEAT is proud of the CDC's role in the province as a catalyst for championing socio-economic development. Over the 22 years since its establishment in 1999, the entity has gone from strength to strength, achieving its milestones, attracting significantly large investments, and playing an important role in infrastructure development in the province. We look forward to working with the CDC in the next five years of its Strategic Plan 2020-2025, and in rolling out critical investment and infrastructure development projects.

I wish to thank the CDC Board for providing strategic leadership and accountability in the delivery of the mandate of the CDC during the difficult time of the COVID-19 pandemic.

COEGA OWNERSHIP

Government of
THE REPUBLIC OF SOUTH AFRICA

Province of the
EASTERN CAPE
REPUBLIC OF SOUTH AFRICA

the dtic
Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

Province of the
EASTERN CAPE
ECONOMIC DEVELOPMENT,
ENVIRONMENTAL AFFAIRS AND TOURISM

nelson mandela bay
MUNICIPALITY

COEGA
DEVELOPMENT CORPORATION
▪ right PLACE ▪ right TIME ▪ right CHOICE

COEGA SHAREHOLDER

Province of the
EASTERN CAPE
ECONOMIC DEVELOPMENT,
ENVIRONMENTAL AFFAIRS AND TOURISM

COEGA
DEVELOPMENT CORPORATION
▪ right PLACE ▪ right TIME ▪ right CHOICE

RAPID INFRASTRUCTURE
DEVELOPMENT AGENCY T/A

SBFS
SMALL BUSINESS FINANCE & SUPPORT
Financing Sustainable Small Business

COEGA DEVELOPMENT
Foundation
Empowering Growth for All

GENERATING VALUE THROUGH OUR SIX CAPITALS

In keeping with its vision and in compliance with the King IV code on corporate governance and international best practice, the CDC creates value by developing and implementing a range of innovative, forward-thinking, game-changing services for our stakeholders. We depend on various relationships and resources to do this. All organisations depend on various forms of capital for their value creation and commercial viability, i.e., "six capitals." In the International Integrated Reporting <IR> Framework, these capitals are defined as financial, manufactured, human, social and relationship, natural and intellectual capital. The capitals are stocks of value that are increased, decreased or transformed through the activities and outputs of the organisation. For example, an organisation's financial capital is increased when it makes a profit, and the quality of its human capital is improved when employees become better trained. At the CDC, the following are the key capitals:

FINANCIAL

- Revenue Generated: R508.7 million
- *the dtic's* Approved Infrastructure Funding for Investors (2015 - 2020): R2.491 billion
- Number of Projects: 34 (22 Ccompleted, 11 in-progress and 1 discontinued)
- Funds Received: R2.333 billion

MANUFACTURED

- 50 Cumulative Operational Investors
- 5 Secured Investors
- 29.71% Procurement Spent on SMMEs
- Value of Coega SEZ Operational Investors: R6.8 billion
- Coega SEZ Area: 9 003ha
- Coega SEZ Lettable Area: 5 650ha
- Operational % of Lettable Area: 26.30%

HUMAN

- R3.78 million spent on staff development for 2020/21 FY
- 69 staff members took part in the staff development programme
- 100% of CDC's workforce receives regular performance and career development reviews

SOCIAL & RELATIONSHIP

- B-BBEE status level 4 (2019) and level 2 (2020) and level 3 (2021)
- 51 internships funded by the CDC and 18 Learnerships externally funded & hosted by the CDC for technical experience
- 74% of tenants satisfied with Coega SEZ as an investment destination
- 60% of tenants would recommend the Coega SEZ

NATURAL

- ISO Certification:
  - ISO 9 001: 2015
  - ISO 14 001: 2015
  - ISO 45 001: 2018
  - ISO 20 001
  - ISO 27 001
- Hosted 5 Plant Rescue Open Days
- 3 Environmental Impact Assessments obtained for projects

INTELLECTUAL

- Two Awards of excellence:
  - Game Changers Awards 2020 by International Finance Monthly; and
  - Global Awards 2020 by CEO Today
- Invest SA One-Stop-Shop Satellite

An evening photograph of the N2 intersection connecting Neptune Road of the Coega Special Economic Zone, Gqeberha with the rest of the Eastern Cape, South Africa and African continent.

SIX CAPITALS **OUTPUT**

- **Financial Sustainability** with strong cash flow, cash reserves and revenue;
- **Socio-economic Development** and inclusive growth to maximise our societal impact;
- Creation of an excellent **Performance Ecosystem** (people, systems and technologies); and
- Meet our **Sustainable Development Goals** and **Impact and Outcome Statements**.

IMPACT AND OUTCOME STATEMENTS **SUPPORTED**

1. Financial Sustainability
2. Increased Economic Advantage for Targeted Industries
3. Increased Economic Opportunities for the Marginalised

The Coega Development Corporation creates value using financial capital. Our financial capital includes revenue generated from operations, investments, debt and equity resources and strong cash reserves. We use a combination of these financial resources in our business operations to ensure financial sustainability. Furthermore, value is created through industrial development to increase the percentage of lettable area to increase the number and value of investment, and to create employment. Moreover, human inputs, social relationships, as well as natural and intellectual assets create additional value, which ensures the achievement of sustainable development goals through our people, systems and advancement in technologies.

PURPOSE OF THE COEGA DEVELOPMENT CORPORATION

The Coega Development Corporation (CDC) is headquartered in the City of Gqeberha, Nelson Mandela Bay Municipality, South Africa, with a strategic operational footprint in South Africa and beyond our borders in the African continent.

The CDC's vision is to be the leading catalyst for the championing of socio-economic development. We seek to achieve this through the development and operation of the 9 003-hectare Coega Special Economic Zone (SEZ), a transshipment hub and a leading investment destination in Africa, as well as through providing highly skilled competence and capacity for the execution of complex infrastructure and related projects throughout South Africa and selected markets on the African continent, and through offering advisory on the development of industrialisation and logistics zones.

The CDC's advanced capabilities are successful enablers in economic zone development and management, real assets management, infrastructure planning and development, technology integration and for realising related socio-economic impact areas such as skills and SMME development. The foundational culture of the CDC's approach, backed by core values, is innovation and continuous improvement.

The Coega SEZ is purpose-designed following the cluster model, which strategically positions related and synergistic industries and their supply chains in close proximity to one another in order to maximise efficiency and minimise turnaround times.

As a result, the SEZ has been demarcated into 14 zones, with the focus on the following sectors:

- Metals/Metallurgical;
- Automotive;
- Business Process Outsourcing (BPO);
- Chemicals;
- Agro-processing;
- Logistics;
- Trade Solutions;
- Energy; and
- Maritime.

In 2008, the reach of the Coega SEZ was extended to include the 216 hectare Nelson Mandela Bay Logistics Park (NMBLP) in Uitenhage, an area which provides infrastructure and support services to the automotive manufacturing industry, thus reducing operating costs and improving competitiveness.

COEGA SEZ **FOCUS SECTORS**

To improve financial sustainability, the CDC diversified its products and services from purely being an SEZ to non-SEZ services geared towards generating alternative sources of revenue for the organisation. The non-SEZ Services include the following:

- **Coega Human Capital Solutions (HCS),** which provides recruitment and selection, training and development, staff development services for investors in the SEZ, and social facilitation of infrastructure programmes;
- **Coega Corporate Travel (CCT),** which provides seamless and cost-effective travel management solutions for business and leisure travellers, including auxiliary services and solutions, such as accommodation and car hire. CCT holds an IATA accreditation, a seal of approval that is recognised worldwide;
- **Coega Business Solutions,** which provides a fully scalable suite of integrated management consultancy and turnkey solutions, such as ICT Services, Accommodation and Conferencing Facilities at the Coega Vulindlela Accommodation and Conference Centre (VACC), and four-star Bluewater Bay Sunrise Hotel. Additionally, it provides Events Management Services including high-quality 1,000-seater VIP Glass Marquees and Furniture for hire to SMMEs, Government Departments, Private Sector and the general public;
- **Project Management Services,** which provides engineering and infrastructure project management skills honed during the construction of the Coega SEZ, since 1999. These skills have been retained to enable the CDC to deepen state capacity in infrastructure development and contribute towards the socio-economic development of the country. To this end, the CDC is positioned as an Implementing Agent (IA) of choice for a range of public and private sector clients, providing critical infrastructure development and facilities management services throughout South Africa and to the rest of the African Continent. The CDC is also assisting other companies/ agencies in the country with the establishment of SEZs under the new SEZ Act (Act No. 16 of 2014), which includes the newly established Tshwane Automotive Special Economic Zone (TASEZ), a project by the Gauteng Provincial Government, DTIC, and the City of Tshwane, in which Government is investing R3.3 billion in infrastructure development and R15.8 billion by Ford Motor Company; and
- **Coega Africa Programme:** On the continental front, the CDC is implementing projects in Zimbabwe, CAR, and Cameroon, to name but a few. Through its Africa Trade and Investment Solutions Strategy, the CDC is championing the country's renewed push for business exchanges between South Africa and the rest of the continent.

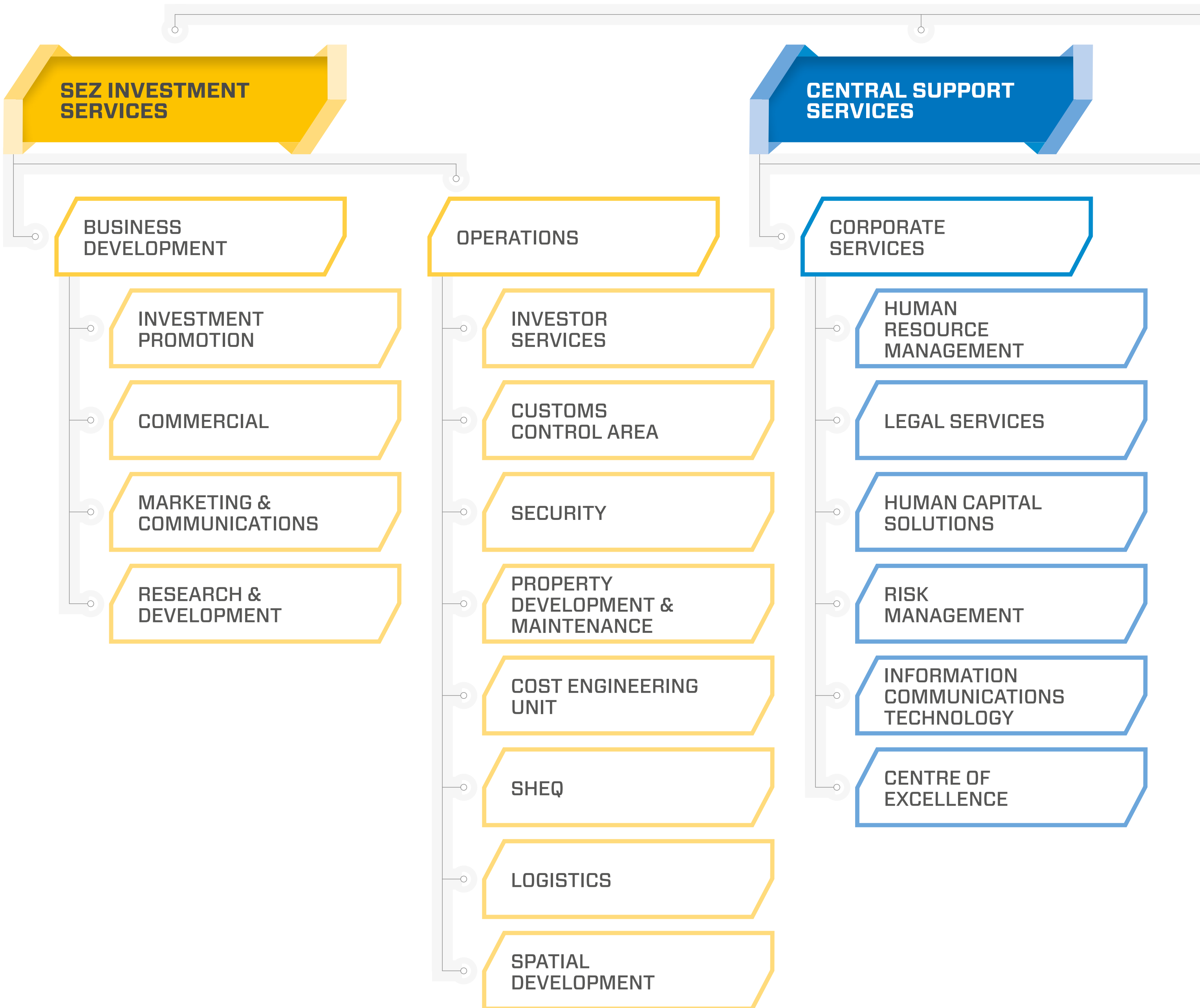
The Coega Development Corporation offers the following revenue generating products and services:

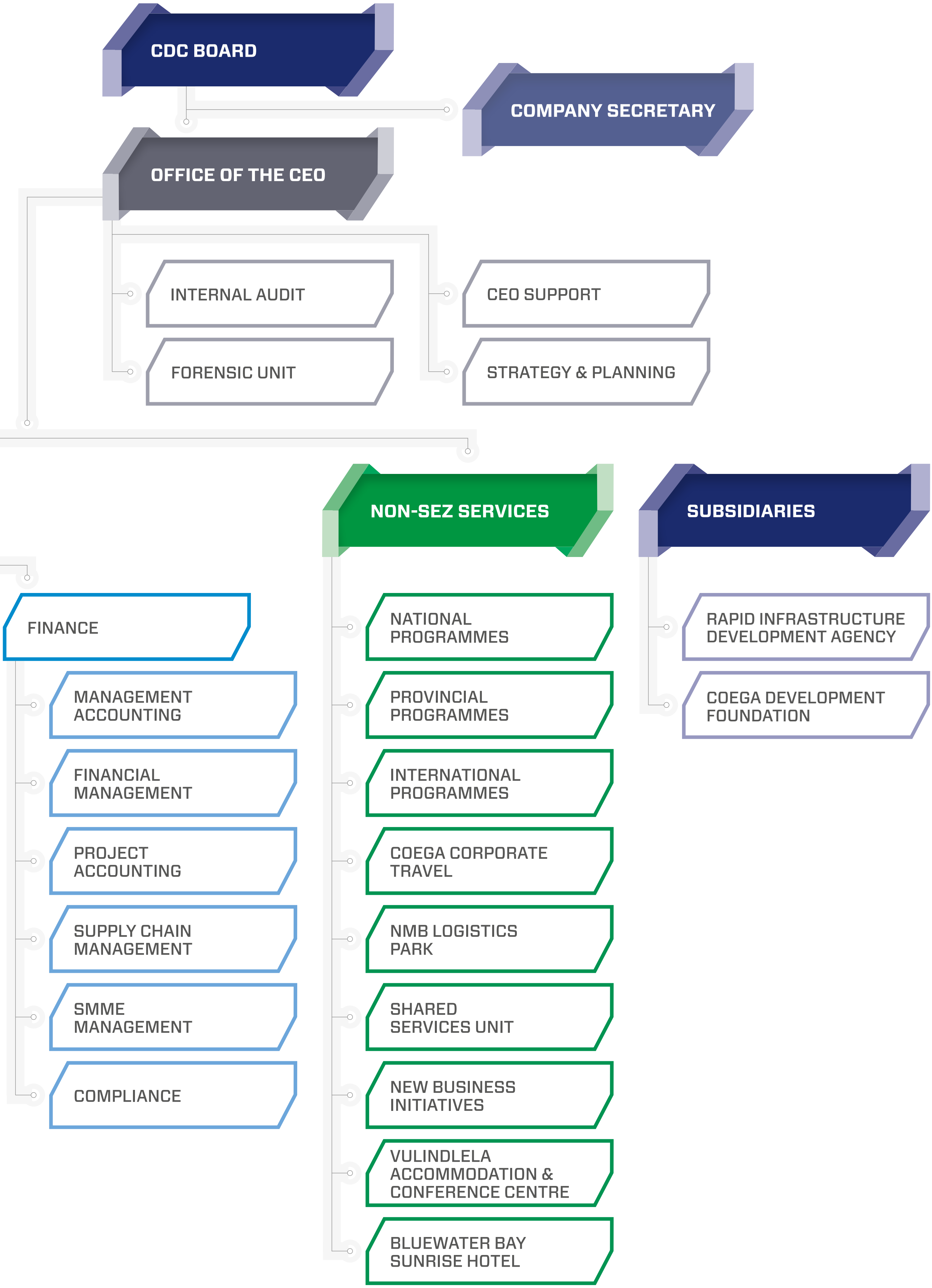
REVENUE GENERATING PRODUCT OFFERING

SEZ FOCUS	Industrial Estate Planning & Development	• Infrastructure Planning & Development • Investment Promotion • Facilities Management • One-Stop-Shop
SEZ & NON-SEZ FOCUS	Travel Agency Services	• Travel Planning • Travel & Accommodation • VISA Applications
	Skills Development Services	• Accredited Training • Mentorship & Development • Non-accredited Training • Human Capital Solutions
NON-SEZ FOCUS	Programme Implementing Agency Services	• Project Management Services • Mega & Minor Infrastructure Development • Facilities Management
	Management Consultancy Services	• Turnkey Business Solutions • Economic Research & Development • Document Management Services • SEZ Planning & Development • Business Process & Systems • Re-engineering • ICT Systems Development & Support

CORPORATE ORGANOGRAM

The following organisational structure enables the successful business operations and an efficient implementation of the above-mentioned products and services:




CDC BOARD
COMPANY SECRETARY
OFFICE OF THE CEO
INTERNAL AUDIT
FORENSIC UNIT
CEO SUPPORT
STRATEGY & PLANNING
NON-SEZ SERVICES
SUBSIDIARIES
FINANCE
MANAGEMENT ACCOUNTING
FINANCIAL MANAGEMENT
PROJECT ACCOUNTING
SUPPLY CHAIN MANAGEMENT
SMME MANAGEMENT
COMPLIANCE
NATIONAL PROGRAMMES
PROVINCIAL PROGRAMMES
INTERNATIONAL PROGRAMMES
COEGA CORPORATE TRAVEL
NMB LOGISTICS PARK
SHARED SERVICES UNIT
NEW BUSINESS INITIATIVES
VULINDLELA ACCOMMODATION & CONFERENCE CENTRE
BLUEWATER BAY SUNRISE HOTEL
RAPID INFRASTRUCTURE DEVELOPMENT AGENCY
COEGA DEVELOPMENT FOUNDATION

TOP 10 REASONS TO INVEST AT COEGA

World Class Infrastructure

- The Coega SEZ is ready to "plug and play". All the necessary infrastructure is in place, including roads, bulk water and sewer networks, telecommunication sleeve networks, electrical substations (HV and MV), and overhead power lines (HV and MV) – all that investors are looking for and more in a world class industrial development zone.

Governance

- CDC has robust internal governance structures in place to prevent corruption. Strong and proven supply chain processes ensure minor and mega infrastructure projects are implemented on time, within scope and on budget.

A Connected Zone

- There is a rail connection between the SEZ, the rest of South Africa and neighbouring countries.
- Major roads provide a seamless link into the national N2 arterial highway, which connects the SEZ to the rest of the region.
- The zone is integrated into Africa's newest deep-water harbour, the Port of Ngqura.
- National and international connectivity for passengers and freight is provided by the Chief Dawid Stuurman International Airport (PLZ), which is around 20 minutes travelling time away on the N2 Freeway.
- It takes just one hour 40 minutes to fly from PLZ to OR Tambo International Airport on a route serviced by a number of airlines.
- The distance to the main banking and business precincts in Gqeberha is around 20 km, which takes about 15 minutes.

Regional and International Logistics

- The Coega SEZ is strategically positioned on the main Southern Hemisphere east-west shipping routes.
- It is the only SEZ in Africa to be served by two ports, with a combined capacity of over two million TEU (Twenty Foot Equivalent Unit) a year.
- The deep water Port of Ngqura is the designated South African hub for container traffic, and is served by the world's top shipping lines.
- Named day services connect the port to the main global markets and supply centres.
- The Port of Gqeberha operates world class container, vehicle, breakbulk and bulk terminals.
- The shipping links are complemented by direct road and rail links to the rest of South and Southern Africa.

World Class Support Systems

- The Geographic Information System helps investors make informed decisions on positioning their plant.
- ICT Solutions for supply chain management, budgeting, procurement and financial management.
- Customs Control Areas (CCA) in the Logistics and Automotive Zones.
- Customs compliance infrastructure management.
- Proven in-house expertise in delivering infrastructure projects of all sizes within budget and on time.

Environmental

- Well-managed air quality.
- Clean water.
- Open space, hiking and mountain biking trails.
- Coega as the origins of manufacturing.
- Confluence of major biomes in RSA.

One-Stop-Shop Investor Services Centre

- Full Human Relations support, including recruitment, training and managing labour relations.
- Assistance with visa applications, work and study permits, and applications for municipal services.
- Assistance with applying for incentives.
- Facilitation of environmental approvals and licence requirements for project development (EIAs, Basic Assessment, Air Emissions License, Waste Licence and OEMP).
- Customs services to assist with all SARS customs registrations and permit processes in preparation for approval of facility for operational phases.
- Incentives: Assist all investors to ensure optimal use of all necessary incentives available to their industry (SEZ, Municipal, and Sector Specific Incentives).
- The CDC's Package of Plans approach allows statutory approvals for Site Development Plans and Building Plans to take place within 10 working days, respectively.
- Construction management and operational Safety, Health and Environment (SHE) management systems in place.
- SHE systems monitor and control construction and operational phases (waste management, water and air quality, storm water and effluent, alien plant eradication, open space management).
- The CDC clinic provides services during construction and operational phases.

Skills Development

- Systems are in place to assist investors with skills development.
- Advanced systems for registering work-seeker and competency-based recruitment functionality.
- Advanced labour management systems in place.
- Co-ordinated transport services.
- Induction training capacity.
- Central wage payment services.
- Construction village facilities provide accommodation, conference and training venues.
- Partnership with internationally recognised university (NMU) for research and development.
- Apprenticeship training centre (construction, manufacturing and MEI).

Incentives

- The CDC assists investors in their application for incentives offered by the national government, provincial legislature and local municipality. They include incentives for:
  - Training
  - Automotive Production and Development Programme (APDP)
  - Production Incentive Programme
  - Aquaculture Development and Enhancement Programme
  - Research and Development (S11D)
  - Export promotion incentives
  - Infrastructure support
  - Reduced municipal costs
- The Coega SEZ also provides some of the most affordable rates for developed and zoned industrial land in Africa.

Lifestyle: The Best of All Worlds

- Nelson Mandela Bay and its surroundings offer a lifestyle that is the envy of other SEZ operators around the world
- It offers a cosmopolitan Indian Ocean lifestyle that is a unique mix of the best of African, European and Asian cultures
- Executives and key staff will find comfortable homes within a 20-minute commute of the SEZ
- Nelson Mandela Bay has world-class theatres, including an opera house, museums, restaurants, beaches, public gardens, sports stadiums, gymnasiums, hospitals and shopping malls
- It is home to some of South Africa's top schools, as well as the Nelson Mandela University (NMU)
- There is plenty of opportunity to enjoy the great outdoors – Nelson Mandela Bay is the sunniest metro complex in South Africa
- Algoa Bay, the metro, is rated as one of the top water sport venues in the world and has world-renowned Blue Flag beaches
- Nelson Mandela Bay is the gateway to the world-famous Garden Route
- For those venturing further afield, the Metro is 750 km from Cape Town along the Garden Route, 1 000 km from Durban, and 1 300 km from Gauteng.

SPECIAL ECONOMIC ZONE **TAX INCENTIVES**

The success of Coega in attracting investors under the new Special Economic Zone (SEZ) Act (Act No 16 of 2014) will depend on the effectiveness of the SEZ incentives in making South Africa a more globally competitive investment destination. The SEZ Act came into operation on 9 February 2016, having been signed into law in May 2014. The legislation aims to boost private investment (domestic and foreign) in labour-intensive areas to stimulate job creation, competitiveness, skills and technology transfer as well as increasing the export of beneficiated products through the establishment of special economic zones (SEZs). Incentives for qualifying companies located in an SEZ include value-added tax and customs duty relief (if located in a customs controlled area), and the relaxation of employment tax incentive (ETI) provisions, subject to certain conditions. More information on the SEZ incentives for qualifying companies is available on *the dtic's* website *(http://www.thedtic.gov.za/sectors-and-services-2/industrial-development/special-economic-zones/)*.

Reduced Corporate Income Tax Rate – Certain companies will qualify for a reduced rate of 15% (instead of 28%) between 2014 and 2024

Building Allowance – Qualifying businesses operating within SEZs will be eligible for an accelerated depreciation allowance of 10% for buildings

12i Tax Allowance – This offers a tax allowance in relation to capital investment for NEW industrial projects, as well as expansions or upgrades to EXISTING ones

VAT and Customs Relief – Businesses within customer-controlled areas will qualify for VAT and customs relief, similar to those currently enjoyed in SEZs

Employment Tax Incentive – Employers that hire low-salaried staff (below R60 000 p.a.) in any SEZ will be entitled to this incentive.

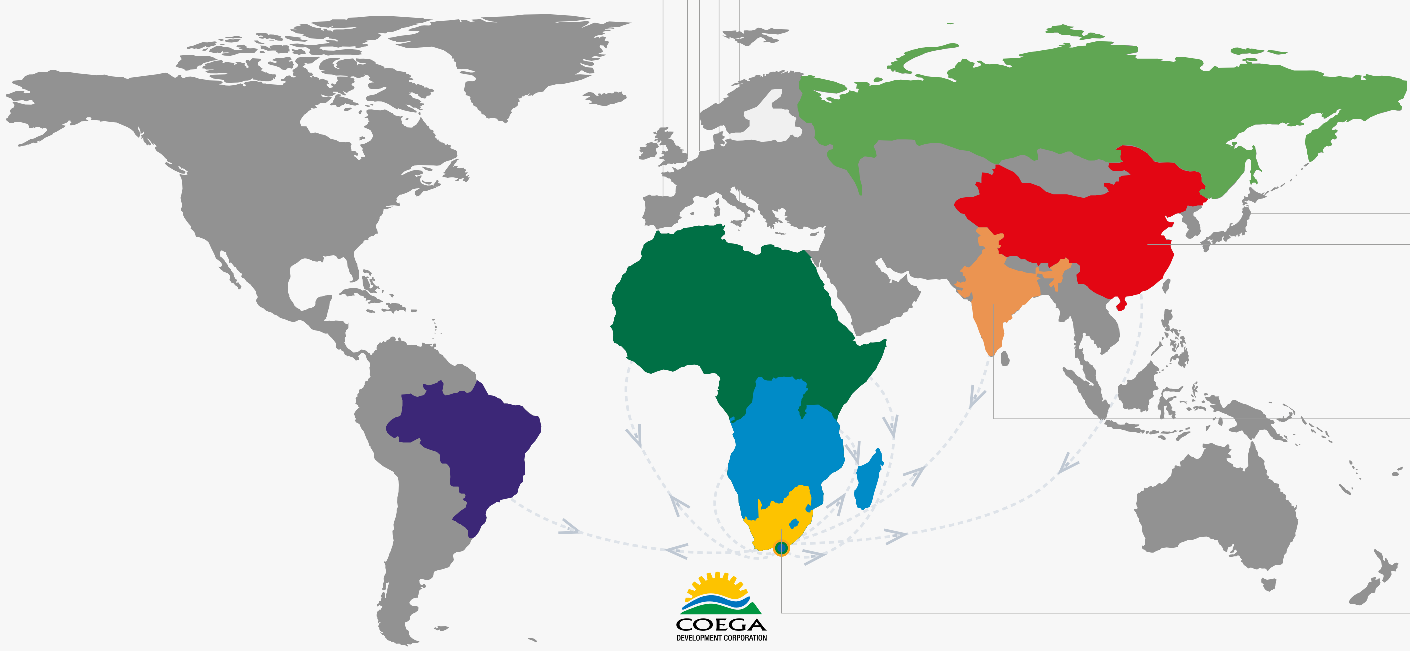
Port of Ngqura situated in the Nelson Mandela Bay Municipality.

MAKING A DIFFERENCE THROUGH MATHS & SCIENCE: 88% pass rate for Mathematics and 92% for Physical Science.

GLOBAL COMPETITIVENESS

The CDC creates value for investors, clients and other stakeholders through the provision of a competitive investment location supported by value-added business services, in keeping with its mission to act as an enabler of sustainable socio-economic development. This is evidenced by the number of major transnational companies from various leading industrial nations that have invested in the SEZ. The Coega SEZ provides transshipment hub facilities adjacent to the Port of Ngqura for international shipping lines destined to other countries in the African continent and world markets, thus enhancing the Coega SEZ's value proposition and competitiveness. More than half of the current volume to the Port is transshipment. The facilities are well positioned for the growing demand for transshipment cargo. Coega is using the Port of Singapore and Tuas Mega Port as case studies for transshipment effectiveness. The 2011 Study provides clear guidance on transshipment with the Port of Ngqura and Coega as best locations whilst the 2017 Policy incorporates an objective for a Transshipment Framework and legislation. Coega will continue to engage with the Department of Transport (DoT) to give effect to transshipment policy and studies.

Trade map of South Africa with SADC, the rest of Africa and the world.



South Africa with SADC, the rest of Africa and the world's imports & exports statistics.

SOUTH AFRICA	SADC	REST OF AFRICA (EXCL. SOUTH AFRICA)	BRAZIL	RUSSIA	INDIA	CHINA
Population (2017): 56.72 million	**Population** (2017): 342.4 million	**Population** (2017): 1.2 billion	**Population** (2017): 207.8 million	**Population** (2017): 144.50 million	**Population** (2017): 1.32 billion	**Population** (2017): 1.39 billion
GDP (2017): US$ 249.30 billion	**GDP** (2016): US$ 602.62 billion	**GDP** (2016): US$ 1.8 trillion	**GDP** (2017): US$ 2.05 trillion	**GDP** (2016): US$ 1.53 trillion	**GDP** (2016): US$ 2.61 trillion	**GDP** (2016): US$ 12.01 trillion
Export (2016): US$ 86.32 billion	**Export** (2016): US$ 174.9 billion	**Export** (2016): US$ 358.2 billion	**Export** (2016): US$ 217.75 billion	**Export** (2016): US$ 332.19 billion	**Export** (2016): US$ 430.46 billion	**Export** (2015): US$ 2.20 trillion
Import (2016): US$ 89.26 billion	**Import** (2016): US$ 190.1 billion	**Import** (2016): US$ 521.8 billion	**Import** (2016): US$ 203.17 billion	**Import** (2016): US$ 266.05 billion	**Import** (2016): US$ 509.864 billion	**Import** (2016): US$ 1.95 trillion

EU

Investor Services

EU

Investor Services

EU

Investor Services

EU

Investor Services

EU

Investor Services

INDIA & SE ASIA

Investor Services

JAPAN

Investor Services

FAR EAST

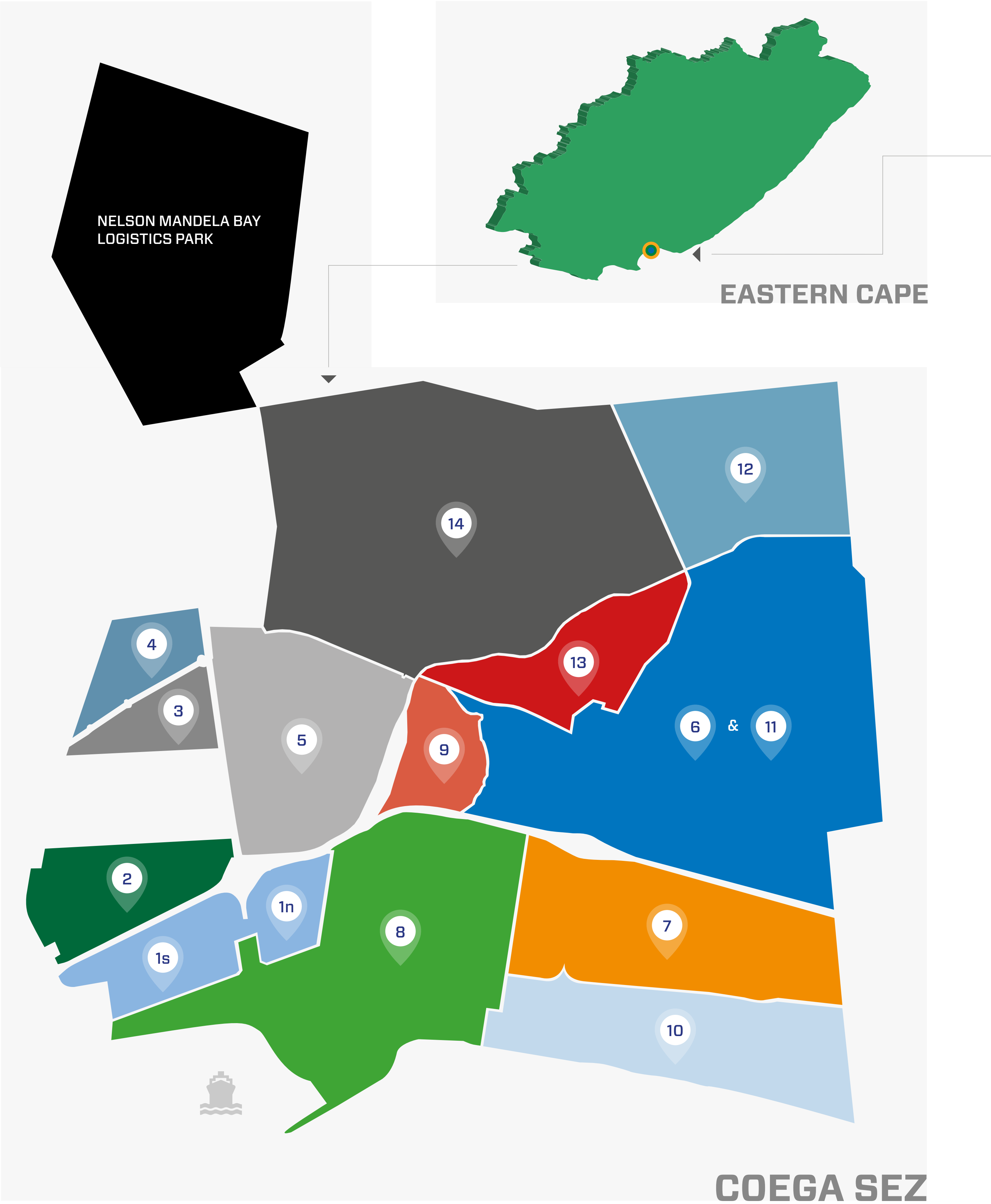
Investor Services

SADC

Export-oriented Manufacturing

Investor Services

AREA PROFILE



ZONE 1N
Commercial Cluster – Coega Business Centre

ZONE 1S
Logistics Cluster – Digistics, Famous Brands, APM Terminals, PE Cold Storage, ISUZU, Vector Logistics, National Ship Chandlers, BAIC SA, Lactalis/Parmalat, The Courier Guy, DHL, APLI.

ZONE 2
Automotive Cluster – FAW, CFR/Zacpack Logistics, Hella

ZONE 3
General Industries Cluster – Afrox, Air Products, Dynamic Commodities, Coega Dairy, Himoinsa, OLM Engineering, Corro Master, MM Engineering, MzantsiCS Foods, ChemChamp Africa

ZONE 4
Training & Academic Cluster – Human Capital Solutions, Skills Development Centre, BPO Park: Discovery, SBFS, WNS

ZONE 5
Metallurgical Cluster – Bosun Brick, Kenako Concrete, Sanitech, Cemza

ZONE 6 & 11
Metals & Petrochemical Cluster – Coega Steels, Electrawinds

ZONE 7
Chemicals Cluster – Cerebos

ZONE 8
Port Area

ZONE 9
Materials Handling Cluster

ZONE 10
Mariculture & Aquaculture Cluster

ZONE 12
Advanced Manufacturing Cluster

ZONE 13
Energy Cluster – DEDISA Peaking Power Plant

ZONE 14
Advanced Manufacturing: Aeronautical and Aerospace Cluster

NMBLP
Nelson Mandela Bay Logistics Park – MSC, Grupo Antolin, Benteler, Rehau, Faurecia, ITPSA, Q-Plas, MICB, Schnellecke

COEGA SEZ CLUSTER ZONES

DESIGNATED AREAS

SEZ Development Status

Zone	Main Sector	Operational % of Lettable
1N	Commercial	3.17%
1S	Logistics	53.69%
2	Automotive Cluster	26.57%
3	General Industries Cluster	31.14%
4	Training / Academic Cluster	10.15%
5	Metallurgical Cluster	3.6%
	Total CDA	**21.39%**
6 & 11	Metals & Petrochemical	0.31%
7	Chemical Cluster	1.94%
9	Materials Handling Cluster	28.84%
10	Mariculture & Aquaculture Cluster	6.50%
12	Advanced Manufacturing Cluster	0.00%
13	Energy Cluster	36.68%
14	Aeronautical & Aerospace	0.00%
	Total Coega East	**10.61%**
	Total SEZ	**16.80%**

The table indicates the percentage of Coega SEZ developable land which is operational as at 30 May 2021. The Coega SEZ is 9 003ha in extent of which 2 384ha is conservation area (26%), 5 730ha (63%) is developable land, and 969ha (11%) is reserved for roads and services. Land measured as being developable, becomes operational when a site (a portion of developable land) is developed to accommodate a tenant, is occupied by a tenant, and for which an occupancy certificate is issued in terms of the National Building Regulations and Building Standards Act (Act 103 of 1977). All three conditions must be present before land is measured as being operational. As at 30 May 2021, the overall percentage of developable land which is operational stood at 16.8%. There is considerable variance on the percentage of operational land between zones, due to factors such as:

- Some zones have a high percentage of serviced land available and there is high demand for the land. For instance, Zone 1 (South) has a large proportion of serviceable land available, is in high demand for port logistics types of activities, and is thus 54% operational.

- By comparison, Zones 12 and 14 are completely unserviced, and have limited investment demand, thereby explaining the non- operational nature of the land (0%).

The overall trend is that the Core Development Area has a higher percentage of operational land (21%) as services to the area are available. By contrast, land to the north east of the Coega River is largely unserviced, and therefore has a lower percentage of operational area (3%).

The formation of SA's New Dairy Powerhouse

Dairy Farmers of South Africa (DFSA)

120 years' experience as dairy market leader

- **Initially a full subsidiary of Clover SA**
- **74% owned by DFSA's Milk Producers**
- **Clover disposed investment in DFSA to the Milk Producers Trust**
- **Purchases raw milk regionally based on volume, milk composition and quality**
- **Nationwide milk procurement logistical footprint**

Coega Dairy

Leading environmentally-friendly dairy

- **Started by 13 Eastern Cape dairy farmers represented by the Coega Dairy Milk Producers Organisation (CDMPO)**
- **Partnered with the Coega Empowerment Trust**
- **Bought Dawson Dairy, introducing amasi product**
- **Famous Brands Cheese Company (FBCC) operates as part of Coega Food Group (CFG)**
- **Expanded to include butter factory**
- **Processes raw milk to UHT and butter end-product**

Dairy Group (Pty) Ltd

Leading Ultra High Temperature (UHT) milk supplier to consumers in South Africa with the ability to expand our footprint into Africa

Farmers are both our biggest asset and at the heart of our business.

We are committed to creating significant business value and growth opportunities for all of our producer members and agri-employees.

Nurturing new entrants to the agri-sector is a central part of our growth strategy.

We will grow a world-class dairy industry.

Coega Dairy is located in Zone 3 of the Coega SEZ.

CORPORATE BUSINESS MODEL

BUSINESS MODEL EVOLUTION

Businesses have to meet high expectations around value creation, and ensure that their ability to deliver value is consistent with the needs of sustainable development. The CDC actively connects its objectives and reporting to its purpose, as articulated elsewhere in this Integrated Annual Report. The organisation strives to create long-term value for stakeholders through providing strategic clarity, financial discipline, operational excellence and strictly defined capital allocation principles. Furthermore, in its value creation process, the CDC's core purpose, its risks and opportunities, strategy, business model, performance, and sustainable development, are reported as inseparable elements of the value creation.

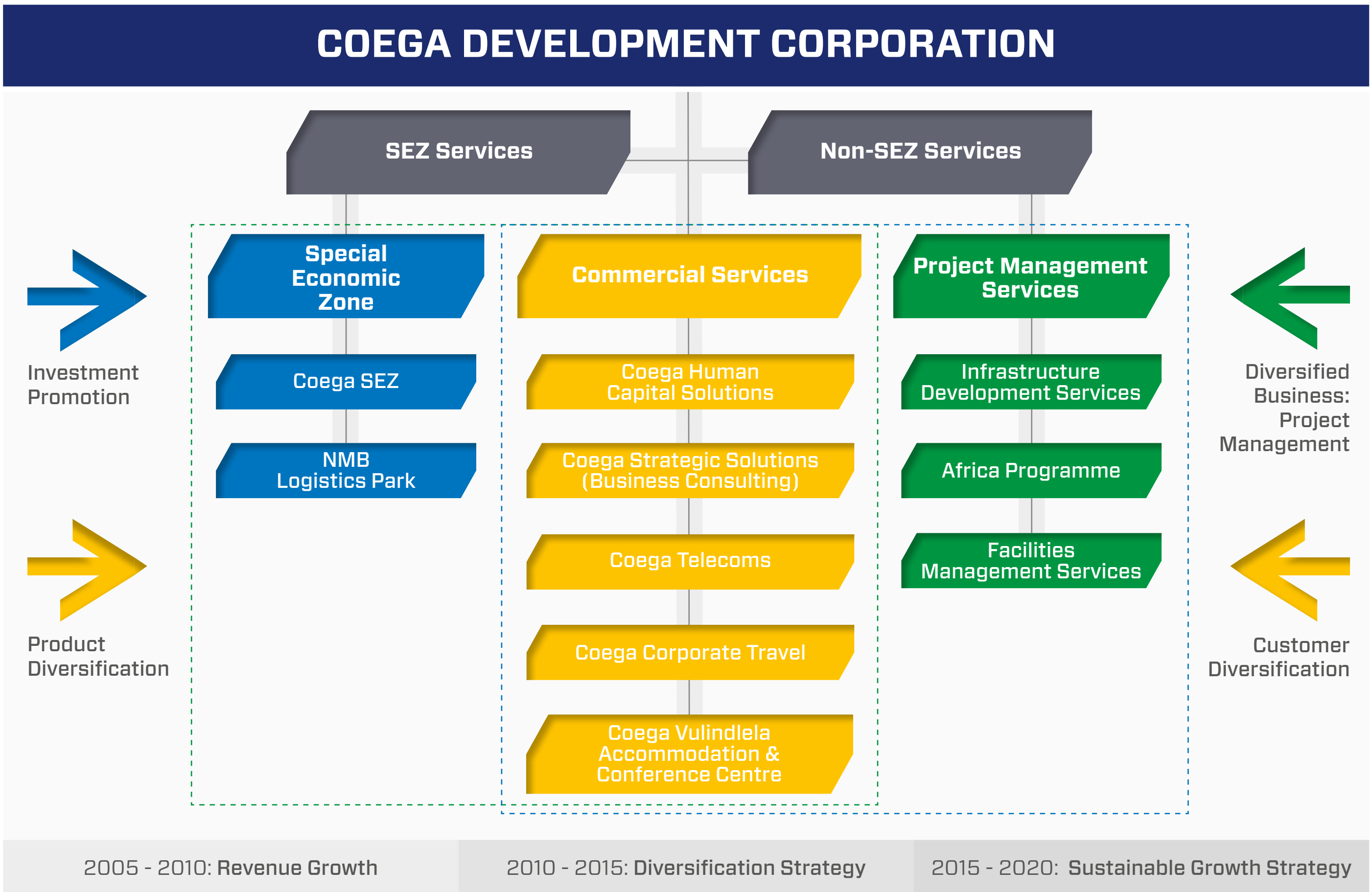
Therefore, the CDC's five-year strategy 2020 – 2025 points to a business model that has evolved over the last decade from solely focusing on investment attraction under the SEZ services to providing project management and strategic consultancy services under the non-SEZ services.

This shift in strategy reflects the CDC's strategic intent of maintaining financial sustainability whilst operating within a developmental state. This has meant overcoming the hurdle of a severe reduction in government grant funding, which has greatly challenged, not only the business model, but also the CDC's financial sustainability and growth.

As a result, over the past decade, the CDC has proactively developed its non-SEZ businesses with a focus on external consulting businesses including project management on provincial and national infrastructure programmes.

Some of the clients who have taken advantage of CDC's innovative and diversified products and services, and have derived value in so doing include the Eastern Cape and KwaZulu-Natal Departments of Education; Eastern Cape Department of Health; Eastern Cape Department of Public Works & Infrastructure; National Department of Public Works & Infrastructure; and most recently the Tshwane Automotive Special Economic Zone (Africa's first automotive city) in the City of Tshwane, in the Gauteng Province, where the CDC was appointed last year as the developer and operator of the newly established multi-billion rand SEZ.

The diagram below depicts the evolution of the CDC's business model over the last 20 years, which has been particularly pronounced in the last decade:



MEC:DEDEAT, Mr. Mlungisi Gerald Mvoko, visits CDC's new CEO, Mr. Khwezi Tiya, on 05 February 2021.

NMBM Executive Mayor, Cllr. Nqaba Bhanga, visits CDC on 14 January 2021.

COEGA BRAND ARCHITECTURE

MOTHER BRAND

Monolithic Brand

COEGA DEVELOPMENT CORPORATION

BRAND VALUES & PILLARS

Brand Values

- Innovation
- Integrity
- Partnership
- Service Excellence
- Sustainability

Brand Pillars

- Transparent Practises
- Customised Solutions
- Efficiency through Expertise
- Sustainable Socio-Economic Development

Brand Personality

- Progressive
- Trustworthy
- Intelligent

MAIN BRANDS

Special Economic Zone (SEZ) — Non-SEZ – Commercial

SUB-BRANDS

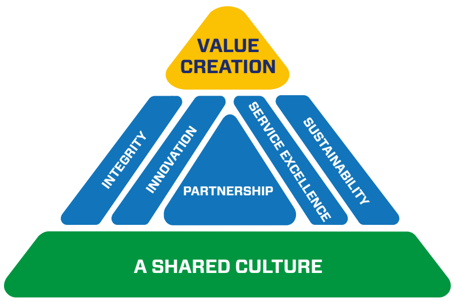
COEGA DEVELOPMENT CORPORATION
Special Economic Zone

COEGA DEVELOPMENT CORPORATION
Nelson Mandela Bay Logistics Park

COEGA DEVELOPMENT CORPORATION
Vulindlela Accommodation & Conference Centre

COEGA DEVELOPMENT CORPORATION
Corporate Travel

SHARED VALUE



BEING **COEGA**

FOCUSED ON CREATING VALUE FOR SHAREHOLDERS, EMPLOYEES, CUSTOMERS AND SUPPLIERS

- **CREATING FINANCIAL VALUE** FOR OUR SHAREHOLDERS
- **CREATING SOCIAL VALUE** FOR OUR COMMUNITIES
- **CREATING ECONOMIC VALUE** FOR OUR EMPLOYEES
- **CREATING SHARED VALUE** FOR OUR STAKEHOLDERS

ABOUT OUR NAME

Coega is widely pronounced as 'koo-gha' with a guttural sound forming the last syllable. Coega is derived from the ancient Khoi-San word for 'ground river' which aptly describes the arid environment of the area with its vast artesian groundwater resources. The Khoi-San were the original inhabitants of the Bay, and their rich click filled language, has influenced many other languages throughout Africa.

Vision

To be the leading catalyst for the championing of socio-economic development.

Mission

To provide competitive investment locations, facilitate holistic infrastructure and value-adding commercial business solutions.

Positioning

Right Place,
Right Time,
Right Choice

Services

Non-SEZ – Project Management Services

COEGA DEVELOPMENT CORPORATION
Human Capital Solutions

COEGA DEVELOPMENT CORPORATION
Business Solutions

COEGA DEVELOPMENT CORPORATION
Telecoms

COEGA DEVELOPMENT CORPORATION
Infrastructure Development Services

COEGA DEVELOPMENT CORPORATION
International: Africa Programme

COEGA DEVELOPMENT CORPORATION
Facilities Management Services

The Coega brand strategy is based on a monolithic brand approach. The mother brand is Coega and the pay-off line is Right Place, Right Time, Right Choice. There are three main brands, namely: SEZ, Non-SEZ - Commercial Services, and Non-SEZ - Project Management Services (External Services Programmes). The Coega sub-brands are as follows: NMBLP; Coega Vulindlela Accommodation & Conference Centre; Corporate Travel; Human Capital Solutions; Business Solutions; Telecoms; Infrastructure Development; International: Coega Africa Programme; and Facilities Management.

Independent Brands:

SBFS SMALL BUSINESS FINANCE & SUPPORT
Financing Sustainable Small Business
WWW.SBFSFINANCE.CO.ZA

COEGA DEVELOPMENT Foundation
Empowering Growth for All

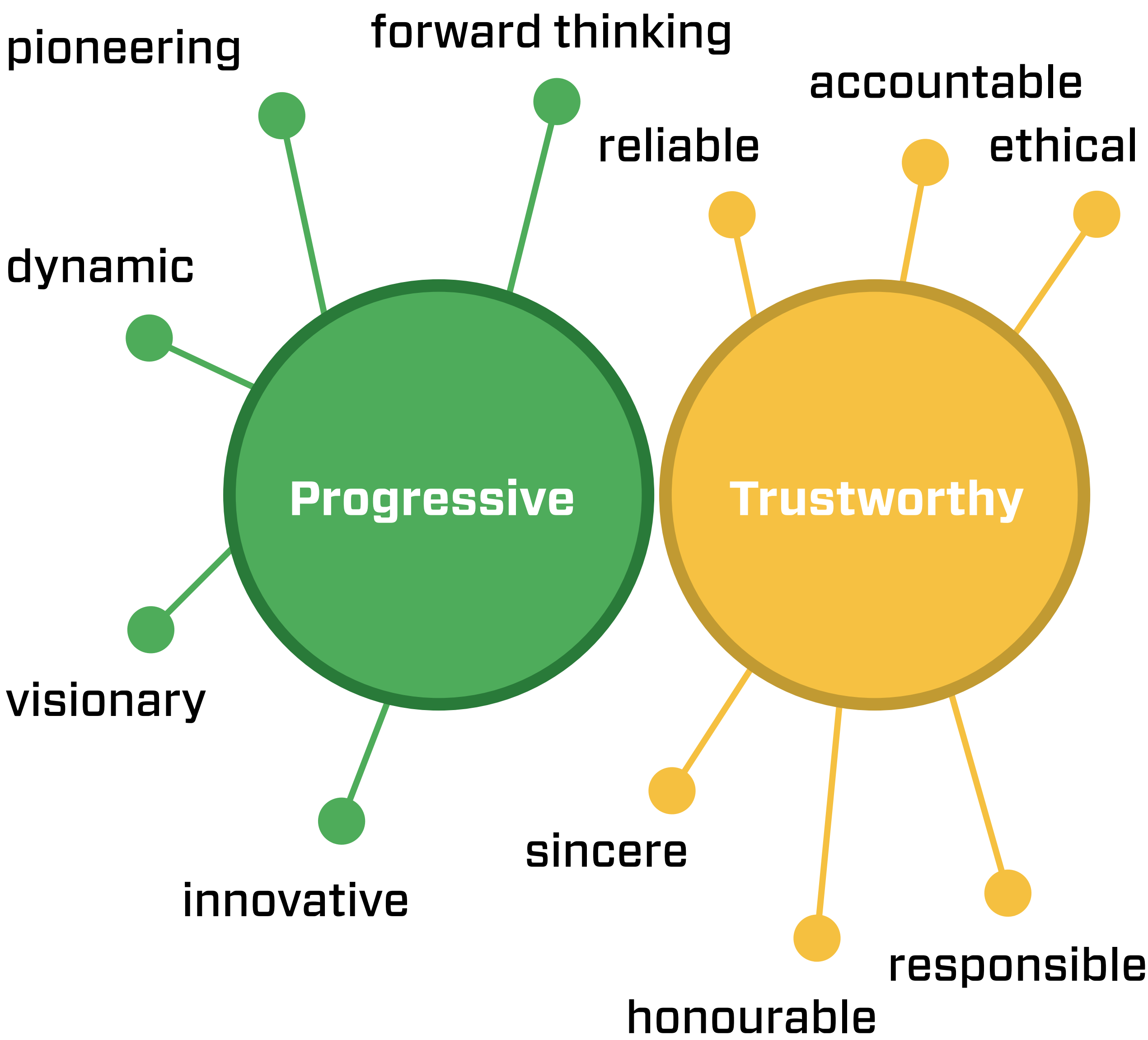
SAMF South African Marine Fuels
WWW.SOUTHAFRICANMARINEFUELS.COM

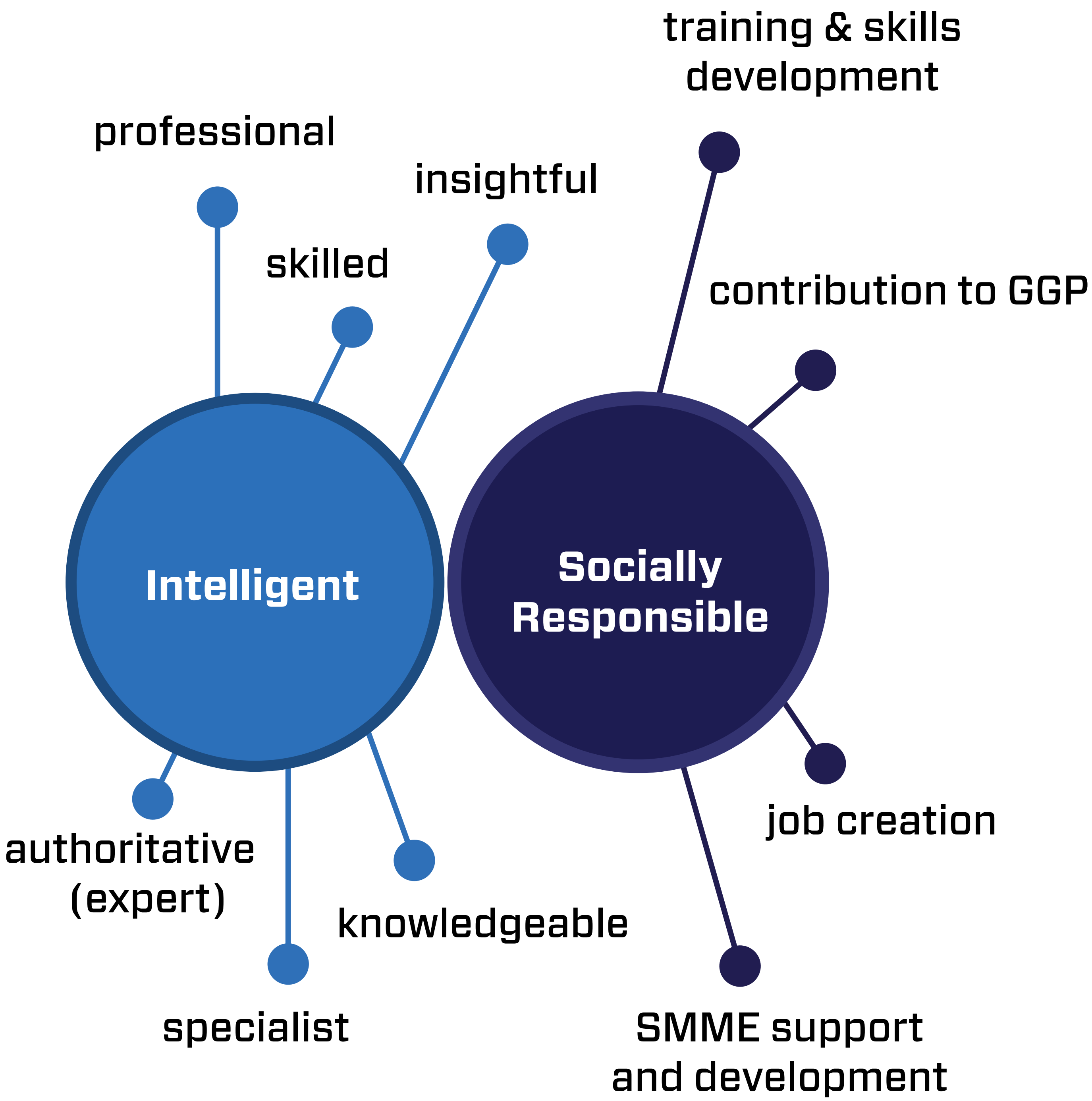
BLUEWATER BAY SUNRISE HOTEL
WWW.SUNRISEHOTEL.CO.ZA

CMS CRUX MARITIME SOLUTIONS
WWW.CRUXMS.CO.ZA

BRAND PERSONALITY

Defining Coega's Brand Personality is essential for re-positioning. The brand personality is the brand image or brand identity which is expressed in terms of a set of human-like characteristics. The brand personality includes distinguishing and identifiable characteristics, which provide consistent, enduring and predictable messages to our clients and stakeholders in general. It is primarily utilised as a way to differentiate the CDC Brand from other brands in the same category and to also leverage the symbolic benefits the CDC Brand can provide. The CDC's Brand Personality is drawn from human psychology and consumer behaviour research. The following depicts the CDC's Brand Personality:





- Progressive through their visionary leadership style;
- Trustworthy through having a service heart for the people and conducting their actions with integrity and transparency in line with their values;
- Intelligent by commanding respect internationally and speaking with authority; and
- Socially responsible in terms of job creation, SMME support & development, training & skills development, and contribution to Gross Geographic Product (GGP).

OPERATING CONTEXT

REVIEW OF THE CEO

Mr. Khwezi Tiya
Chief Executive Officer

We present this Annual Report being mindful that the past year has seen the impact of a global pandemic, which resulted in major changes in business operations and affected many sectors of the economy. This also had an impact on the global economy, with the International Monetary Fund (IMF) estimating a contraction of 3.5% in the global economy in 2020. From a local perspective, Statistics South Africa (Stats SA) showed that the economy declined by 7% in 2020, following a marginal increase of only 0.2% in 2019. All this also had a major impact on global trade and investment, as well as the fiscal position of the government in South Africa. This lead to a reduction in some infrastructure spending, as funding was redirected in certain cases to deal with the COVID-19 pandemic. Notwithstanding several interventions by our government and the private sector, a number of companies unfortunately had to close down, particularly the small and medium sized businesses, which meant that people lost thousands of jobs. Some companies, both big and small, were fortunate enough not to close down but were still severely impacted by the hard lockdown. The hospitality industry, amongst others, was severely affected not just by the hard lockdown but also through the financial year.

This was the context for the work of the Coega Development Corporation (CDC) in this past financial year. We highlight this not as an excuse but rather as a precursor to discussing the performance of the CDC, and being realistic about the business and socio-political environment within which we operate. Overall, the CDC has performed relatively well in terms of achieving its impact and outcome indicators, owing to the continued support of stakeholders including investors, clients, and our Board, to mention a few. We have been greatly encouraged by the instances in which we have been able to achieve and even exceed targets. In areas where we have fell short of targets, management has put together dedicated action plans in order to address areas of focus and improvement. The lessons learnt over the past financial year have laid the foundation for some tactical changes we will be making to ensure that we achieve the vision articulated in the five-year strategy.

Key to our ambitious vision of "becoming a leading catalyst for the championing of socio-economic development" is the need to ensure that we offer value-adding services and solutions to our clients and partners. This is so that together, we are able to unlock more opportunities and contribute more towards the country's development agenda as indicated in the South African Economic Reconstruction and Recovery Plan. Coupled with value addition is our willingness to engage in partnerships that ensure we will leverage on each participants' capabilities (both public and private sectors) so that we are able to further impact the economy. This includes the critical work we do through the Coega Africa Programme, which provides a platform for us to make the necessary contribution to the development of the continent and capture opportunities unlocked through the signing of the African Continental Free Trade Area (AfCFTA).

The CDC's success, which is based on a culture of innovation and continuous improvement, is as a result of developing key capabilities and competencies in the areas in which we are involved. The statement that people are our key asset is hence not theoretical, but a critical foundation without which we would not make the progress we have made, impacting on our clients, shareholder and the broader stakeholders. Through the support of our Board, we are continually making sure that we invest in the empowerment and improved knowledge of our people, ensuring that CDC has a pool of talent that is able to respond to the complex global challenges that the organisation has to contend with.

Attached to this is the plan of building the next generation of leadership for the organisation especially women, as we know that the country is in dire need of women leaders. This is what has brought about the Coega Global Scholars Programme (CGSP) that was recently launched by the organisation post the end of the financial year as we prepared this report.

During the financial year, we also launched comprehensive development programmes tailored to the different needs of our people, including but not limited to the Coaching Programme, the Women's Executive Development Programme, the Leadership Development Programme as well as the Management Development Programme. These programmes, which we are undertaking with carefully selected partners who understand the value of applied learning, will further strengthen our management depth and enable us to improve our succession programme. This is to ensure that as part of building this institution, we enhance the capacity of our people and offer the right culture such that they are able to innovate and create new solutions in the competitive environment in which they operate in. We have also made a commitment to the Board to address the significant gap in our senior and executive management layer, where there is a lack of enough women. The results of this commitment will be seen in the next financial year.

We remain committed to the achievement of the CDC's five-year strategy objectives. Over and above that, for the sustainability of the CDC as an organisation going forward, we need to ensure that we are agile and responsive to the developing global trends that are in our radar - especially those that relate to issues of sustainability, digitisation and technology (amongst others). In the next financial year, we will be making significant announcements and partnerships that will enable us to respond appropriately to these emerging trends, bringing new solutions and adding value to both our business and our clients.

The IMF expects the global economy to grow by 5.5% in 2021 and by 4.2% in 2022. We highlight both as our 2021/22 financial year straddles both calendar years. The South African Reserve

Bank in May 2021 revised its expected GDP growth for South Africa to 4.2%, despite an expected third wave of COVID-19. At the time of writing this report, there had been significant other announcements that had begun to impact positively on government finances, such as increased growth in the mining sector. In addition, the President of the Republic of South Africa made an announcement regarding major changes in the management of ports to improve the logistics system and drive both efficiencies and investment. There have also been significant policy announcements in the energy sector with major projects that are expected to be located at the Coega SEZ. These developments should have a positive impact in the coming financial year, although risks remain of unforeseen events that could impact on investment and the portfolio of projects. This again highlights our need to remain agile through the capability of our people.

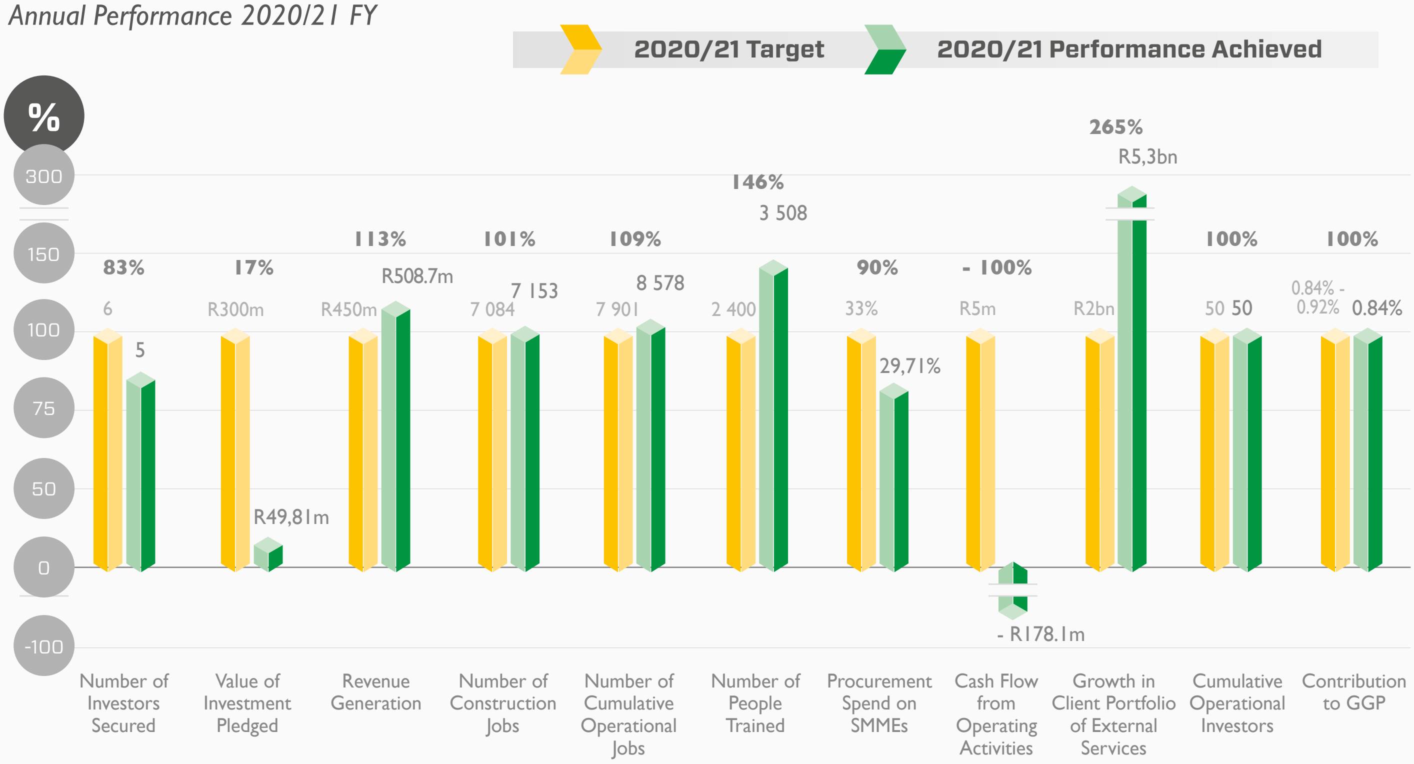
It is therefore a pleasure for me to present the CDC's 2020/21 consolidated performance result, which are the results of the first year of the current strategy cycle for 2020-2025.

Corporate Performance Overview

During the 2020/21 financial year, the CDC has, in some instances, achieved and exceeded its Outcome Indicators. As per the graph displaying the Annual Performance 2020/21FY, revenue generation reached 113% (R508.7m) of its R450.0m target. During the same period of last year, R509.0m revenue was generated. Diversified revenue-generating businesses, the resumption of activity in the construction industry during the fourth quarter, and the recovery of SEZ's rental income together have positively contributed to this outcome.

The number of new investors signed reached five out of a target of six (83%). This time last year, 12 investors were secured. The investment value is considerably lower than the target for the period, keeping in mind that previous years have seen considerably higher investment values (R709m last year). Of the R300m targeted, only 17% (R49.8m) was reached this year. This is attributable to the pandemic, subdued global sentiment, and the continued weakness of global trade.

Annual Performance 2020/21 FY



NB: Variance percentages are expressed at a maximum of negative 100%

Furthermore, the CDC achieved 29.71% of its 33% target in terms of Procurement Spend on SMMEs (29% was achieved last year). Amongst other reasons, this was largely the result of non-compliance by service providers in terms of Black Economic Empowerment certificates. The organisation will therefore be conducting workshops with contractors and SMMEs to improve compliance.

The number of cumulative operational investors stands at 50 against the target of 50 (100% achievement), while the number of cumulative jobs sustained in SEZ operations reached 109% (8 578) of the 7 901 target. The number of construction jobs created also exceeded the target by 1% (7 153). This means that a total of 15 731 jobs were created this year, as compared to a total of 14 240 last year. This 10% increase year-on-year is particularly significant for the CDC given the country's high unemployment rate of 32.5% (7.2 million) reached in the fourth quarter of 2020, which is the highest unemployment rate recorded since the start of the Quarterly Labour Force Survey (QLFS) in 2008 (Stats SA).

The CDC's contribution to the employment rate is in line with our goals of increasing economic opportunities for the marginalised (including youth, women and persons with disabilities) and thus making a tangible impact on the lives of citizens within our region and the country at large.

It is also encouraging that skills development in terms of the number of people trained by the CDC this year exceeded the target of 2 400 by more than 46%, reaching 3 508. This time last year, the CDC had trained 6 591 people.

Another highlight for the year in terms of our targets concerns external services. The CDC achieved a 265% increase in this area because of the successful implementation of our business development initiatives, including an increase in the new client portfolio and particularly the Tshwane Automotive Special Economic Zone (TASEZ).

The Gauteng Provincial Government, the dtic, and the City of Tshwane are partners in the development of TASEZ, with government investing R3.3 billion to unlock a further R4.3 billion in investment from suppliers and R15.8 billion in investments from Ford Motor Company of Southern Africa. This is the biggest Foreign Direct Investment seen since the 2010 Soccer World Cup in South Africa, and the CDC is proud to be the Infrastructure Implementing Agent, helping government and Ford Motor Company fast track the implementation of this crucial project in the country.

Awards of Excellence and Recognition

In the 22 years since its inception, the CDC has always subscribed to and often exceeded the industry's best practices in order to differentiate its offering, which yielded key awards of recognition during the financial year under review. These include the Finance Monthly Game Changers Awards 2020 and CEO Today Global Awards 2020, honouring the most respected organisations. Moreover, the CDC has retained the following ISO standards during the financial year:

- ISO 9 001: 2015 (Quality Management);
- ISO 14 001: 2015 (Environmental Management);
- ISO 45 001: 2018 (Occupation Health & Safety);
- ISO 20 001: IT Service Management; and
- ISO 27 001: Information Management.

Conclusion

I want to express my sincere appreciation to the CDC management, staff and stakeholders for their continued dedication to the organisation.

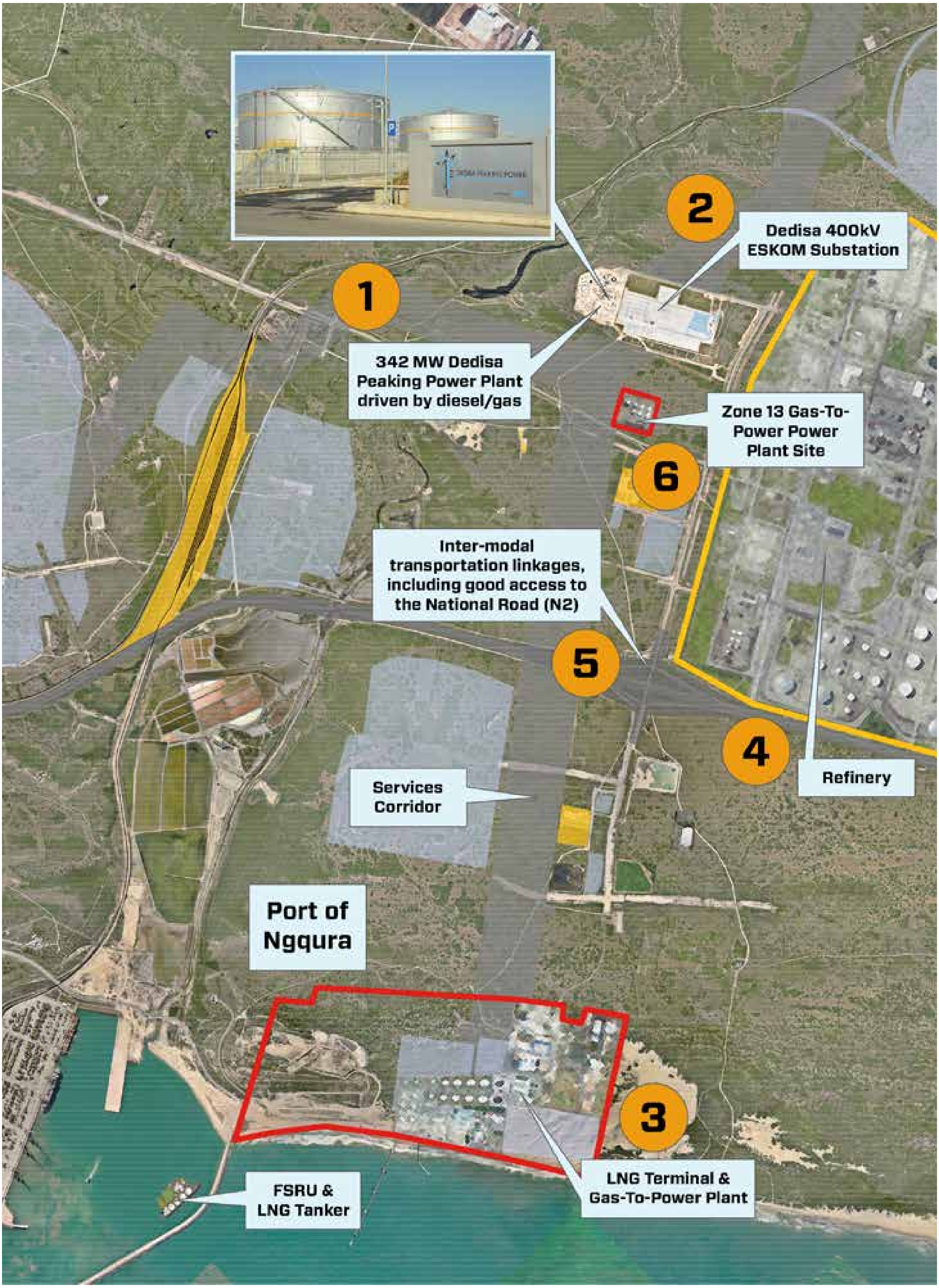
In addition, I wish to thank our Board for their loyalty and guidance as well as DEDEAT, our Executive Authority, for ensuring we remain accountable and ethical in pursuit of our outcomes. Equally importantly, I would also like to thank our investors for choosing the Coega SEZ as their preferred investment destination. To our stakeholders at large, thank you for working closely with us over the past 22 years to realise our vision to deliver socio-economic development in the Nelson Mandela Bay Metro, the Eastern Cape Province and the whole of South Africa.

The Integrated Annual Report 2020/21 was approved for release by the Board and signed on its behalf by:

Dr Paul Jourdan
Chairman
30 September 2021

Khwezi Tiya
CEO
30 September 2021

Lionel Billings
Chief Financial Officer
30 September 2021



GETTING READY: South Africa's First Liquefied Natural Gas (LNG) hub to be established at Coega SEZ.

EXECUTIVE MANAGEMENT

The Executive Management Committee (EXMA) is the CDC's highest operational decision-making body. Convened by the CEO and with all Executive Managers as members, it is a key structure in ensuring combined assurance and enabling integrated thinking and reporting by the organisation.

With the specific authority delegated to it by the CEO to facilitate effective, collective decision-making, EXMA considers strategic matters relating to the CDC, as well as operational matters arising from the various business units, and acts to facilitate coordination of the activities of these business units.

KHWEZI TIYA: CHIEF EXECUTIVE OFFICER

Appointed: 2021

Areas of expertise:
Engineering; Project Management; Leadership; Economics; and Energy.

MNINAWE (PEPI) SILINGA: CHIEF EXECUTIVE OFFICER

Resigned: 2020

Areas of expertise:
Engineering; Project Management; Leadership; and Economics.

THEMBA KOZA (OPERATIONS)

Areas of expertise:
Facilities and Operations Management; and Sustainable Development.

KELLY BYRNE (TECHNICAL SUPPORT FOR PROGRAMMES)

Areas of expertise:
Multidisciplinary Project Engineering; Engineering Economics; Portfolio Management; Programme Management; and Project Management.

BONGINKOSI MTHEMBU (CORPORATE SERVICES)

Areas of expertise:
People Management; Leadership and Corporate Governance.

JOHAN FOURIE (BUSINESS DEVELOPMENT - ACTING)

Areas of expertise:
Business Development Management; Strategy; and Engineering.

LIONEL BILLINGS (CHIEF FINANCIAL OFFICER)

Areas of expertise:
Finance and Supply Chain Management.

DR. MPUMI MABULA (INFRASTRUCTURE PLANNING AND DEVELOPMENT)

Areas of expertise:
Professional Civil Engineer; Portfolio, Programme and Project Management.

HENNIE VAN DER KOLF (TECHNICAL SUPPORT AND COST ENGINEERING)

Areas of expertise:
Project Management; and Engineering: Built Environment.

MONDE MAWASHA (PROGRAMME DIRECTOR: ICT, RESEARCH & STRATEGY)

Areas of expertise:
Engineering; Management; Project Management; and Economics.

CHUMA MBANDE (BUSINESS DEVELOPMENT - EXTERNAL PROJECTS)

Areas of expertise:
Engineering; Project Management; and Finance.

DAVID LEFUTSO (WILD COAST: SEZ)

Areas of expertise:
Facilities and Operations Management; Project Management; and Economics.

PROGRAMME DIRECTORS

Programme Directors are responsible for the CDC's infrastructure programmes under the External Services Unit. This is a growing component of the organisation's business model as it brings its expertise in managing complex and mega infrastructure projects to assist with capacity building and in resolving government's service delivery challenges. Clients include the Eastern Cape Provincial Departments of Health; Education; Roads and Public Works; Sports, Recreation, Arts and Culture; Rural Development and Land Reform; and Economic Development, Environmental Affairs and Tourism. Other clients can be found in other provinces, including the KwaZulu-Natal Provincial Department of Education; Northern Cape Provincial Government and Northern Cape Economic Development, Trade and Investment Promotion Agency (NCEDA), Mpumalanga Provincial Government, and Mpumalanga Economic Growth Agency (MEGA) and the National Department of Public Works (NDPW), to mention but a few.

GUGULETHU MOYO

Programme Director:
Department of Health

THEMBEKA POSWA

Programme Director:
EC-Department of Education

ANDILE NTLOKO

Programme Director:
KZN Programme

ZAKHELE KUNENE

Programme Director:
Tshwane SEZ Programme

CHRISTO BEUKES

Programme Director (Acting):
National DPW Programme
(Cape Town):

TANDILE NGXEKANA

Programme Director:
National Department of Public Works
(Mthatha)

ZINE MTANDA

Unit Head: Supply Chain and Technical Procurement Support

ZUKO MQHATHU

Programme Director:
SEZ Property Development and Management

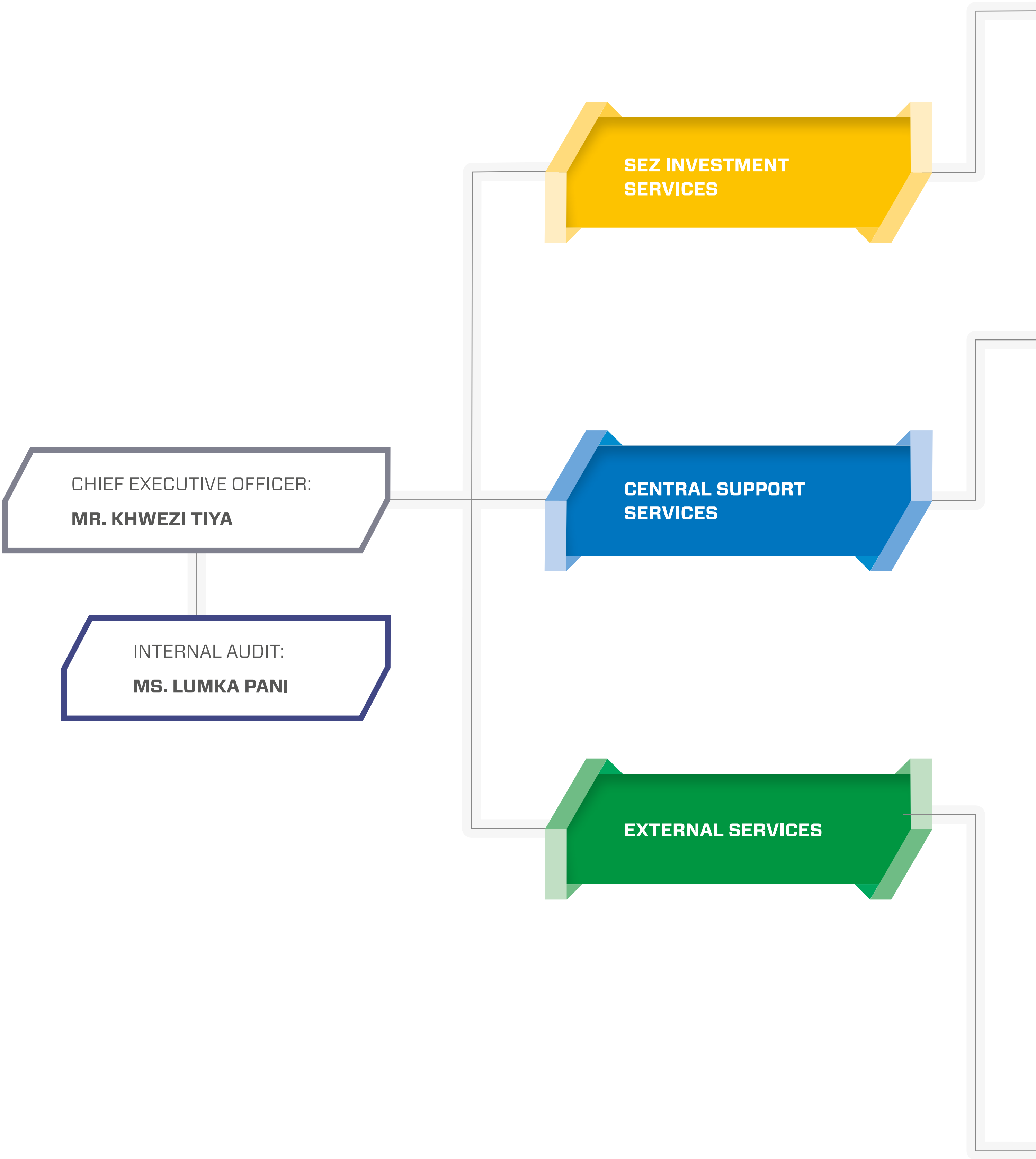
DR. SIYABONGA SIMAYI

Programme Director:
Northern Cape

MARIA VAN ZYL

Programme Director:
SEZ Infrastructure

ORGANISATIONAL OVERVIEW



BUSINESS DEVELOPMENT:

MR. JOHAN FOURIE
(Acting)

OPERATIONS:

MR. THEMBA KOZA

FINANCE (CFO):

MR. LIONEL BILLINGS

CORPORATE SERVICES:

MR. BONGINKOSI MTHEMBU

SUPPLY CHAIN MANAGEMENT AND TECHNICAL PROCUREMENT SUPPORT:

MS. ZINE MTANDA

INFRASTRUCTURE PLANNING AND DEVELOPMENT:

DR. MPUMI MABULA

ICT, RESEARCH AND STRATEGY:

MR. MONDE MAWASHA

SHARED SERVICES UNIT:

MR. FEZILE NDEMA

TECHNICAL SUPPORT AND COST ENGINEERING UNIT:

MR. HENNIE VAN DER KOLF

TECHNICAL SUPPORT FOR PROGRAMMES:

MR. KELLY BYRNE

NATIONAL DPW PROGRAMME (CAPE TOWN):

MR. CHRISTO BEUKES (Acting)

NATIONAL DPW PROGRAMME (MTHATHA):

MR. THANDILE NGXAKAWE

WILD COAST SEZ PROGRAMME:

MR. DAVID LEFUTSO

BUSINESS DEVELOPMENT EXTERNAL PROJECTS:

MR. CHUMA MBANDE

KZN PROGRAMME:

MR. ANDILE NTLOKO

NORTHERN CAPE PROGRAMME:

DR. SIYABONGA SIMAYI

EC DEPARTMENT OF EDUCATION:

MS. THEMBEKA POSWA

DEPARTMENT OF HEALTH PROGRAMME:

MS. GUGULETHU MOYO

TSHWANE SEZ PROGRAMME:

MR. ZAKHELE KUNENE

OUR STRATEGIC FOCUS

The CDC's strategic direction is always guided by its core mission as an enabler of socio-economic development and transformation in the Eastern Cape (EC) and South Africa through providing competitive investment locations, facilitating holistic infrastructure and delivering value-adding commercial business solutions. In the 22 years since its establishment in 1999, the CDC has proved to be one of the biggest drivers of job creation and development in the Eastern Cape economy, achieving its stated aim of addressing the twin challenges of unemployment and poverty through economic development.

The CDC's current strategic period is from 2020 – 2025.

Aligning the CDC Strategy with the SEZ Act

The Strategic Outcomes of the CDC are aligned to the strategic intent of the SEZ Act (Act No. 16 of 2014). The SEZ Programme's main focus is to attract Foreign Direct Investment (FDI) and export of value-added commodities. Although there were major achievements with the IDZs, there were weaknesses that led to the policy review and the new SEZ policy. Furthermore, the SEZ Policy provides a clear framework for the development, operations and management of SEZs.

The Strategic Outcomes of the CDC are as follows:

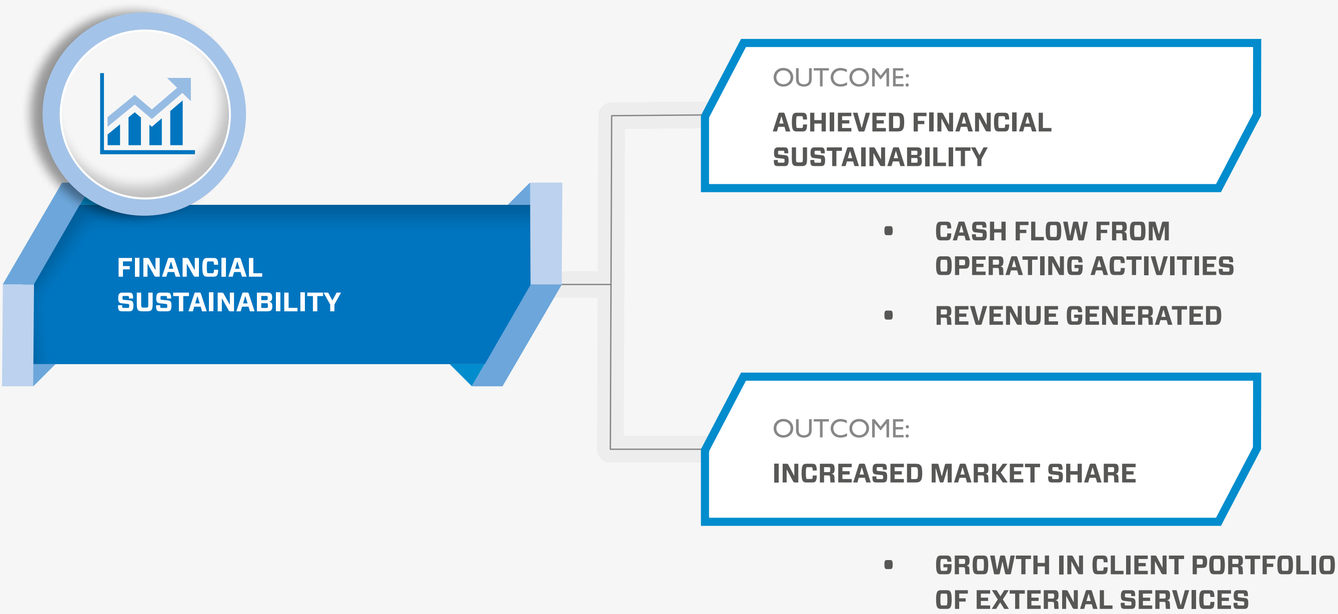
- Achieved Financial Sustainability;
- Increased Market Share;
- Grow the SEZ by Increasing Developed Land;
- Increased Economic Impact;
- Increased SMME Participation in Economic Activities;
- Job Creation; and
- Skills Development.

In the performance section of this IAR, how the CDC has fared on the aforementioned outcomes is discussed.

Notwithstanding the impact of the COVID-19 pandemic, the CDC has remained bullish about the future investment prospects and infrastructure development programmes of the South African government to boost the economic recovery.

Therefore, in order to meet and exceed the organisation's strategic outcomes, the CDC will pursue various strategic and tactical initiatives including FDI opportunities. In addition, business opportunities on the African continent are encouraging. To this end, CDC will continue to pursue these opportunities in line with the African Continental Free Trade Area (AfCFTA), as announced by President Ramaphosa in 2018 and ratified by the South African Parliament in January 2019.

The diagram below captures the CDC's 2020-2025 Impact Statement and Strategic Outcomes:



INCREASED STRATEGIC ECONOMIC ADVANTAGE FOR TARGETED INDUSTRIES

OUTCOME:
GROW THE SEZ BY INCREASING DEVELOPED LAND

- NUMBER OF INVESTORS SIGNED
- CUMULATIVE OPERATIONAL INVESTORS

OUTCOME:
INCREASED ECONOMIC IMPACT

- CONTRIBUTION TO GGP
- INVESTMENT VALUE

INCREASED ECONOMIC OPPORTUNITIES FOR THE MAGINALISED

OUTCOME:
INCREASED SMME PARTICIPATION IN ECONOMIC ACTIVITIES

- PROCUREMENT SPEND ON SMMES

OUTCOME:
JOB CREATION

- NUMBER OF CONSTRUCTION JOBS
- CUMULATIVE JOBS SUSTAINED IN SEZ OPERATIONS

OUTCOME:
SKILLS DEVELOPMENT

- NUMBER OF PEOPLE TRAINED

2020/21 IMPACT STATEMENT

1. **FINANCIAL SUSTAINABILITY**
2. INCREASED ECONOMIC ADVANTAGE FOR TARGETED INDUSTRIES
3. INCREASED ECONOMIC OPPORTUNITIES FOR THE MARGINALISED

MATERIAL RISKS

The risk management processes in the CDC are guided by:

- ISO 31 000 Guidelines;
- National Treasury Framework; and
- The CDC's Policy Framework.

Risk management is central to the CDC's management processes. It is essential for the achievement of the organisation's objectives. Effective implementation of risk management is a critical characteristic of an efficient/ focused business enterprise, imposed by the PFMA and Treasury Regulations.

CDC classifies risks into the following broad categories:

- **Strategic risks:** These directly impact on the ability of the CDC to deliver on its mandate;
- **Operational risks:** These include financial, legal and compliance risks which affect the systems, people and processes through which the CDC operates; and
- **Systematic risks:** These originate from macro-economic and national challenges affecting the National System Innovation and National and Provincial Government Business Enterprise space in which the CDC operates.

Once risks and opportunities have been identified and the likelihood and consequences of them occurring have been evaluated, appropriate policies and procedures are put in place to manage them, proportionate to the risk or opportunity involved.

The Board of Directors of the CDC assumes ultimate responsibility for the governance of risks by setting the direction and oversight on how risks should be managed and addressed in the organisation.

Similarly, the process of identifying strategic risks is carried out by the CDC's Executive Management Committee and thereafter recommended for approval to the Board in consultation with the Risk Management Committee, Chaired by a member of the Audit and Risk Committee of the CDC.

Monitoring reports of the top risks are prepared and updated on a regular basis for the CDC's Executive Management Committee, the Audit and Risk Committee and the Board of Directors.

TOP RISKS AND ISSUE IDENTIFICATION

Risk No.	1	Risk Owner	Finance			
Identified Risk	Failure to achieve financial sustainability.					
Inherent Risk Rating	16	Desired Risk Rating	9	Residual Risk Rating	20	
Root Causes	(i) Late transfers from the Client Departments; (ii) Insufficient Funding from *the dtic* and Province; (iii) Budget shifts due to COVID-19; and (iv) Inability to borrow due to permission not granted by National Treasury.					
Mitigation Action	(i) As departments invariably run out of funds agitate for quarterly tranche payments; (ii) & (iii) Request further support from DEDEAT; and (iv) Ring fence projects and seek approval from National Treasury for project specific loan funding.					
Successfully Implemented?	No					
Future Actions	The mitigation action to manage this risk was not successful in reducing the rating. The risk has been included in the 2021-22 Corporate Risk Register.					

<table>
<tr><th>Risk No.</th><td>2</td><th>Risk Owners</th><td colspan="3">(i) Corporate Services; (ii) Operations; and (iii) IRS</td></tr>
<tr><th>Identified Risk</th><td colspan="5">COVID-19 induced business disruption resulting in failure to achieve the CDC's strategic outcomes.</td></tr>
<tr><th>Inherent Risk Rating</th><td>16</td><th>Desired Risk Rating</th><td>9</td><th>Residual Risk Rating</th><td>12</td></tr>
<tr><th>Root Causes</th><td colspan="5">(i) Increased incidents of infections affecting the CDC employees, SEZ Tenants, Service Providers and IA Clientele;
(ii) Loss of rental income for the CDC as SEZ tenants' businesses fail due to COVID-19; and
(iii) Increased online fraud due to increased use of virtual platforms and online transactions.</td></tr>
<tr><th>Mitigation Action</th><td colspan="5">(i) Implement CDC COVID-19 Operational Plan;
(ii) Seek Board approval for rental deferrals to deal with COVID-19 induced challenges; and
(iii) IT Security Vulnerability Assessment Project cyber security and vulnerabilities, the project is in three (3) parts, namely:
(a) External security scan - CDC external facing websites and systems;
(b) Internal security scan - CDC internal systems; and
(c) Brute Force attack - Ethical hacking checking for vulnerabilities.</td></tr>
<tr><th>Successfully Implemented?</th><td colspan="5">Yes</td></tr>
<tr><th>Future Actions</th><td colspan="5">The COVID-19 Operational Plan will continue to be updated in accordance with changes in the COVID-19 regulations. Ad hoc review of rental deferrals will be considered based on the merits of each rental deferral request made by the affected tenant. Another vulnerability assessment will be performed most likely in October 2021 after the upgrade of Oracle.

This risk will continue to be managed at the Business Unit Level and reported on to the RNMC. A proposal has also been made for the risks that are caused by the pandemic to be consolidated to get a complete picture of what the organisation is doing to manage the impact of COVID-19.</td></tr>
</table>

<table>
<tr><th>Risk No.</th><td>3</td><th>Risk Owners</th><td colspan="3">Business Development (SEZ)</td></tr>
<tr><th>Identified Risk</th><td colspan="5">Failure to achieve financial sustainability.</td></tr>
<tr><th>Inherent Risk Rating</th><td>15</td><th>Desired Risk Rating</th><td>3</td><th>Residual Risk Rating</th><td>9</td></tr>
<tr><th>Root Causes</th><td colspan="5">(i) Global economic decline;
(ii) Shifts in the investment patterns following COVID-19;
(iii) Business attractiveness of other SEZ's compared to CDC;
(iv) Power costs/cuts/unreliability;
(v) Inability to travel to engage prospective investors both within the country and abroad due to the outbreak of COVID-19; and
(vi) Political interference and/or lack of political support.</td></tr>
<tr><th>Mitigation Action</th><td colspan="5">(i) Update market intelligence quarterly after Stats SA publishes GDP numbers and adjust costing, marketing and future targeting to keep track with these changes;
(ii) Explore and review new emerging and declining sectors, and shift sectors' focus to adjust to industry;
(iii) Revise targeting methods and review sectors of focus to adjust to changes in the economy due to world economics and COVID-19;
(iv) Explore solutions like rooftop solar projects to reduce cost and increase power reliability. Pilot starting 1 Oct 2020;
(v) Move to online platforms for networking and marketing of projects; and
(vi) Continue to lobby government to make decisions that are favorable to the CDC.</td></tr>
<tr><th>Successfully Implemented?</th><td colspan="5">Yes</td></tr>
<tr><th>Future Actions</th><td colspan="5">Additional intelligence tools are being explored to further enhance the lead generation and securing of investor;. More work is to be done on developing product offering for the other niche sectors that are emerging. The solar panels will be installed and savings on electricity will be monitored. The current method of online still remains effective in order to manage the COVID-19 risks, and we continue to see local clients in smaller numbers for site visits. Lobbying of both provincial and national government will continue.

The rating on this risk has reduced and the risk will continue to be managed at the Business Unit Level and monitored by the RMC.</td></tr>
</table>

Risk No.	4	Risk Owners	External Programmes		
Identified Risk	Inability for the CDC to implement and deliver on infrastructure projects allocated to it to the satisfaction of its clientele resulting in CDC losing some of its market share.				
Inherent Risk Rating	20	Desired Risk Rating	4	Residual Risk Rating	12
Root Causes	(i) Poor project development and/or scoping by the clients; (ii) Delays in soliciting legislative approvals; (iii) Poor performance by PSPs/consultants; and (iv) Poor performance by SMMEs.				
Mitigation Action	(i) Include Portfolio Management Services to client and charge for these services; (ii) Make a standing arrangement with the relevant authorities (DEDEAT, DoL) for expedited approvals; (iii) Review the SLA signed with PSPs and include penalty clauses; and (iv) Promote the idea of a programme fund trust account with Treasury and client Departments into which Programme Funds would be held by Treasury and transferred to implementing agents.				
Successfully Implemented?	(i) No; (ii) & (iii) Yes; and (iv) No				
Future Actions	Inclusion of the clause for upstream work and applicable rates will be added on all new Contracts. Nurturing healthy professional relationships with relevant authorities will continue. The Business Unit will continue insisting on tranche payments when renewing the existing contracts or entering into new contracts and will transfer late payments interests claims and legal costs on late payments to the defaulting clients.				

Risk No.	5	Risk Owners	(i) External Programmes; (ii) SMME Unit; (iii) External Programmes and (iv) IRS		
Identified Risk	Inability for the CDC to realise socio-economic transformation / development during implementation of infrastructure projects.				
Inherent Risk Rating	16	Desired Risk Rating	8	Residual Risk Rating	12
Root Causes	(i) Clients pointing out high resultant cost of doing business with the CDC and delays in implementation of their projects, thus giving rise to a risk of not allocating more projects to the CDC; (ii) Socio-economic requirements poorly defined in the Bid/Tender Documents; (iii) Services providers (consultants and contractors) not adhering to specified requirements; and (iv) Lack of a properly functioning electronic monitoring ICT tool.				
Mitigation Action	(i) Ensure alignment with, satisfaction of and approval of socio-economic drive/imperatives by the clients and allocation of sufficient funds on their projects for this drive; (ii) Ensure inclusion of socio-economic requirements in all the Bid/Tender Documents, in line with Client requirements; (iii) Include penalty clauses in the contracts with service providers for not adhering to contractual socio-economic requirements; and (iv) The dashboard has been set up and is 50% complete. Data that needs to populate the dashboard is the major challenge. The dashboard is due to be demonstrated to EXMA.				
Successfully Implemented?	(i), (ii) & (iii) Yes; and (iv) No				
Future Actions	The Infrastructure Planning and Development Unit will conform to the requirements of the CIBD B.U.I.L.D on all new contracts. The SMME Unit will continue with the implementation of the SMME five-year strategy to broaden SMME involvement beyond the construction sector and will advocate for human resources to ensure that adequate training and mentorship is given to SMMEs. ICT has identified a candidate to play the role of Data Scientist to drive the dashboard completion.				

Risk No.	6	Risk Owners	Business Development External Programmes		
Identified Risk	Inability to increase portfolio of non-SEZ Projects.				
Inherent Risk Rating	20	Desired Risk Rating	5	Residual Risk Rating	10
Root Causes	(i) New entrants and competitors in the IA space; (ii) Political dynamics in the relationships between CDC and existing clients; (iii) Poor Customer Relationship Management; (iv) Negative image of CDC to clientele regarding costs, performance, policies and orientation; (v) CDC perceived as being too expensive and the CDC not remodeling its IA service offerings; and (vi) Funding constraints from the national fiscus, leading to limited funds for capital projects.				
Mitigation Action	(i) Redefine the service offerings and refine the Project & Programme Delivery Model; (ii) Review and refine the stakeholder management processes at senior management level; (iii) Develop and implement Customer Relationship Management Programme; (iv) Improve the process of promoting the work done on non-SEZ projects, selling good news to build CDC Ambassadors for advocacy work; (v) Review the cost model, and clearly define what is regarded as secondary / additional services by clients and cost separately; and (vi) Develop and implement the Project Development Capabilities (Unit), to identify and develop catalytic and bankable projects for blended financing - in the BFI and SID space.				
Successfully Implemented?	(i), (ii), (iii), (iv) & (v) Yes; and (vi) No				
Future Actions	Optimally resource the organisation to be able to implement the catalytic projects. Continue with stakeholder management activities and follow the stakeholder management work plan. Continually revise the stakeholder management plan to ensure that it is always fit for purpose. Optimally resource the organisation to be able to implement the catalytic projects.				

Risk No.	7	Risk Owners	SMME Unit		
Identified Risk	Failure to increase SMME participation in construction activities resulting in work disruptions and project delays.				
Inherent Risk Rating	15	Desired Risk Rating	6	Residual Risk Rating	9
Root Causes	(i) Inadequate identification of work opportunities for SMME contractors; (ii) Misalignment of opportunities; and (iii) Lack of experience and resources within the SMME contractors.				
Mitigation Action	(i) Organise value engineering workshops to identify work packages that will be set aside for SMME contractors. 33% of all construction work must be allocated to SMMEs. Determine the level of involvement that is required in tenant-driven construction projects and include it as a proposal to be part of the conditions of land-only deals. Include this requirement in the business development process; (ii) (a) Develop a CDC SMME competency framework; (b) Conduct a SMME skills availability assessment; and (c) Develop and implement a CDC SMME development programme. (iii) Seek collaboration with DEDEAT on their SMME development programme.				
Successfully Implemented?	Yes				
Future Actions	Revise SMME operating model in alignment with framework. Ensure that the SMME Unit is resourced as per recommendations and ensure implementation and monitoring of the SMME Framework and Strategy. Regular meetings to be held with DEDEAT to strengthen partnerships and access new funding programmes.				

Risk No.	8	Risk Owners	Operations		
Identified Risk	Delays in completing top structures where investors undertake own construction resulting in failure to create and/or sustain the targeted number of operational jobs.				
Inherent Risk Rating	16	Desired Risk Rating	4	Residual Risk Rating	6
Root Causes	(i) CDC or the Province needing the investor more than the investor needs Coega SEZ and/or Province. Coega SEZ not reaching the tipping point or a break-even point, and end up taking deals that are not suitable for its strategy, resulting in CDC agreeing to land-only investment deals; and (ii) Industrial action by aggrieved Labour and SMME contractors due to failure by tenants to follow SEZ construction protocols.				
Mitigation Action	(i) CDC must do land alone deals as an option of last resort. When this is done, the do's and don'ts, as well as the CDC's role should be part of the Lease Agreement; and (ii) CDC to determine the level of involvement it requires in tenant-driven construction projects and include it as a proposal to be part of the conditions of the particular lease agreement. This step will be included in the business development process.				
Successfully Implemented?	Yes				
Future Actions	Ensure that all parties involved adhere to the legal requirements as stipulated in the lease agreement. Stringent monitoring of conditions are required as stipulated in lease agreement.				

Risk No.	9	Risk Owners	Corporate Services		
Identified Risk	Inability to perform optimally on existing external services clients and/or secure new clients.				
Inherent Risk Rating	20	Desired Risk Rating	4	Residual Risk Rating	16
Root Causes	Mismatch between product lines and existing skills set.				
Mitigation Action	(i) Develop a CDC competency framework/model; (ii) Conduct skills audit; and (iii) Develop and implement targeted interventions to close the competency gaps.				
Successfully Implemented?	(i) Yes; (ii) Partially; and (iii) Yes				
Future Actions	Implementation of the CDC competency framework to be undertaken and the skills audit to be completed by October 2021. The rating on this risk remains high. The risk has thus been included in the risks that are going to be managed at corporate level during the 2021-22 financial year.				

Risk No.	10	Risk Owners	Corporate Services		
Identified Risk	Lack of business continuity and inadequate performance when top talent exits, skill gaps are identified or tragedy strikes.				
Inherent Risk Rating	20	Desired Risk Rating	4	Residual Risk Rating	8
Root Causes	Failure to engage in the succession planning process and develop succession plans for critical positions.				
Mitigation Action	(i) Review existing Succession Planning Framework; and (ii) Develop Succession Plans and Talent Pools.				
Successfully Implemented?	Yes				
Future Actions	The BU will continue to implement the Succession Planning Framework.				

Risk No.	11	Risk Owners	Africa Programme		
Identified Risk	Challenges of repatriation of funds.				
Inherent Risk Rating	20	Desired Risk Rating	8	Residual Risk Rating	16
Root Causes	(i) Shortage of foreign currency in Zimbabwe; and (ii) Host countries taxation.				
Mitigation Action	(i) Upfront payment prior to committing resources (Finances Unit); (ii) Include limiting exposure on foreign currency risks by operating in SEZs which have different regimes and ensuring that Operating Cost is largely denominated in local currency where projects are located in the operating model. The Operating Model will be developed once financial closure is reached and construction activities has started; and (iii) Establish Coega Continental Holdings as a Treasury Company which has defined implications for tax treatment.				
Successfully Implemented?	(i) No; and (ii) & (iii) Yes				
Future Actions	The rating on this risk remains high. The risk has thus been included in the risks that are going to be managed at corporate level during the 2021-22 financial year.				

Risk No.	12	Risk Owners	Africa Programme		
Identified Risk	Loss of the CAR Logistics Bases Project.				
Inherent Risk Rating	20	Desired Risk Rating	10	Residual Risk Rating	20
Root Causes	CDC not meeting the conditions precedent.				
Mitigation Action	(i) Force majeure provisions; (ii) SOD Turning ceremony by end November; (iii) Establish Coega Continental Holdings as a Treasury Company which has defined implications for tax treatment; and (iv) Financial closure.				
Successfully Implemented?	(i), (ii) & (iii) Yes; and (iv) No				
Future Actions	The CDC Africa Programme is planning to meet with the client by the end of May 2021. Meetings with potential investors in the market, the Treasury Division of the Central Africa Republic and various embassies will continue in the endeavor to reach financial closure for the project. The rating on this risk remains high. The risk has thus been included in the risks that are going to be managed at corporate level during the 2021-22 financial year.				

ADDRESSING STAKEHOLDER INTERESTS

STAKEHOLDERS

Stakeholders are all those individuals, groups or institutions which affect or influence – or are affected by or impacted by – the CDC's operations, services, products and performance. As an agent of socio-economic transformation and development, the CDC relies on a complex network of stakeholders for its success in creating value, as well as achieving its objectives and outcomes.

The CDC believes that successful stakeholder management requires a commitment to actively engage with stakeholders, listen to them, build a relationship with them and then respond to their concerns in a mutually beneficial way. Engagement is not an end in itself but a means to help build better relationships with the societies in which we operate, ultimately resulting in improved business planning and performance.

Objectives of CDC's Stakeholder Relations

The following main objectives were met during the year under review:

- Implemented coherent guiding principles that outline and define the route towards better stakeholder engagement;
- Implemented a strategy and plan that adequately acknowledge the role, influence and impact of stakeholders;
- Engaged stakeholders in order to meet and, where possible, exceed their expectations;
- Contributed to sustainable business growth and the sustainable development of the CDC;
- Lobbied and communicated with key decision-makers and stakeholders to facilitate buy-in and support for the CDC's activities in areas where we operate;
- Kept decision-makers, role-players and stakeholders constantly informed of the CDC's projects and developments;
- Measured the impact of stakeholder activities through stakeholder satisfaction surveys;
- Ensured high quality, simple and targeted communication was maintained for all users, internally and externally;
- Delivered the right information, to the right people, at the right time;
- Implemented 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 stakeholders by providing a central point of contact for all enquiries about the CDC projects; and
- Involved all relevant stakeholders in the communication process in order to build maximum trust and cooperation.

Key Stakeholder Communication Principles

The following communication principles were adhered to during stakeholder engagements in the financial year under review:

- **Open and Honest**
  Open and honest communications will ensure that all stakeholders share a single consistent message and that rumours and speculation are kept to a minimum. In addition, the reputation and credibility of all parties will be protected.

- **Face to Face**
  Changes that directly impact a particular group of stakeholders should be communicated face-to-face. This gives the stakeholders the opportunity to provide immediate feedback. Listening to stakeholders is an important communication skill.

- **Clear, Concise and Consistent**
  It is important to ensure that there is no confusion or misunderstanding of the messages received. Information shared must focus on facts and not on emotions or personalities.

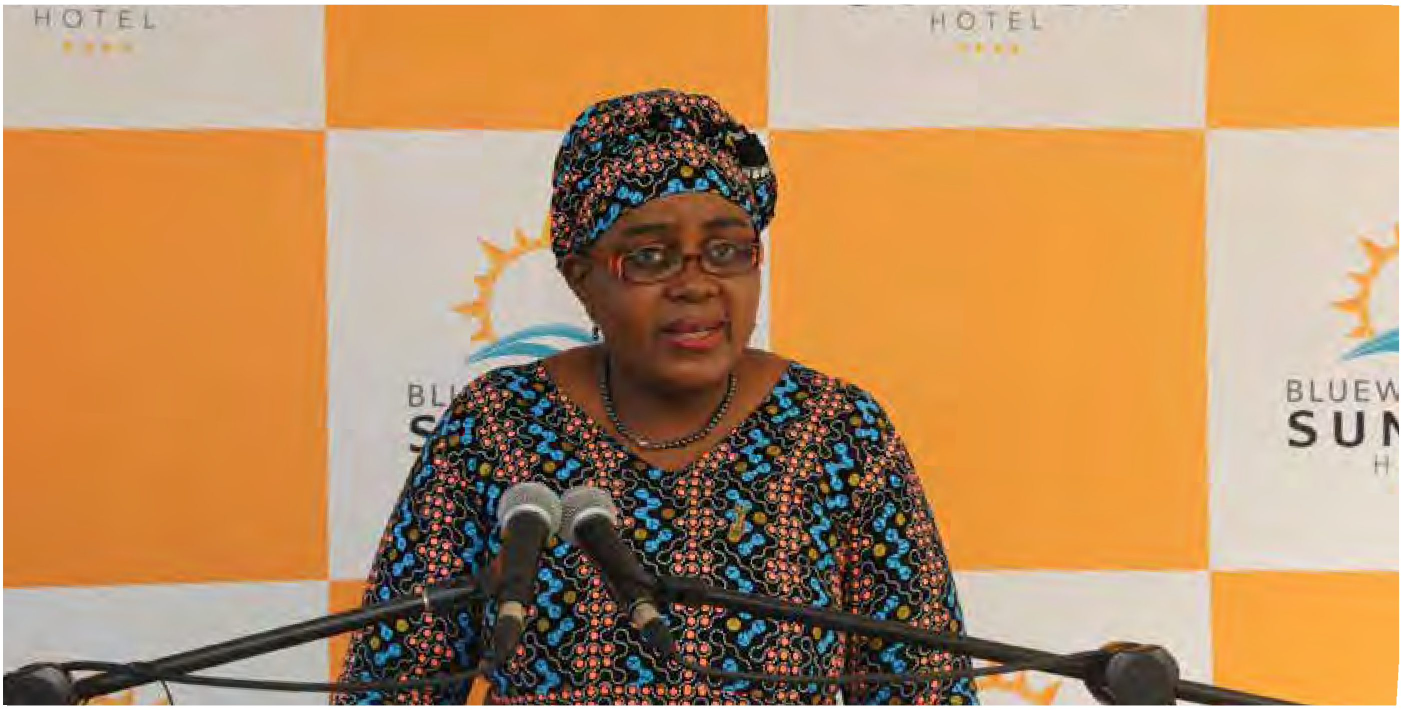
- **Timely**
  As it happens, when it happens. Information should be provided as soon as it becomes available. Reducing delays to a minimum will decrease the risk of uncertainty, rumours and unauthorised leaks. We will tell employees what we know when we know it; we will tell them what we don't know and when we expect to know it.

- **Frequent**
  Stakeholders must be kept involved in the process by regularly engaging them through various communication channels.

- **Use Established Communication Channels**
  Tried and tested communication channels should be used to avoid the risk of ineffective message transfer through unfamiliar media. Social media should not be utilised to disseminate important stakeholder information unless the message is generic and targeted to a large audience throughout the province or South Africa.

STAKEHOLDER RELATIONS APPROACH

In compliance with King IV, Principle 16, in the execution of its governance role and responsibilities, the CDC adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time. The governing body of the CDC assumes the responsibility for the governance of stakeholder relationships by setting the direction for how stakeholder relationships should be approached and conducted in the organisation. The Social and Ethics Committee assists the governing body of the CDC in discharging its duties, as set out in the approved committee mandates and terms of references. Furthermore, the CDC's responsible corporate citizenship efforts include compliance with the Constitution of



Launch of the 4-star Bluewater Bay Sunrise Hotel in Gqeberha by the Minister of Tourism, Mmamoloko Kubayi-Ngubane, on 23 March 2021.

the Republic of South Africa (including the Bill of Rights), law, leading standards, and adherence to own code of conduct and policies.

During the financial year under review, the CDC's Stakeholder Management Strategy, based on the instrumental value approach, was implemented. As a result, the relationship CDC developed with its stakeholders, i.e. shareholders, employees, investors, communities, organised businesses, SMMEs, youth organisations, NGOs, academia, and other stakeholders, has had a significant positive impact on the financial sustainability of the organisation and on the environmental, social, and governance (ESG).

The CDC achieved an impressive overall score of 4.0 out of 5 (last year: 3.9) on its Annual Stakeholder Satisfaction Survey for the period 2020/21 financial year, as indicated below.

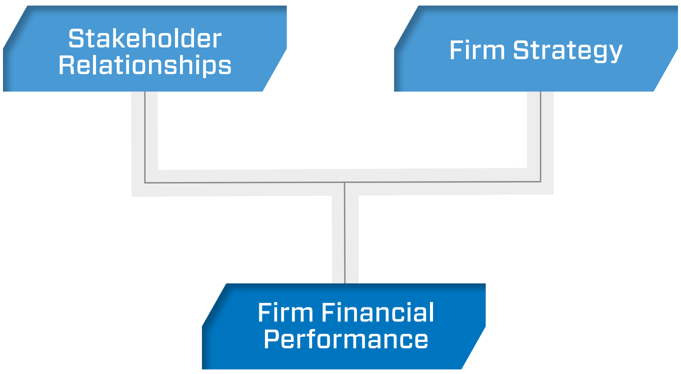
2020/21 Financial Year (summary of scores):

Categories	Total Invites Sent	Total Com-pleted	Re-sponse Rate	Overall Scores	Final Score
Customers	226	73	32%	4.2	
Service Providers	538	115	21%	3.7	4.0
Stakeholders	233	58	25%	4.1	

2019/20 Financial Year (summary of scores):

Categories	Response Rate	Overall Scores	Final Score
Customers	41%	3.9	
Service Providers	43%	3.9	3.9
Stakeholders	31%	4.0	

Despite some challenges identified during the year, especially involving small businesses and job seekers, disrupting investor projects, stakeholder engagements remained effective. This was possible because engagements were based on transparent communication with stakeholders, which assisted in building and maintaining trust and confidence in the CDC. Complete, timely, relevant, accurate, honest and accessible information was provided by the CDC to its stakeholders, customers and service providers, whilst having regard to legal and strategic considerations. A total of 42 key stakeholder activities were implemented during the financial year.



Donaldson and Preston (1995) proposed that if stakeholders can affect the achievement of a firm's objectives, it follows that the firm's decisions, and hence its performance, may be affected by the activities of its stakeholders. The stakeholder approach is instrumental, in that managing stakeholders should result in the achievement of business goals: increased profitability, growth and sustainability. The stakeholder model also allows for the testing of the connections between managing stakeholders and reaching business targets. This is a posture toward stakeholders on the part of the firm, with the firm seeking to manage those stakeholders to maximise profits and value (orientation 1) – Instrumental Value Approach.

In addition, the CDC's approach to stakeholder engagement is based on a recognised framework designed to assist the organisation select the appropriate level of participation required for different stakeholder groups. There is a range of flexible approaches and tools depending on the goals, time-frames and resources available, and the interest of other parties. We recognise that different projects require different approaches, and that stakeholder needs can change overtime. Therefore, during the year under review, the following guided CDC's stakeholder engagement:

In compliance with King IV, Principle 16, in the execution of its governance role and responsibilities, the CDC adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time. The governing body of the CDC assumes the responsibility for the governance of stakeholder relationships by setting the direction for how stakeholder relationships should be approached and conducted in the organisation. The Social and Ethics Committee assists the governing body of the CDC in discharging its duties, as set out in the approved committee mandates and terms of references.

Stakeholder Engagement Methodology

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
Stakeholder Engagement Goals	To provide balanced, objective, accurate and consistent information to assist stakeholders to understand the problems, alternatives, opportunities and/or solutions.	To obtain feedback from stakeholders on analysis, alternatives and/or outcomes.	To work directly with stakeholders throughout the process to ensure that their concerns and needs are understood and considered.	To partner with stakeholders in developing (where necessary) alternatives and the identification of positive solutions.	To place final decision-making in the hands of the stakeholder. Stakeholders are enabled/equipped to actively contribute to the achievement of outcomes.
Promise to Stakeholders	The CDC's information on projects would be relevant, current, timely, and address stakeholder needs and expectations.	The CDC will keep stakeholders informed, listen to and acknowledge their concerns and aspirations, and provide feedback on how stakeholder input influenced the outcome.	The CDC will involve/ work with stakeholders to ensure concerns, needs, and aspirations are directly reflected in the alternatives developed, and will provide feedback on how stakeholder input influenced the outcome.	Where possible, the CDC will look to stakeholders for advice, guidance, and innovation in formulating solutions and incorporate stakeholder advice and recommendations into the outcomes to the maximum extent possible.	The CDC will work closely with key stakeholders to implement programmes/ activities that deliver high impact to address the triple challenge of unemployment, inequality and poverty.
Methods of Engagement	Fact sheets Open days Roadshows Forums Newsletters Information packs Media External sources Websites Social Media Other relevant tools - and in collaboration with other agencies where feasible	Public comments Focus groups Surveys Public meetings Internet Social Media tools	Workshops Forums Social Media tools	Reference groups Facilitated consensus building forums for deliberations and decision-making. Experimental projects	Dialogue sessions Joint planning Forums Competitions Shared projects Capacity building

Specific Stakeholders Key to the CDC

GOVERNMENT	BUSINESS	COMMUNITIES	INTERNAL
Department of Trade, Industry, and Competition	Current Investors	Communities impacted by CDC's programmes in SA	CDC Employees
Parliamentary Portfolio Committees on Trade and Industry & EC Economic Development	Potential Investors	Community Forums and Associations	CDC Executive Management
National Treasury, EC Provincial Treasury, Auditor-General, and SCOPA		Civil Societies and Non-Governmental Organisations (NGOs)	CDC Board of Directors
EC Provincial Government, which includes the Office of the Premier and other provincial departments such as DEDEAT	Media, Influencers and Thought Leaders	Community Representatives	CDC Operational and Project Management Structures
Nelson Mandela Bay Municipality & Municipalities in areas of operation	Education and Training Institutions including Research Institutes, TVET Colleges, SETAs, and Universities	Political Parties and Local Ward Councillors	
Key infrastructure project government stakeholders - EC DPWI, KZN & EC DoE, DSRAC, NDPW, COGTA, DSD, EC DoH, DRDLR, DMRE, and Provincial Governments: Mpumalanga, Northern Cape, Gauteng , City of Tshwane, etc.	Organised Businesses (NAFCOC, BMF, Nedlac, etc.), SMME Forums, Local Business Agencies, Business Associations and Business Chambers, such as NMB Business Chamber and EC Maritime Business Chamber	Youth Organisations in the NMBM and throughout the EC Province	
Public Sector organisations: Transnet, TNPA, SANSA, Eskom, IDC, etc.	Service Providers (SEZ and non-SEZ)		
Various oversight committees of government, nationally and provincially	Service Providers		

OUR PERFORMANCE & OUTLOOK

RESPONSIBILITY STATEMENT OF THE CEO AND CFO

For the year ending 31 March 2021

The CEO and CFO, whose names are stated below, hereby confirm that:

(a) the Annual Financial Statements set out on pages 128 to 187, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;

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

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the Audit committee and the Auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves employees, and have taken the necessary remedial action.

Khwezi Tiya
CEO

30 September 2021

Lionel Billings
Chief Financial Officer

30 September 2021

CERTIFIED BY COMPANY SECRETARY

For the year ending 31 March 2021

Declaration by Company Secretary in terms of Section 268G (D) of the Companies Act. The Company has lodged with the Registrar all such returns as required of a private company in terms of the Companies Act, and all such returns are true, correct and up-to-date.

Menzi Mbina
Company Secretary

EMPOWERING GROWTH AND DEVELOPMENT: Progress is being made on the DHL / Mondelez Facility, in Zone 1 of the Coega SEZ.

2020/2021 CORPORATE PERFORMANCE

CORPORATE PERFORMANCE OVERVIEW

The CDC's five-year strategy is intended to provide a guiding strategic framework for the next five years until March 2025, recognising that tactical adjustments may be required as dictated by circumstances and feedback from stakeholders.

The 2015/16 – 2019/20 Sustainable Growth Strategy was premised on three pillars i.e. Financial Sustainability, Business Intelligence, and Strategic Partnerships. During this period, the CDC pursued the following Strategic Goals: Financial Sustainability and Growth; Preferred Investment Destination; and Achieve Socio-Economic Development and Transformation. At the core of the Sustainable Growth Strategy was to reduce the CDC's dependence on government funding. A review of the CDC's financial position and performance showed that the CDC would still require government funding in order to achieve its five-year objectives.

Investment attraction remains one of the strategic priorities of the CDC as mandated by the SEZ Act, and the CDC will therefore continue to increase strategic economic advantage for targeted industries. The focus of the strategy over the next five years is to maximize income from rentals through the operationalisation of targeted investments in the pipeline. The model developed by DNA Economics was used to set targets for the number of operational sustainable investors required to achieve a set revenue target.

The CDC's contribution to socio-economic development and transformation will be achieved by increasing opportunities for the marginalised through Small, Medium and Micro Enterprises (SMMEs) development, employment creation and skills development. The strategy seeks to increase opportunities for the youth, people with disabilities, and women.

Funding is a key enabler for the achievement of the strategic impact and outcomes of the CDC strategy. The strategy strongly focuses on financial sustainability and economic impact in the Eastern Cape Province. The strategy considers the CDC's need to contribute to socio-economic factors which are mandatory deliverables, and are therefore included as part of the CDC's objectives. The SEZ Act defines the purpose of the SEZs, and the strategy is aligned to achieving the objectives of the Act.

The table below describes the CDC Impact and Outcome Statements.

CDC Impact and Outcome Statements

IMPACT STATEMENT	FINANCIAL SUSTAINABILITY
Outcome	Outcome Indicator
Achieved Financial Sustainability	Cash Flow from Operating Activities
	Revenue Generated
Increased market share	Growth in Client Portfolio of External Services

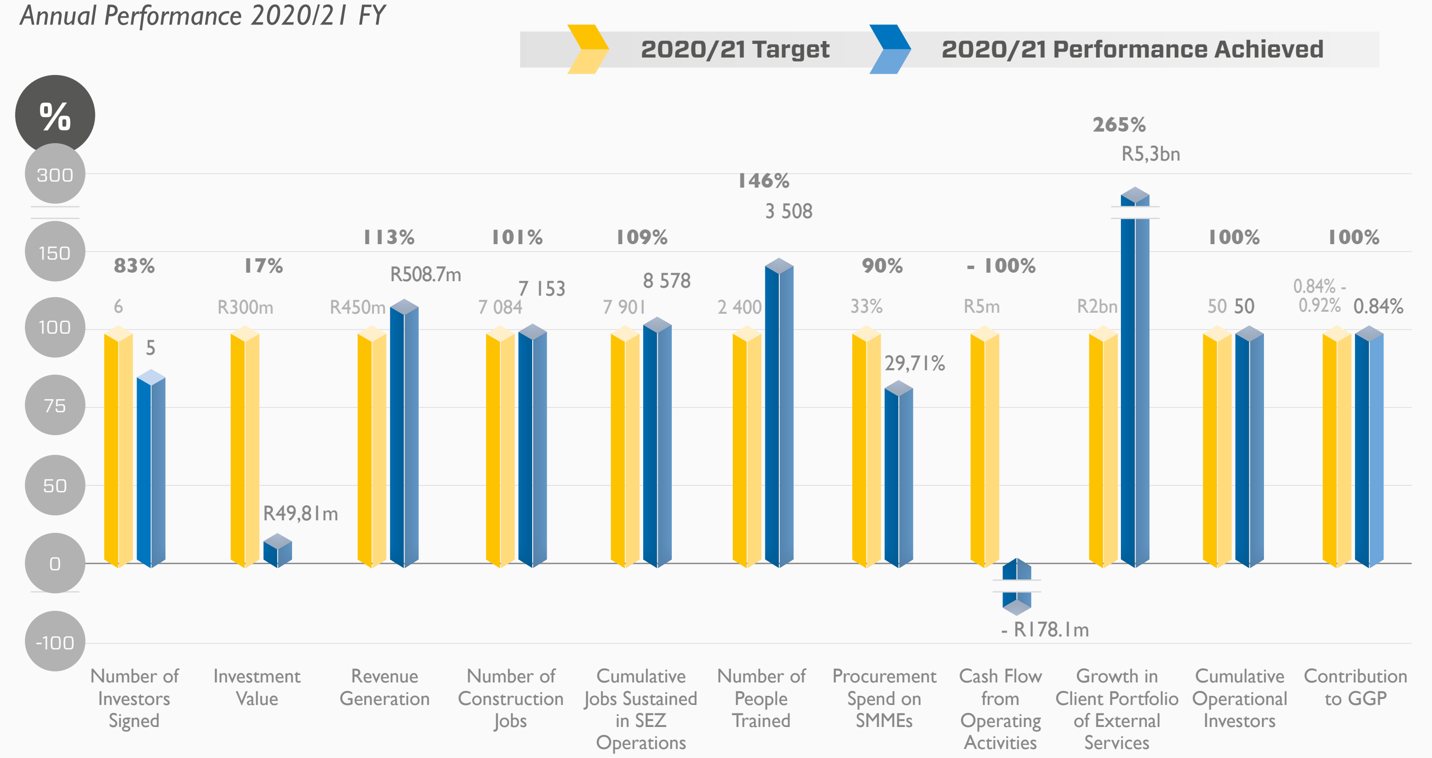
IMPACT STATEMENT	INCREASED STRATEGIC ECONOMIC ADVANTAGE FOR TARGETED INDUSTRIES
Outcome	Outcome Indicator
Grow the SEZ by increasing developed land	Number of Investors Signed
	Cumulative Operational Investors
Increased Economic Impact	Contribution to GGP
	Investment Value

IMPACT STATEMENT	INCREASED ECONOMIC OPPORTUNITIES FOR THE MARGINALISED
Outcome	Outcome Indicator
Increased SMME participation in economic activities	Procurement Spend on SMMEs
Job Creation	Number of Construction Jobs
	Cumulative Jobs Sustained in SEZ Operations
Skills Development	Number of People Trained

ORGANISATIONAL PERFORMANCE OVERVIEW 2020/21

The CDC has achieved the majority of its indicators, with an underachievement on four indicators. These are the Number of Investors Secured, the Value of Investment Pledged, Cash Flow from Operating Activities, and SMME Spend.

Annual Performance 2020/21 FY



NB: Variance percentages are expressed at a maximum of negative 100%

Gauteng Development Agency visits the Coega SEZ on 30 March 2021.

OVERALL ORGANISATIONAL PERFORMANCE 2020/21

The following provides the Overall Organisational Performance for the 2020/21 FY:

Impact Statements	Descriptors							
	Outcome	**Outcome Indicator**	**Measured**	**Baseline 2019/20**	**Target 2020/21**	**Achieved Performance 2020/21**	**Achieved Variance**	**% Variance**
Financial Sustainability	Achieved Financial Sustainability	Revenue Generated	Quarterly	R506.9m	R450m	**R508.7m**	113%	+13%
		Cash Flow from Operating Activities	Annually	New Indicator	R5m	**-R178.1m**	-100%	-200%
		Growth in Client Portfolio of External Services	Quarterly	New Indicator	R2bn	**R5.3bn**	200%	+100%
Increased Strategic Economic Advantage for Targeted Industries	Grow the SEZ by Increasing Developed Land	Number of Investors Signed	Quarterly	12	6	**5**	83%	-17%
		Cumulative Operational Investors	Quarterly	45	50	**50**	100%	0%
	Increased Economic Impact	Contribution to GGP	Annually	New Indicator	0.84%-0.92%	**0.084%**	100%	0%
		Investment Value	Quarterly	R719m	R300m	**R49.8m**	17%	-83%
Increased Economic Opportunities for the Marginalised	Job Creation	Number of Construction Jobs	Quarterly	5 934	7 084	**7 153**	101%	+1%
		Cumulative Operational Jobs	Quarterly	8 306	7 901	**8 578**	109%	+9%
	Skills Development	Number of People Trained	Quarterly	6 591	2 400	**3 508**	146%	+46%
	Increased SMME Participation in Economic Activities	Procurement Spend on SMMEs	Quarterly	29%	33%	**29.71%**	90%	-10%

NB: Variance percentages are expressed at a maximum of 100% (negative and positive)

ORGANISATIONAL PERFORMANCE FOR DISAGGREGATED TARGETS AND ACHIEVEMENTS

Number of Construction Jobs

DEMOGRAPHIC	TARGET	ACTUAL
Women	20%	10%
Youth	40%	52%
People with Disabilities	1%	0%

Cumulative Operational Jobs

DEMOGRAPHIC	TARGET	ACTUAL
Women	50%	53%
Youth	50%	58%
People with Disabilities	5%	0.4%

Number of People Trained (SDC & HCS)

DEMOGRAPHIC	TARGET	ACTUAL
Women	50%	21%
Youth	50%	52%
People with Disabilities	10%	0%

Procurement Spend on SMMEs

A disaggregated target was not set for this category; the Corporate Plan makes reference to the limitations in reporting on all categories. However, the CDC's achieved performance as at financial year ending 2020/21 was that 96% of the R830 968 607 spent on SMMEs was spent with black owned SMMEs. Furthermore, 13% was spent with SMMEs that are majority-owned by women, and 1% went towards youth-owned SMMEs.

APLI COLD STORAGE: SMMEs working to complete the Fruit Terminal.

PROGRAMME PERFORMANCE

The CDC's strategy was developed in a manner that enhanced a synergistic approach to performance management, whereby various Business Units and Programmes contributed to a Key Performance Indicator (KPI). This approach enhanced drivers across the organisation in pursuit of a common goal.

However, to satisfy compliance requirements, the organisation had to segregate the indicators into Programmes to depict a Budget-Per-Programme methodology. The Indicators are aligned to the Three Programmes, i.e. SEZ Investment Services, Central Support Services and External Services.

The absence of full funding for OPEX and CAPEX had a direct impact on the complete achievement of all targets. COVID-19 presented a series of challenges for the CDC but despite this, the entity managed to perform on the majority of its indicators.

Programme 1: SEZ Investment Services

The SEZ Investment Services Programme comprises of Business Development (BD), SEZ Property Development and Maintenance and Zone Operations. Business Development is tasked with achieving performance on investment attraction and Investment Value. BD is responsible for the acquisition of new investors in the Coega SEZ and the Nelson Mandela Bay Logistics Park (NMBLP). BD is focused on providing solutions for potential investors who are searching for an investment location in the identified sectors. Property Development and Maintenance is responsible for the development and maintenance of the SEZ and NMBLP infrastructure to meet the requirements of the investors. Operations is responsible for the business continuity of the SEZ and NMBLP through other sections, namely Safety, Health, Environment, and Quality; Facilities and Estate Management; Commercial Services; Cost Engineering Unit; Safety and Security; Customs Controlled Services; Logistics Solutions; and Spatial Development Solutions.

SEZ Investment Services Programme Performance

Key Performance Area	Annual Target 2020/21	Annual Performance 2020/21	% Variance
Impact Statement: FINANCIAL SUSTAINABILITY	*Outcome: Achieved Financial Sustainability*		
Revenue Generated	R 188 450 879	R 224 865 669	+19.3%
Impact Statement: INCREASE STRATEGIC ECONOMIC ADVANTAGE FOR TARGETED INDUSTRIES	*Outcome: Grow the SEZ by Increasing the Developed Land*		
Number of Investors Signed	6	5	16.7%
Cumulative Operational Investors	50	50	0%
Impact Statement: INCREASE STRATEGIC ECONOMIC ADVANTAGE FOR TARGETED INDUSTRIES	*Outcome: Increased Economic Impact*		
Contribution to GGP	0,84%-0.92%	0.84%	0%
Investment Value	R 300 000 000	R49 810 000	-83,4%
Impact Statement: INCREASED ECONOMIC OPPORTUNITIES FOR THE MARGINALISED	*Outcome: Job Creation*		
Number of Construction Jobs	2 948	1 888	-35,9%
Number of Cumulative Operational Jobs	7 901	8 578	+ 8%

NB: Variance percentages are expressed at a maximum of 100% (negative and positive)

EXPLANATION OF PERFORMANCE VARIANCES

a) Number of Investments Signed

The CDC secured 5 investors against a target of 6. The period under review presented a series of challenges for the CDC, as a result of the national lockdown and the COVID-19 pandemic. Other critical challenges for underperformance are as follows:

- Investors failing to reach financial closure in the time expected. The CDC did not sign the intended whey manufacturing project due to the investor's organisational merger. The project will be continued in new financial year.
- Funding availability to develop the required enabling infrastructure - due to the rejection and stalling of several funding applications by the dtic, the CDC could not achieve its projected target for the number of investors KPI.

(b) Investment Value

Linked to the number of investors is the Investment Value KPI, which is the measure of direct capital investment, pledged by the signed investors as defined in the Performance Management Practice Notes. The total value of investment pledged by the signed projects is R49.81 million against a target of R300m for the 2020/21 FY.

The CDC intended to sign an agro-processing investment during this reporting period. The project's investment value is approximately R250 million. Unfortunately, the project has been postponed to the next financial year. The whey project was initially structured to reside under Coega Food Group, but there are now deliberations at Dairy Group Board level as to whether the project should not rather reside under the Dairy Group. This restructuring took longer than expected and has led to delays in the implementation of the project. A Lease Agreement therefore could not be signed. Also, due to postponement and rejection of several funding applications by *the dtic* the CDC could not achieve its projected targets.

Also worth noting, the COVID-19 pandemic will continue to negatively impact investor confidence.

The following table indicates the targeted investors and their status at the end of the fourth quarter:

Description	Project Description	Investment Value (Mil)	Project Cost (Mil)	
1. Merger Meats	Meat Processing	R 70	R 144	Re-jected
2. uLoyiso Medical Waste	Medical Waste Incinerator	R 39	-	With-drawn
3. Coega Dairy Ware-house	Storage Facility	R 12	R 254	Re-jected
4. Vector	Logistics Services	R 19	-	With-drawn
5. TEE	Waste Recycling	R 85	R 31	De-layed
6. ZacPak	Logistics Services	R 53	R 49	De-layed
7. Whey Project	Whey Processing	R 200	R 125	De-layed
Total		**R 478m**	**R 603m**	

- **Merger Meats –** (decided not to continue with this project after *the dtic* declined funding the top structure). The value of investment was R70 million and if the investor agreed to construct the facility (which was estimated to cost R144 million), the full investment value would have been R214 million. The project would have created 48 new jobs in the SEZ.
- **Uloyiso Medical Waste –** *the dtic* advised that they would not fund the project. The project would have contributed an investment value of R39 million into plant and equipment. The client did not want to continue with the project as they felt that the opportunity window had passed and they were investing in the equipment.
- **Coega Dairy Warehouse –** The project was rejected by *the dtic* and would have contributed an investment value of R12 million. An additional 12 people would have been employed in the warehouse. The project was declined for funding and even if the client was offered that they can self-develop, at time of company merger and was put on hold, total project value is R266 million.
- **Vector –** Due to *the dtic* not funding the logistics project, the investor was asked to self-construct the expansion, resulting in an investment value of R19 million. Due to CDC approved criteria for recognition of investment value the R19 million cannot be counted. Currently CDC acknowledge a new project or expansion by signing a lease or addendum. Vector will be expanding on their existing rental site and although they are investing a significant amount into the facility there is no current mechanism for acknowledging that. CDC will adapt the practice notes for recognition of projects and investment values in the future.
- **Tyre Extraction Energy –** The project is still awaiting funding application outcome from *the dtic*; however, it will contribute an investment value of R85 million. Furthermore, the project will create 43 operational jobs and approximately 120 jobs during construction and commissioning.
- **ZacPak –** The project is a logistics services provider and is not being funded by *the dtic*. A proposal to self-build was presented to ZacPak which was subsequently tabled with its Board of Directors and the proposal rejected. The investment value was R53 million, with a possibility of delivering 33 jobs at full operations.

As a remedy, the CDC will engage with *the dtic* to establish the rules of funding going forward, and will start engaging with developers and obtain permission to borrow to fund projects.

(c) Number of Cumulative Operational Investors

The CDC has achieved 50 cumulative operational investors against a target of 50. The CDC has met the target successfully.

(d) Contribution to GGP

One of the corporate targets to be achieved by the CDC is its contribution to the Eastern Cape Gross Geographic Product (ECGGP).

The total revenue generated within the Coega Special Economic Zone is a proxy of turnover, while its gross profit represents the value added. In addition to the gross profit generated, the total employee costs as well as the depreciation and amortisation values are added to have the aggregate contribution. As a consequence, the sum of the company's total profits, the total employee costs, and depreciations are benchmarked against the ECGGP to assess its performance.

The rationale behind the suggestion of the ECGGP as the point of reference is based on the fact that the ECGGP represents the aggregate performance of the EC economy.

The CDC's contribution to the ECGGP is estimated at 0.84 %. This performance falls within the target range of 084% - 0.92%, presenting a nil variance.

(e) Revenue Generated

The 19.3% favourable achievement in rentals is due to arrear rebates from the municipality and site reservation fees paid by potential investors for the gas to power project.

(f) Number of Construction Jobs

This number refers to SEZ Construction jobs that are created and sustained under the applicable reporting period on construction projects within the SEZ Infrastructure Programme (IIP). These include CDC funded projects and investor-funded jobs.

The CDC did not achieve the target set for the SEZ Investment Services construction jobs.

The CDC funded projects, i.e. the construction of ad-hoc infrastructure; rejuvenation of internal roads; construction of a project in the Nelson Mandela Bay Logistics Park (NMBLP); and BPO maintenance did not commence as there was no requirement during the FY for the implementation of such projects. Normally, the implementation of these projects are linked to investor-driven projects, where investors undertake their own construction projects, and require the CDC to provide the connection or enabling infrastructure connections. No investors required such connections, and the funds were hence not used and no jobs were achieved.

The rejection of *the dtic* funding for planned investors also has had a direct impact on the achievement of this indicator.

(g) Number of Cumulative Operational Jobs

Operational jobs are from employment created and sustained by investors based in the Coega SEZ and Nelson Mandela Bay Logistics Park. The CDC over-performed in the annual achievement of the indicator. The over-achievement is owing to two additional tenants who have created new jobs, and new jobs created by existing tenants.

(h) Variances: Financial Information

SEZ Investment Programme Budget vs Expenditure

2020/21 Budget vs Actual Expenditure

Programme Name	Annual Budget for 2020/21 (R'000)	Unaudited Actuals for 2020/21 (R'000)	Variances (R'000)	% Variance
SEZ Investment Services	**217 136**	**205 561**	**11 575**	**+6%**
OPEX - CoE	77 056	67 216	9 840	+13%
OPEX - Goods & Services	140 081	138 345	1 735	+1%

The operating expenditure for the SEZ Investment Services programme recorded a favourable variance of 6% (or R11.6m).

Cost of employment reflects a favourable variance of 13% (or R9.8m). This is due to ongoing efficiencies in the utilisation of resources in the Business Development and Operations business units, and delaying the filling of vacant posts due to the slowdown brought on by the COVID-19 Pandemic. The CDC anticipates that this will change as business ramps up in the coming financial year.

Goods and services reflect an unfavourable variance of 1% (or R1.7m). In terms of economic classification, the areas where significant unfavourable variances are recorded are municipal expenses (R6.6m), interest paid on arrear municipal accounts (R6.4m) and security expenses (R2m). Furthermore, unbudgeted COVID-related expenses of R2.1m also contributed to the unfavourable variance.

Significant savings were recorded for repairs and maintenance (R8m) and for professional/ consulting fees (R2.2m).

Challenges

Some of the challenges which face the SEZ include:

(a) **CAPEX and OPEX Funding:** The success of the SEZ in terms of investment promotion is dependent on funding for top structures for the investors and funding for investment promotion activities. Additionally, the current assets in the zone must be maintained which requires funding.

(b) **Water:** Environmental records of decisions (RoDs) require the use of return effluent for industrial purposes instead of potable water, the result being a requirement for investment into large-scale processing, reticulation and storage facilities within the SEZs and adjoining municipalities. Done effectively, this could well be the most potent weapon in our value proposition and competitiveness but the lack of progress on the return effluent scheme has reduces the CDC's ability to progress qualifying Mega Projects to signing and/or implementation.

(c) **ICT Networks:** A strong ICT backbone is a prerequisite for success, as South African SEZs attempt to find a balance between traditional industries and the fourth industrial revolution. The Coega SEZ requires capital funding to upgrade its legacy systems in line with new breakthrough technologies. Increasingly, investors look at the "e-intelligence" of a location in much the same way that they look at utilities.

(d) **Electricity:** While supply fears are no longer as pronounced, the future predictability of costs remains a concern, and is a deal-breaker for large energy-intensive investment projects, amplified in part by the huge last mile/point of use installations for green-fields projects.

(e) **Legacy infrastructure:** The SEZ Fund does not provide funding the maintenance and upgrading of physical infrastructure that has passed its useful life. This has become a serious challenge, as older SEZs must contend with diverting investment promotion funds towards upgrading and maintaining ageing infrastructure.

(f) **Investor Retention:** The CDC experienced a loss of revenue due to the loss of tenants and the early termination of some leases, as one tenant was liquidated after undergoing business rescue and billing then had to be discontinued. New investors were unable to take occupation, resulting in a loss of revenue. This is being assessed in light of unforeseen delays in project implementation, and the increasing risk of project terminations.

New Aquaculture Development Zone - Infrastructure Development in Zone 10, Coega SEZ.

Programme 2: Central Support Services

Central Support Services (CSS) is considered the administrative function of the CDC. However, there are sub-programmes within the programme that contribute to other KPIs such as revenue.

The Central Support Services Programme provides services such as strategy development and monitoring, human resources management, legal services and corporate governance, financial management, skills development, SMME development, employment relations and social facilitation, research and ICT systems services.

The indicators listed under the programme are reported here because of the accountability of the programme. The SMME targets are driven by the CSS programme but are contributed towards by both SEZ Investment Services and External Services.

Central Support Services Programme Performance

Key Performance Area	Annual Target 2020/21	Annual Performance 2020/21	% Variance
Impact Statement: FINANCIAL SUSTAINABILITY	*Outcome: Achieved Financial Sustainability*		
Revenue Generated	R 9 972 578	R15 385 204	+54.3%
Cash Flow from Operating Activities	R5m	(R178 132 000)	-100%
Impact Statement: INCREASED ECONOMIC OPPORTUNITIES FOR THE MARGINALISED	*Outcome: Increased SMME Participation is in Economic Activities*		
Procurement Spend on SMMEs	33%	29.71%	-10%
Impact Statement: INCREASED ECONOMIC OPPORTUNITIES FOR THE MARGINALISED	*Outcome: Skills Development*		
Number of People Trained	2 400	3 508	+46%

NB: Variances are expressed at a maximum of 100% (negative and positive)

PROGRAMME PERFORMANCE

(a) Revenue Generation

The Central Support Services fared well for the indicator, achieving a favourable variance of more than 54.3%. This is primarily due to increased usage of telecommunications services by tenants in the SEZ. Furthermore, there was an increase in medical assessment services rendered by the Human Capital Solutions business unit.

(b) Procurement Spend on SMMEs

The CDC has underperformed for 2020/21 financial year, and has achieved 29.71% against a target of 33% for the period under review. This under-achievement is largely due to non-compliance by service providers and a lack of supporting documents in cases of sub-contracting.

A further breakdown of the SMME procurement spend shows the disaggregated performance for SMMEs as follows:

BBBEE Disaggregated

Black Owned	R797 729 863	96%
Black Women Owned	R103 704 882	13%
Black Youth Owned	R7 977 299	1%

Contracts awarded to generic companies are measured for payments made to subcontractors that are SMMEs. This is monitored through certified payment certificates and valid BEE certificates.

Challenges experienced are as follows:

- Delays and a lack of sufficient supporting evidence from the main contractors has negatively impacted the achievement of the SMME procurement spend target; and

- Another challenge faced by the organisation is the failure of SMMEs to renew their BEE affidavits and certificates on time.

The Broad Based Black Economic Empowerment Act incorporates Enterprise and Supplier Development (ESD) as a critical pillar meant to transform, and accelerate the growth and development of SMMEs. Enterprise and Supplier Development involves initiatives intended to assist and accelerate this development and drive the financial sustainability of SMMEs.

It is important that the organisation takes a proactive role and creates an environment for SMMEs to access new business opportunities. The ESD programme will assist SMMEs to become sustainable through the following programmes:

- Raise awareness and encourage BBBEE compliance;
- Provide assistance and guidance on obtaining BEE certificates under the amended codes; and
- Promote the advancement of suppliers within the CDC's supply chain.

(c) Number of People Trained

The CDC delivers on the training mandate through three programmes, i.e. Human Capital Solutions (HCS), the Skills Development Centre (SDC), and the Driver Training Programme (DTP).

The COVID-19 pandemic and resulting national lockdown from March 2020 has had an enormous impact on training activities, as most training were halted until lockdown Level 3 and Level 2.

The CDC realised positive performance for the number of people trained.

The technical training number lagged for most of the year despite the increase in training activities in life skills and Expanded Public Works Programme (EPWP) type interventions. A concerted effort was put in on the NDPW programmes which somewhat corrected this imbalance. So, while HCS still fell short of target for technical training numbers, the overall training target was met and exceeded.

SDC performance was impacted upon by the effects of the lockdown. The implementation of the UIF-funded learnerships were deferred and could not take place. This was largely because the UIF had to shift its focus to dealing with the urgent demands imposed by the COVID-19 pandemic. A turnaround was seen in the last quarter of the year.

The positive overall achievement was realised in an extremely difficult and constrained environment owing to the challenges of successfully acquiring grant funding for skills development interventions. Efforts are ongoing to explore all possible avenues to obtain funding to support technical skills training interventions.

(d) Cash Flow from Operating Activities

The entity underperformed on this measure given the determination of the measure in accordance with the cash flow from operating activities as per the cash flow statement. The intention was to reflect the net cash balance at year-end per the statement of financial position.

Cash balances were positive at year-end.

(e) Financial Information

Central Support Services Programme Budget vs Expenditure

2020/21 Budget vs Actual Expenditure				
Programme Name	Annual Budget for 2020/21 (R'000)	Unaudited Actuals for 2020/21 (R'000)	Variances (R'000)	% Variance
Central Support Services	**172 640**	**139 423**	**33 216**	**+24%**
OPEX - CoE	110 062	92 651	17 411	+16%
OPEX - Goods & Services	62 578	46 773	15 805	+25%

Central Support Services recorded a positive variance of 24% or (R33.2m). The favourable variance in the Cost of Employment category of 16% (or R17.4m) is due to posts not being filled as they became vacant and cost savings initiatives were implemented.

The Goods and Services category reflected a favourable variance of 25% (or R15.8m). The under-expenditure is the result of deliberate cost saving initiatives implemented and cash-flow constraints experienced during the year.

Challenges

(a) Number of People Trained

The main challenge was related to the inability to secure funding for technical skills training, including apprenticeship, learnerships and other accredited training interventions. The CDC is entirely dependent on external funding to achieve its target for the number of people trained. In the past, the CDC was dependent on the inclusion of training for infrastructure projects, which became a challenge when projects and/or payments were delayed. Grant funding from SETAs has also been reduced owing to other government priorities. As much as the CDC achieved the overall target on the number of people trained, there was underperformance on technical skills due to lack of funding. Training is an unfunded mandate, and the CDC depends on external funding to execute training programmes. The delays by the Unemployment Insurance Fund (UIF) to approve the implementation of the apprenticeships and learnership programmes contributed to low performance on technical skills.

(b) Procurement Spend on SMMEs

The CDC currently monitors procurement expenditure on SMMEs. However, there is need for a programme to support the development of SMMEs so that they can grow their businesses. Lack of funding is the major challenge in the development of SMMEs, and the CDC will be looking at collaborating with other organisations to assist SMMEs. An SMME Development Strategy has been developed for implementation in the next five-year strategy cycle.

Programme 3: External Services

The External Services programme is made up of several revenue-generating sub-programmes that are aimed at creating and achieving financial self-sustainability for the CDC. The job creation indicator is the outcome of the performance of the various sub-programmes in infrastructure development projects.

External Services Programme Performance

Key Performance Area	Annual Target 2020/21	Annual Performance 2020/21	% Variance
Impact Statement: FINANCIAL SUSTAINABILITY	*Outcome: Achieved Financial Sustainability*		
Revenue Generation	R251 576 566	R268 464 640	+6.7%
Impact Statement: FINANCIAL SUSTAINABILITY	*Outcome: Increased Market Share*		
Growth in Client Portfolio of External Services	R2bn	R5.3bn	+100%
Impact Statement: INCREASED ECONOMIC OPPORTUNITIES FOR THE MARGINALISED	*Outcome: Job Creation*		
Number of Construction Jobs	4 136	5 265	+27%

NB: Variances are expressed at a maximum of 100% (negative and positive)

EXPLANATION OF VARIANCES

(a) Revenue Generation

The CDC acts as an Implementing Agent for national and provincial government departments and other public entities.

In addition, the CDC provides consulting services to a wide range of clients, and the revenue generated from these activities is allocated to Management Fees. External Services and some units of Central Support Services contribute to this income stream.

There is a favourable variance for this programme. This favourable variance is primarily due to project management fees earned on the Tshwane Automotive SEZ (TASEZ) project. However, the significant favourable variance recorded by the TASEZ project is offset by unfavourable variances recorded by other projects, most notably the Coega Corporate Travel (CCT) product line.

Furthermore, most of the other product lines reflected unfavourable variances on account of a combination of the slow recovery of economic activity as the national lockdown was gradually lifted and the decline in portfolios allocated to the CDC.

(b) Number of Construction Jobs

External Services/Programmes construction jobs consists of jobs that are created under the applicable reporting period as well as sustained jobs on construction projects that are being implemented by the CDC on behalf of client departments outside the Coega SEZ.

The overall achievement for the period under review is partially contributed to the jobs realised on the TASEZ project and for jobs realised where project timelines have been increased.

(c) Growth in Client Portfolio of External Services

This indicator measures the additional awards made to the CDC as an Implementing Agent. The total portfolio is currently valued at R5.3bn against a target of R2bn, and this is a significant achievement. For the year under review, the CDC concluded the Tshwane SEZ programme, which contributed significantly to the growth in the programme.

(d) Financial information

External Services Programme Budget vs Actual Expenditure

2020/21 Budget vs Actual Expenditure				
Programme Name	Annual Budget for 2020/21 (R'000)	Unaudited Actuals for 2020/21 (R'000)	Variances (R'000)	% Variance
External Services	227 401	208 247	19 154	+9%
OPEX - CoE	140 679	151 111	(10 432)	-7%
OPEX - Goods & Services	86 722	57 136	29 586	+34%

External Services recorded a favourable variance of 9% (R19.2m). This is made up of an unfavourable variance for COE of R10.4m and a favourable variance for goods and services of R29.6m. These favourable variances are attributable to slow uptake in economic activity in the external services space.

Overall the highlighted savings are due to digitisation, use of virtual meetings, changed travel plans, and international travel that was reduced due to global lockdown which will change as the world opens up.

Challenges

External programmes faced the following challenges when implementing various infrastructure projects on behalf of the sponsoring client government departments that appointed the organisation as an Implementing Agent.

- Deferral of projects commencement;
- Delays in the provision of project funding;
- Budget cuts from client departments;
- Cancellation of projects; and
- Delays in payment from clients that also negatively impacted the External Programme's cash flows.

A developing trend is that Government departments wish to reduce their dependence on and use of implementing agents, and have expressed a desire to implement their own programmes by employing their own professional service providers (PSPs). In many cases, this is expected to have limited success, and the CDC External Services is proactively and actively marketing itself as a value-adding service.

Challenges on Construction Jobs:

As stated under the explanation for variances, a major challenges experienced during this financial year occurred where the CDC anticipated that more unskilled labour would be employed but due to challenges in the management of SMMEs had to instead close sites, which had an impact on employment by the Eastern Cape Builders Association. The service providers appointed for projects were from outside Eastern Cape, resulting in delays in projects.

Further to this, a number of construction projects were put on hold which moved from the Project Initiation stage to the Tender stage. Some projects which were under construction were affected by delays in payments as service providers were only keeping skeleton staff on site for fear of dis-establishing sites.

Tshwane Automotive Special Economic Zone (TASEZ) visits the Coega SEZ on 29 January 2021.

INVESTMENT PROMOTION

The main feature in the financial year under review has been the COVID-19 pandemic and its devastating impact in the global economy, as has been well articulated in the Chairperson's Report. Essentially, all economies were shutdown with constricted economic activity for several months, which impacted all investment and trade outflows worldwide. According to the UNCTAD 2020 Investment Report, global flows of foreign direct investment (FDI) were under severe pressure because of the COVID-19 pandemic, resulting in these vital resources falling sharply from 2019 levels of $1.5 trillion, dropping well below the trough reached during the global financial crisis, and further undermining the already lacklustre growth in international investment over the past decade. Flows to developing countries were hit especially hard, as export-oriented and commodity-linked investments were among the most seriously affected. Only the Chinese economy seemed to report positive economic growth during this period and sectors linked to the pandemic had some traction.

As of early 2021, global economic output seems to be recovering from the collapse triggered by COVID-19, although the World Bank nonetheless states that it will remain below pre-pandemic trends for a prolonged period. Furthermore, the pandemic has exacerbated the risks associated with a decade-long wave of global debt accumulation. It is also likely to steepen the long expected slowdown in potential growth over the next decade. The consequences could last well beyond the immediate impact on investment flows, and could be a catalyst for a process of structural transformation of international production this decade. Closer to home, South Africa was hit hardest by the pandemic. The country is the most affected on the continent with 54 000 deaths and 1.6m COVID-19 cases. Furthermore, South Africa's economy contracted for the first time in 11 years in 2020, as coronavirus lockdowns hampered the economy by disrupting trade and output. According to Statistics SA, Gross Domestic Product (GDP) shrank 7%, compared with a 0.2% expansion in 2019. It is the economy's first annual contraction since 2009 when GDP fell 1.5%. However, analysts predict the economic situation will improve in 2021.

It is against this backdrop that the CDC's investment promotion performance must be viewed. In the period under review, the 2020/21 investment promotion activities for the Coega SEZ were severely constrained and investment targets had to be reviewed owing to the impact of the pandemic. Consequently, for the 2020/21 financial year, the CDC achieved an 87% target in investments pledged and 17% target in investment value, a significant shortfall from previous years. However, there were no losses in operational tenants and job-losses were also kept to a minimum.

It is evident that the operating conditions of the CDC continue to remain constrained, and investment has been subdued by the uncertainty of the global market environment. This has played a key role in delaying some game-changing projects, such as the alternative energy projects and the aquaculture development.

As stated in the CDC's performance report, in the 2020/21 financial year, the organisation signed five new investments. The total investment value for these projects was R49.8m, with EC Biomass and Chemchamp investing R36m and R11.5m, respectively. Worth noting is new entrant Mzantsi Commercial Solutions (Pty) Ltd, which is occupying the Multiuser Facility in Zone 3. Employing 14 people, this is a 100% black female owned company that offers packing services to food manufacturers and/or brand owners in a customised selection of packaging formats. The company aims to be the co-packer of choice and has capacity to grow.

The five investments have been secured on the back of the diversified sector focus of the SEZ, which seeks to leverage innovative and high-impact industries for development.

Coega SEZ – Number of Investments Signed during the 2020/21 FY

No.	Project Name	Description	Investment Value	Country of Origin
1	The Courier Guy	Courier Services	R1 million	South Africa
2	EC Biomass	Processing & Beneficiation of Biomass & Manufacturing of Biomass Pallets	R36 million	South Africa
3	Mzantsi Commercial Solutions	Packaging of Salt and Pepper	R1,3 million	South Africa
4	Chemchamp	Manufacturing of Specialised Equipment	R 11,5 million	South Africa
5	Cochrane	Storage and Sale of Fences & related products	TBC	South Africa

DYNAMIC COMMODITIES: Winner of multiple global food innovation awards and located in Zone 3 of the Coega SEZ.

A few other projects that were targeted for the 2020/21 financial year were discontinued, postponed or had their implementation delayed due to constraints in *the dtic* funding of top structures, financial closures and the prevailing economic climate conditions. These are:

Merger Meats – decided not to continue with this project after *the dtic* declined funding the top structure. The value of investment was R70 million, and if the investor agreed to construct the facility (which was estimated to cost R144 million), the full investment value would have been R214 million. The project would have created 48 new jobs in the SEZ.

uLoyiso Medical Waste – *the dtic* advised that they would not fund the project. The project would have contributed an investment value of R39 million into plant and equipment. The prospective investor did not want to continue with the project as they felt that the opportunity window had passed and they were investing in equipment.

Coega Dairy Warehouse – the project was rejected by *the dtic* and would have contributed an investment value of R12 million. An additional 12 people would have been employed in the warehouse. The project was declined for funding, and eventhough this potential Investor had offered that they could self-develop at the time of company merger it was put on hold. The total project value was R266 million.

Vector – due to *the dtic* not funding logistics projects, the investor was asked to self-construct the expansion, resulting to an investment value of R19 million. Due to the CDC's Practice Notes on how to recognise an investment, the R19 million cannot be counted.

TEE – the project is still awaiting the funding outcome from *the dtic*. However, it will contribute an investment value of R85 million. The project will also create 43 operational jobs and approximately 120 jobs during construction and commissioning.

ZACPAK – the project is a logistics services provider and is not funded by *the dtic*. A proposal to self-build was presented to ZacPak which was subsequently tabled with their Board of Directors and rejected. The investment value was R53 million, with a possibility of delivering 33 jobs at full operations.

The following table indicates the targeted investors and their status at the end of the 2020/21 financial year:

Description	Project Description	Investment Value (Mil)	Project Cost (Mil)	
1. Merger Meats	Meat Processing	R 70	R 144	Re-jected
2. uLoyiso Medical Waste	Medical Waste Incinerator	R 39	-	With-drawn
3. Coega Dairy Ware-house	Storage Facility	R 12	R 254	Re-jected
4. Vector	Logistics Services	R 19	-	With-drawn
5. TEE	Waste Recycling	R 85	R 31	De-layed
6. ZacPak	Logistics Services	R 53	R 49	De-layed
7. Whey Project	Whey Processing	R 200	R 125	De-layed
Total		**R 478**	**R 603**	

MEC: Finance, Economic Development, Environmental Affairs and Tourism, Mr. Mlungisi Gerald Mvoko visit the Coega SEZ on 16 October 2020.

The following projects are considered as critical, and will have a positive impact on the CDC's overall success.

Coega Dairy Whey Project

For the CDC to reach its overall targets for the 2020/21 financial year, it was crucial that a Lease Agreement between CDC and the Coega Food Group was concluded on the Whey Project. The project has an investment value of R250 million. Even though the funding request has been approved by *the dtic*, the Lease Agreement could not be signed with the investor for the reason of internal organisation or restructuring. In November 2020, Coega Dairy became a wholly-owned subsidiary of the Dairy Group, a new agribusiness that was formed through the merger of Dairy Farmers of South Africa (the market leader in the procurement of raw milk and the raw milk supplier of premium brands such as Clover) and Coega Dairy. Coega Food Group is a 50% shareholder in the Dairy Group. The Whey Project was initially structured to reside under Coega Food Group but until internal deliberations are completed, this project is on hold.

Gas-to-Power Readiness at Coega SEZ

On finalisation of the Section 34 Determinations, the Department of Mineral Resources and Energy (DMRE) intends to proceed with a Gas-to-Power Programme, with the Coega SEZ hosting between 1,000 MW to 3,000 MW of additional gas-driven power generation. The National Energy Regulator of South Africa (NERSA) recently concurred with the DMRE's determination, paving the way for the DMRE to commence with its procurement process. The indications are that the procurement will be done through the Independent Power Producer (IPP) Office of DMRE by the end of January 2022.

As part of the Provincial Stimulus Fund, the Eastern Cape Department of Economic Development, Environment Affairs, and Tourism (DEDEAT) approved R12 million in funding towards additional Gas Concept Design, Technical studies, the reactivation of the Gas Environmental Impact Assessment (EIA) work and to advance Gas Readiness at the Coega SEZ. In April 2020, the CDC received R7.6 million of this amount and applied to retain unspent conditional allocations committed for identifiable activities, as well as the balance which is for identified activities that complement and provide continuity on the already committed activities. This request was approved by the DEDEAT.

As part of the Coega Environmental Studies, in December 2019, the CDC secured a service provider to undertake the Gas EIA study, from drafting the Scoping Report to completion. The Environmental Authorisation is expected in August 2021. In May 2020, the DMRE convened South Africa's Natural Gas Technical Task Team meeting which was attended by Transnet, the Central Energy Fund (CEF) and the CDC, wherein it was highlighted that these State-Owned Companies (SOCs) should progress project development work to catalyse readiness at the Coega SEZ site. In a related process, the DMRE launched the Risk Mitigation Independent Power Producer (RMI4P) on 23 August 2020 through the Independent Power Producer Office (IPPO). The minimum capacity of a project shall be 50 MW and the maximum capacity shall be 450 MW, subject to availability and transmission evacuation capacity at the connection point. The RMI4P was designed to procure 2,000 MW of new generation / supply capacity from a range of energy technologies. Eight preferred bidders were announced nationally on 18 March 2021, and two of these bidders will be using LNG as a fuel source within the SEZ and the Port of Ngqura. These two projects are:

1. The Karpowership Coega project, which entails the generation of electricity from a floating mobile powership moored in the Port of Ngqura. It proposes two ships berthing during the project lifespan, a Floating Storage Regasification Unit (FSRU) and a powership. An LNG carrier will supply the LNG to the FSRU, which would then transfer the gas to the powership. The capacity of the Coega powership is 450 MW. The electricity will be evacuated via a 132 kV transmission line over a distance of seven km to Eskom's Dedisa substation in Zone 13 of the Coega SEZ, which feeds into the national grid.

2. The Mulilo Total Coega project will entail the construction of a 200 MW gas power station in Zone 13 of the Coega SEZ, utilising reciprocating engines to generate electricity. Fuel will be imported in Ngqura Harbour in LNG form and transported to site with LNG trucks. The LNG will be stored on site and regassified for use in the engines. There are discussions on whether these two projects could collaborate with regards to gas provision. The success of these two projects provides further impetus to the development of a natural gas sector at the Coega SEZ and the region.

Beijing Automotive Investment Company (BAIC)

BAIC SA is a joint venture between BAIC International and IDC, forming BAIC SA. The OEM is the second in the Coega SEZ and will be producing passenger and medium commercial vehicles for the SA market, Middle East and Southern Africa. The estimated production volumes over the five-year period from start of production is 30,000 – 50,000 vehicles. The SA government through IDC holds a 35% shareholding and the rest is held by BAIC International. The planned investment by BAIC SA is R11 billion when fully completed with all phases. BAIC SA is now in Phase 1 of its R11billion investment, with Phase 1 estimated at R4.3 billion. Phase 1 of BAIC SA plant consists of the assembly shop, administration building, paint shop, four ancillary buildings and finished vehicle parking area. The IDC has proportionately committed R1.5 billion in the form of equity and guarantees towards the project costs. Construction of the BAIC SA assembly plant started in 2017 and is now 87% complete (as of November 2020, based on a progress report obtained from IDC in October 2020). Completion of Phase 1 construction is expected in Q4 of 2021 calendar year. CDC's scope of work on the project was the construction of the platform for the plant, construction of the ring road around the plant and the provision of electrical infrastructure to the main assembly plant.

Outstanding CDC's scope of work in the BAIC SA project:

- Electrical works Phase 2 - The second stage of the project is the completion of the bulk electrical connection from the existing Neptune HV Substation in the SEZ. The final design for the works has been approved by the NMBM since the project has to be implemented according to the municipality's standards and specifications. The procurement process has been concluded and a contractor has been appointed. The appointed contractor has completed all the contractual obligations. The Works Permit from the Department of Labour to commence with construction was received in the second week of September 2020. The site has been handed over to the contractor, who has commenced with site establishment. So far, the project is on track and within budget.

APLI (African Port Logistics and Infrastructure)

The CDC has progressed well with the construction of the Fruit Terminal in Zone 1, and completion of the facility is scheduled for June 2021. The facility includes the development of a cold storage unit, pack house, offices, ancillary buildings and depot facility. The APLI project investment value is estimated at R180 million.

This project will create 228 new operational jobs in the region and approximately 720 construction jobs. The agricultural and citrus industries are expected to expand their production and exports significantly to contribute to transformation and job growth in South Africa. This is in line with the local and national developmental plans and strategies.

Aquaculture Development Zone

Environmental authorisation for land-based aquaculture development in Zone 10 of the Coega SEZ was obtained in February 2018. Town planning for Zone 10 was completed in Q4 2018/19.

The CDC successfully raised R206 million from the Provincial Economic Stimulus Fund and construction of Phase 1 of the ADZ commenced in September 2020. Construction in this phase, which will see the first 100 hectares (ha) of the ADZ unlocked through the provision of basic enabling infrastructure, will be completed by November 2021.

The Marine Pipeline Servitude (MPS) EIA has progressed well, and the record of decision (ROD) is expected in July 2021. This will pave the way for marine aquaculture in the Coega ADZ.

Jiangsu Seraphim Solar System

Jiangsu Seraphim Solar System Co. Ltd investment is to locate the Solar PV cells manufacturing plant at the Coega SEZ in a facility measuring approximately 8 214 m^2. Seraphim aims to increase the local manufacturing content of its solar value chain through technology transfer and job creation. Seraphim's focus is to export 80% of its production, largely to the USA. This project will also assist in positioning South Africa as a manufacturing hub in the renewable energy sector.

In an effort to support the government's local procurement accord, this project will reduce South African solar production import content and increase locally-manufactured content. The investment in solar cell production by Seraphim will further support job creation by providing 324 new operational jobs. This project will also assist in positioning South Africa as a manufacturing hub in the renewable energy sector

Locating Seraphim within the Coega SEZ could potentially provide the necessary impetus for other solar upstream and downstream investors to consider investing in the SEZ. The project will advance socio-economic development and transformation in the Eastern Cape, and this investment will create additional job opportunities and directly contribute to job creation and economic development in the Eastern Cape. The Lease Agreement was signed on the 22 October 2020. Due to delays encountered onsite and work stoppages emanating from tenant design changes, the main contractor submitted a revised construction schedule which moves the completion date to 20 July 2021.

LOOKING AHEAD

Notwithstanding a bleak operating environment and subdued economic forecast by the World Bank and economists, the CDC is making good progress in operationalising projects signed in previous financial years, three of which will be operational in the 1st quarter of 2021. These include Seraphim, APLI and DHL, with a combined investment value of R540 million in diverse businesses spanning citrus, logistics and solar panels. These projects will assist the organisation when operational in the next years to ensure financial sustainability. Great progress has been made to operationalise the five aquaculture projects valued at R848 million, as enabling infrastructure is being rolled out. A Sea Water Desalination Plant and Sea Water Pipeline will be constructed in due course to provide water to these projects.

The Multiuser Warehouses Phase 2 has been completed and will accommodate a further five projects of various sizes. This is important for small to medium-sized companies (producing a range of products including spices, salt and packaging) that will benefit from the existing buildings like the multiuser, and that could be immediately accommodated.

There was traction in the Gas-to-Power Project, with two bidders awarded to generate energy from gas using the Port of Ngqura and SEZ. The Karpowership Coega project entails the generation of electricity from a floating mobile powership moored in the Port of Ngqura. The Mulilo Total Coega project will entail the construction of a 200 MW gas power station in Zone 13 of the Coega SEZ.

Five investors are currently busy with EIA (steel at R600 million), feasibility (pharmaceutical) and others with financial closure.

The CDC is finalising contracts for an onshore storage facility with a value of R200m. The CDC advertised the turnkey bid for a Design-and-Construct model with Design being Phase 1. Operation thereof is planned for the next financial year.

Moreover, three companies are busy with financial closure (with a total investment value of R115 million) e.g. *the dtic* funding, Black Industrialists Scheme or own funding.

Five companies discontinued projects due to lack of financial closure, cost-saving measures, problems with contractual agreements and COVID-19 pandemic constraints.

Going forward, the CDC will be celebrating project operationalisation by black-owned business during the 2021/22FY, as indicated below:

PROJECTS OPERATIONALISATION 2021/22:

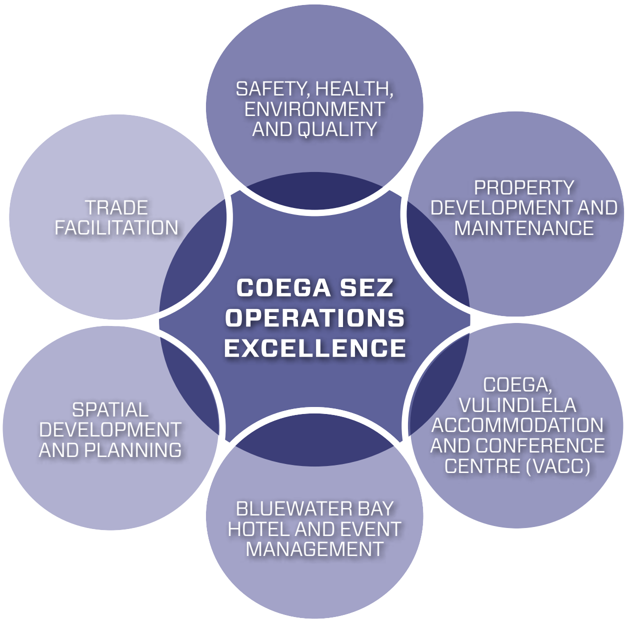
Investors	Description	Estimated Operational Jobs	Estimated Construction Jobs	Project Status	Operational Date	Sector	Form of Investment	Country of Origin
1. TransMerch Africa	Manufacturing of AdBlue	15	n/a	Commissioning	01 July 2021	Automotive	DDI	
2. APLI	Cold storage facility	228	720	Construction	01 July 2021	Logistics	DDI	
3. Seraphim	Production of Solar photovoltaic cells	324	81	Commissioning	01 December 2021	Renewable Energy	FDI	
4. DHL	Distribution Centre	60	260	Commissioning	31 August 2021	Logistics	DDI	
5. Cochrane	Storage and sale of fence and related products	8	n/a	Operational	30 April 2021	Metals	DDI	
Total		**635**	**1 061**					

Aerial view of BAIC SA construction progress in Zone 1.

APLI Fruit Terminal construction progress in Zone 1.

COEGA SEZ OPERATIONS

Global experience indicates that successful SEZs get the basics right while meeting Sustainable Development Goals (SDGs). Over the past 22 years, the CDC has consistently got it right by providing operational excellence within the portfolios as identified hereunder:



Each of the operational focus areas of the CDC are managed according to international standards, which have been affirmed by auditing processes conducted in terms of the International Standards Organisation (ISO) quality standards. As a result of such measures, the CDC has continued to lead the way for operational excellence in servicing the development requirements of the Nelson Mandela Bay area and the broader region. In so doing, the CDC provides a unique service offering, catering for individual client needs, whilst timeously delivering projects with a focus on efficiency, streamlined operations, an auditable supply chain, and value for money.

The Coega Special Economic Zone (SEZ) is designed to spur economic growth, attract Foreign Direct Investment (FDI), promote exports and industrialisation, and improve the socio-economic outlook of the regional economy through employment creation and skills transfer. The CDC operations support this strategic intent by enhancing the attractiveness of the Coega SEZ for investment and delivering projects that align with the strategy.

VULINDLELA ACCOMMODATION AND CONFERENCE CENTRE (VACC)

The 2020/21 financial year was a challenging year due to the bad economic climate caused by COVID-19 pandemic and protocols for the hospitality industry, which was shut down during Level 5 and only partly functional during Levels 3 and 1, including the reduction in government spending. Government departments make up the bigger portion of VACC's revenue, which prefer the VACC for hosting events in Gqeberha.

VACC Contribution to the Vision of the CDC

Investors in the SEZ utilise the VACC as a base for accommodation and events, and the VACC also hosts some of the larger SEZ investors. The VACC contributes to the vision of the CDC by creating sustainable jobs for the local community, thereby contributing to the socio-economic development of the area. The VACC is also self-sufficient and plays a significant role in the cross-subsidisation of the broader CDC business.

Strategy for VACC 2018-2021

The strategy for the financial year 2018-2020 was to increase VACC's client base and, in so doing, increase revenue and profits. The strategy focuses on building and maintaining relationships with existing clients, and the recruitment of new clients, through cold calling and advertising on radio, CDC social media, leveraging off the CDC's main website and through the creation of VACC social media pages. The strategy also includes improving the product offering of the VACC to remain the venue of choice for government departments and private clients through competitive pricing and service excellence.

Risk, Opportunities and Stakeholder Analysis

Risks: For the period 2020/21, the VACC still faced the ongoing challenge of commission payable to travel agents, which is problematic as CDC is prevented from doing so because of the PFMA regulations. Since the completion of the construction of its Bed and Breakfast (B&B) service offering, the VACC is able to accommodate a larger number of clients, and hence increase its revenue generation. However, insufficient capital injection into the VACC for other continuous improvement projects has impeded service levels, as the world has gone digital, and the upgrading of the venues is necessary to remain competitive. Reduction of risk to organisational capacity has been reduced to acceptable levels, as positions have been advertised, some filled and others are awaiting appointments to fill vacant posts.

Opportunity: The VACC is one of the few quality establishments in the region that has the ability to host a large group of 500 persons or more for accommodation, conferencing and meals.

Stakeholder Analysis: The VACC has several stakeholders, including government departments, construction companies, private companies, and individuals. Government departments use the facility to host their conferences and accommodate groups. The VACC is also utilised by construction companies for accommodation and the supply of meals to their workers. The location of VACC is convenient, as it lies on the boundary of the SEZ and can accommodate large groups. Private companies and individuals continue to utilise the bed and breakfast and conference facilities for long and short-term rentals.

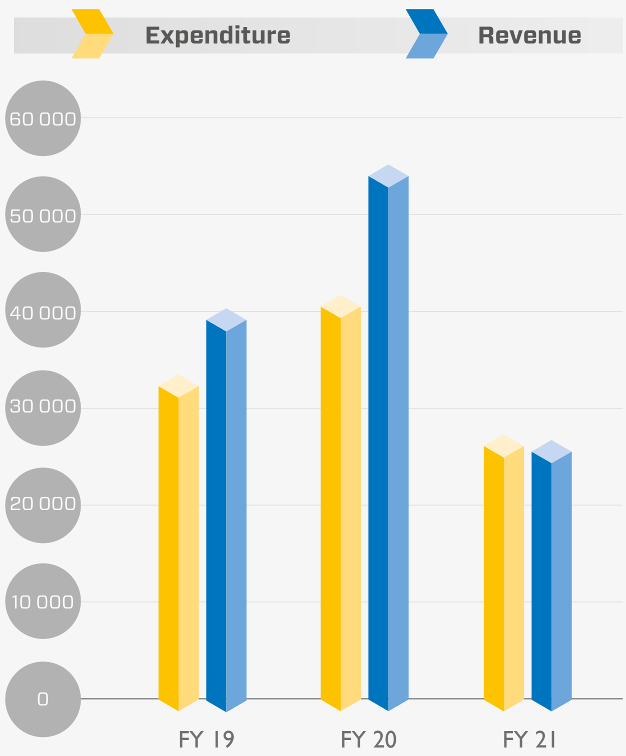
COEGA VULINDLELA ACCOMMODATION AND CONFERENCE CENTRE (VACC): 3 star living for contractors and investors at the Coega SEZ.

Outcomes Revenue and Expenditure 2018, 2019 and 2020

The VACC managed to increase its client base by three clients in the financial period 2020/21. This generated revenue of R26 279 042, although this is less than the previous year owing to revenue targets being adjusted due to the COVID-19 pandemic and economic down-turn.

Performance Information

VACC - Revenue & Expenditure (R'000)



During the 2019/20 financial year, the VACC product offering was expanded through the development of the Bluewater Bay Sunrise Hotel (BWBSH) and Events Management Services (EMS). The BWBSH was opened to the public during 2020/21, and the pop-up services of EMS are now being widely used. The VACC has established itself as the venue of choice for government departments through competitive pricing and service excellence.

The VACC remains one of few quality establishments in the region that has the ability to host large group of 500 persons or more for accommodation, conferencing – a competitive advantage which was further enhanced by the product lines added during the 2019/20 financial year. Due to COVID-19 regulations in the hospitality industry, the budget was revised from R42 486 358 in the 2019/20 financial year to R20 331 892 in the 2020/21 financial year, and this had a huge impact on the revenue that would have otherwise been generated.

SECURITY SERVICES

Coega SEZ security has recognised the importance of an effective Security risk appropriate management process and adopted an enterprise-wide approach to physical security risk and the protection of assets.The CDC Security Risk Framework is aligned with international best practice of Physical Security Standards Guidelines and the Management of Information Security Standards Guidelines. Our approach to reducing crime or security incidents is through the strategic design of the built environment, typically employing organisational, mechanical, and natural methods to control access, enhance natural surveillance and territoriality, and support legitimate activity. The CDC's Physical Asset Protection (PAP) Programme encompasses a systematic approach to identifying threats and vulnerabilities the organisation faces, so that physical security threats against personnel and all property and assets, investors, contractors and visitors in the SEZ are appropriately addressed.

During the 2020/21 financial year, and with the provisions of the Department of Trade, Industry and Competition funding, the Integrated Security Systems have been upgraded in terms of various technical security projects, with great anticipation for creating a safe and secure environment. Our main objective of creating the new Command and Control Centre has been achieved. This will enhance security controls around SEZ through becoming more proactive and reactive when dealing with security and other related emergency incidents. Further security upgrades can be expected for the year-ahead, which has been made possible through *the dtic's* approval for further funds. This in essence shows that the CDC and *the dtic* is committed to the Physical Asset Protection Programme.

Furthermore, the CDC has appointed security guarding and technology services provider Falcon Security Group (FSG) for a second year to improve protection in terms of access control, perimeter patrols and the overall protection of people, property and assets within the SEZ.

CDC security has continued to successfully conduct security risks assessments for all high profile planned and unplanned events within the SEZ, supported by other law enforcement agencies and external security stakeholders. CDC Security looks forward to continuing to support all business activities within the SEZ in the year-ahead, and to ensuring the safety of its tenants' assets within the SEZ.

TRADE FACILITATION

The Trade Facilitation Unit was established by the CDC on 01 December 2020 to optimise the functions of Customs, Investor Services and Logistics into a holistic trade facilitation focal area for the Coega Special Economic Zone (SEZ) and Nelson Mandela Bay Logistics Park (NMBLP).

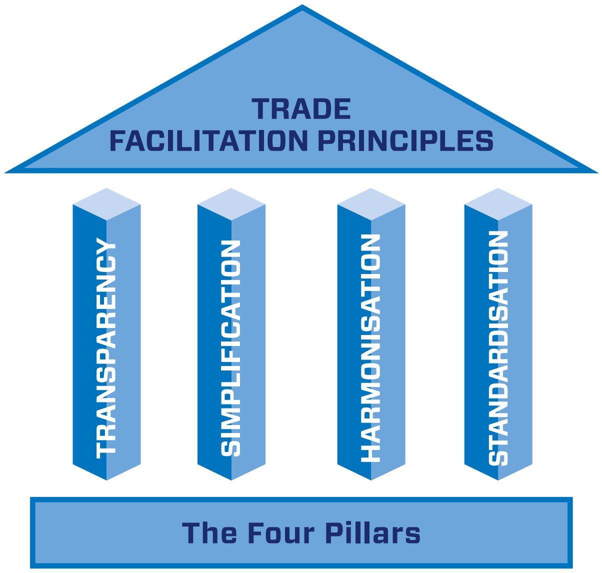
Current perspectives indicate that growth reforms for the Port of Ngqura / SEZ Precinct need to be pursued in five thematic areas, namely: modernising transportation networks; enhancing competition; labour intensive growth; trade policy; and export competitiveness and regional growth opportunities. While there is an assumption that ports bring local economic development, advances in transportation technology indicate the need for logistics industries to support the port, a presence not guaranteed in the case of transshipment hubs. Growth interventions for the Port of Ngqura / SEZ Precinct will require institutional and governance integration between the responsible entities to support a strong logistics industry (including hinterland traffic), the provision of trade facilitation measures, and the availability of labour.

Trade facilitation measures are particularly beneficial to developing countries, which generally take three times as many days to export goods, with twice as many documents and six times more signatures than developed countries. Trade facilitation can be defined as:

The simplification, standardisation and harmonisation of procedures and associated information flows required to move goods from seller to buyer and to make payment.

The principles of trade facilitation are identified in the graphic hereunder, as identified from the 2012 United Nations Economic Commission for Europe (UNECE) Trade Facilitation Implementation Guide.

The Pillars of Trade Facilitation



The CDC addresses the challenge of facilitating trade through a range of organisational structures focusing on key aspects of trade facilitation such as: customs, environmental (SHEQ), infrastructural services, investor services, logistics, security and spatial planning. Whilst considerable progress has been made, thereby establishing the CDC as a best practice leader in all aforementioned fields, considerable scope exists for harmonisation, simplification, standardisation and transparency of increasingly complex procedures.

Government has recognised the importance of trade facilitation with a range of initiatives such as One-Stop-Shops. To give effect to such measures, the CDC has placed a focus on trade facilitation for the Coega SEZ (including the Port of Ngqura) with a primary focus on the regional context, with due consideration for national and international contexts.

Given the importance of trade facilitation measures for the Coega SEZ, during the financial year, a trade focused approach has been adopted, which recognises the primacy of trade facilitation in developing the Coega SEZ by:

- Ensuring a trade facilitation focus for customs, investor services and logistics;
- Focusing on the harmonisation, simplification, standardisation and transparency of processes and procedures;
- Establishing a logistics strategy for the CDC utilising the available toolkits and methodologies for trade facilitation within the context of a back of port SEZ and the requirements for hinterland connectivity; and
- Repositioning environmental liabilities as assets for the geography of trade facilitation.

In addition to its responsibilities with respect to trade facilitation for the SEZ, the CDC also undertakes work on a consultancy basis for other business units and external organisations.

Investor Services

Investor satisfaction and customer aftercare forms a critical part of the SEZ Operations. Biannual surveys are conducted to assess satisfaction levels amongst SEZ tenants and to identify areas of concern. Investor Services are located within the One Stop Shop and assist investors with enquiries which include (amongst others) visa applications, labor concerns and the availability of services.

The Inaugural Investor Perception Survey was concluded for the 2020/21 financial year. The survey results indicated that 74% of tenants located in the Coega SEZ were satisfied with Coega as an investment destination, with an overall score of 3.7/5 or 74%. In addition, the tenants were very satisfied with the Investors Liaison and Facilities Management provided by the CDC. Moreover, a lion's share of tenants believed that their requests or queries to the CDC are managed professionally and on time.

Furthermore, the majority of tenants were satisfied with the Coega SEZ as an ideal location for their business since the area is reasonably secured and safe. The majority of tenants further indicated that they chose to locate their businesses at Coega for the following reasons: good value for money, followed by the owner build warehouse, sustainability, and proximity to the port. Only a few tenants indicated that the CDC did not meet its obligation since locating their businesses at the Coega SEZ. However, 66.7% of tenants indicated that their business key performance indicators have improved since locating at the Coega SEZ. A large number (50%) of tenants were neutral with the investment incentives as provided by the CDC through the government incentive scheme since locating in the SEZ, while 33.3% were satisfied. However, 75% of tenants agree that the CDC has met its obligations to tenants since locating in the Coega SEZ.

Lower rental rates followed by perceived good service were the main reasons highlighted by the tenants for potentially considering locating their business elsewhere other than at Coega. Finally, almost 60% of tenants indicated that they would encourage other businesses to locate at the Coega SEZ.

Customs

The Operations Unit, which is home to Customs, has repositioned itself to align to the new CDC Strategy and new business challenges due to the effects of the COVID-19 pandemic.

The 2020/21 financial year, despite the pandemic's negative effect on business, Customs has forged ahead with the new brand identity of the One-Stop-Shop, and maintained tenants in the Customs Depot, thereby contributing to revenue for the period.

The Inspection Services for Imports & Exports for the Customs Controlled Area Enterprises (CCAEs) were adversely affected during the lock-down period as all imports and exports were placed on hold. This has since turned around, with the revenue stream gaining momentum due to business 'going back to business as usual'.

Under the Trade Facilitation banner, Custom is working closely with Investor Services to realise the vision of the One-Stop-Shop, as supported by InvestSA. Through the One-Stop-Shop, key stakeholders have been identified to provide streamlined services to investors and tenants to enhance business operations.

One-Stop-Shop Facility in Zone 1 of the Coega SEZ.

PROPERTY DEVELOPMENT AND MAINTENANCE (PDM)

The CDC's Property Development and Maintenance is divided into five categories of service, namely:

- Asset and Infrastructure Management (Maintenance);
- Services and Utilities Management (Maintenance);
- Property Development (Infrastructure and Top Structures);
- Fleet Management (Maintenance); and
- Office Management (Maintenance).

PDM supports the strategic plan of the CDC by developing the SEZ to be a world class destination. PDM is the delivery arm in bulk infrastructure, enabling infrastructure, top structure buildings, and facilities management for current and new investors. PDM is also responsible for conceptualising, planning, designing and executing all infrastructure and top structure requirements as indicated by investors and the CDC, towards fulfilling the objectives of the Coega Project.

Given the unique requirements of investors, meetings are arranged with each company to scope their needs and deliverables. Based on the detailed background obtained from potential investors, site allocations and cost-estimates are prepared to enable the Commercial Business Unit of the CDC to commence with negotiations and rental agreements. All work is implemented according to an approved Project Management Methodology to ensure that infrastructure and buildings comply with Municipal Standards and will provide assurance that the CDC is a preferred investment destination.

After completing the infrastructure, these buildings are operated and maintained to the highest standards to ensure that the Investors remain confident in the Coega Project and that they are operating in a safe and secure environment.

The following indicates PDM projects during the 2020/21 financial year:

Overview of PDM Projects Over Period

PLANNED	CONSTRUCTION	COMPLETED
Bulk Fuel Tank Facility	Coega Steels HV Electrical	Multi-User Facility Zone 3
Dairy Campus Whey Facility	Fruit Logistics Zone 1	Security Upgrades Phase 1
Cannibis Processing Facility	Zone 10 Aquaculture Infill	Bulk Reservoir
Desalination 15 ML Plant	Security Upgrades Phase 2	MM Engineering Facility
Bulk Sewer Connections	DHL/Mondelez Logistics Facility	
Tyre Extraction Facility	Seraphim Solar Cell Manufacturing Facility	
Automotive Plastic Component Manufacturing Plant	Zone 2 HV Electrical Upgrade	

Work also includes the master planning for bulk services, and PDM is additionally working closely with the Nelson Mandela Bay Municipality (NMBM) to plan for potable water and sanitation mega projects, of which water is currently a big concern in the NMBM (as mentioned in the Chief Executive's report).

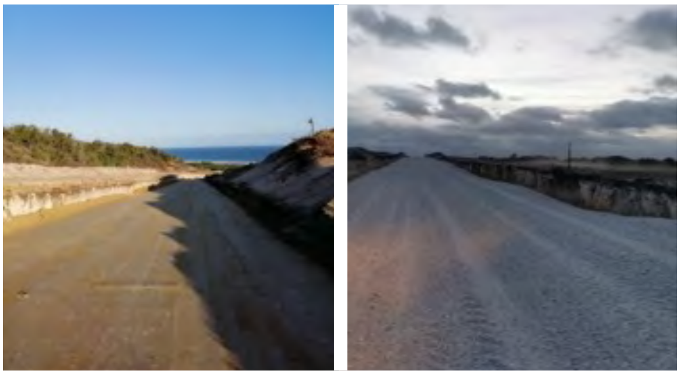
Projects under construction:

Fruit Logistics in Zone 1, Coega SEZ.

DHL / Mondelez Facility in Zone 1, Coega SEZ.

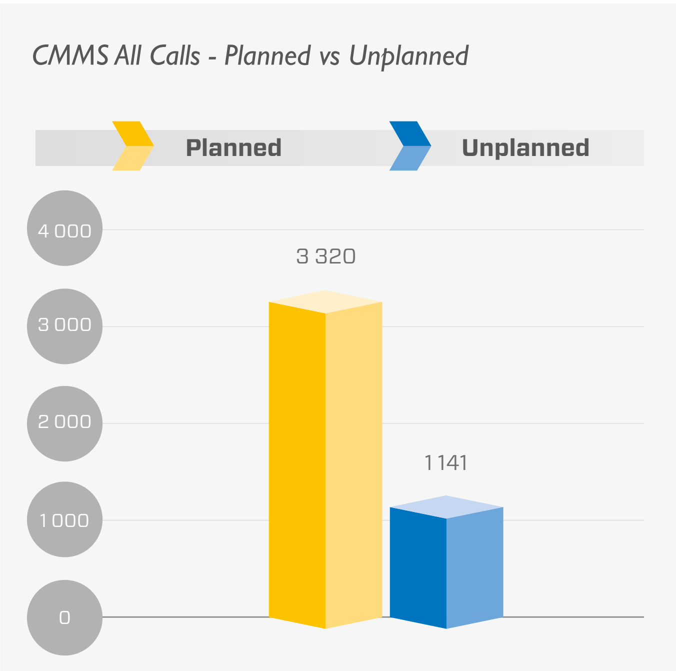
Seraphim Solar Cell Manufacturing Facility in Zone 3, Coega SEZ.

Bulk HV Electrical Installation in Zone 2, Coega SEZ.

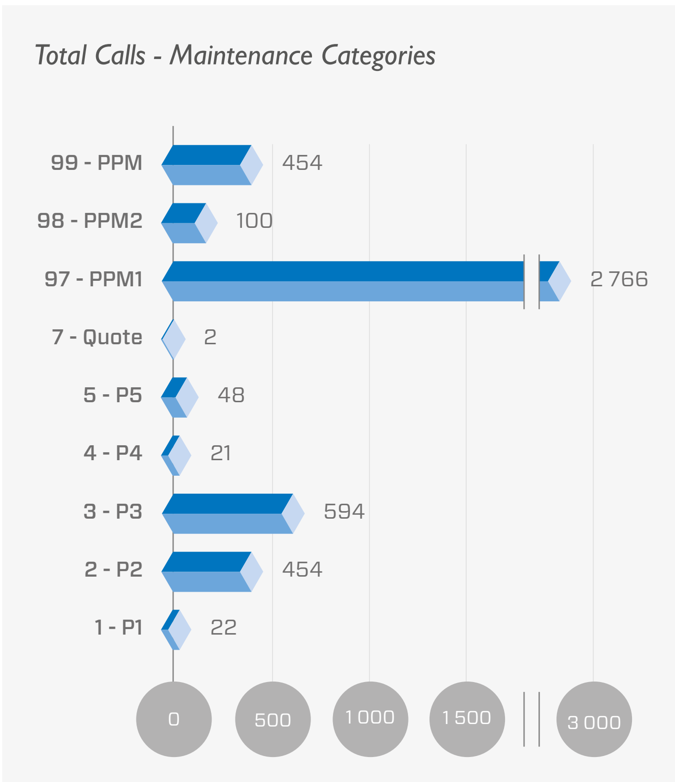


Aquaculture Zone Infrastructure Development in Zone 10, Coega SEZ.

The PDM operates a call centre and has procured its own Computerised Maintenance Management Software (CMMS) to support maintenance of all existing infrastructure and top structures. The programme runs planned and unplanned maintenance to improve asset life and swiftly respond to all asset failures, and recorded the following performance for 2020/21 financial year, with a total of 4, 461 calls:



The detail split between ad hoc and planned maintenance can be shown in graph below. Ad hoc maintenance is categorised based on urgency and importance from P1 to P5:



In summary, the planning and development of SEZ infrastructure progressed well in the 2020/21 financial year. The pipeline of projects that are currently underway is promising, and it is critical to continue with the bulk services planning and implementation to ensure that investors in all zones of the SEZ are serviced with bulk infrastructure in line with the annual updated master plans given to the Coega SEZ's project pipeline. The planning and sourcing of funding is therefore critical to further develop critical bulk infrastructure – including the desalination and return effluent water supply – for the servicing of not only the Coega SEZ but also the bigger Nelson Mandela Bay Metro.

The 4-Star Bluewater Bay Sunrise Hotel.

BLUEWATER BAY SUNRISE HOTEL

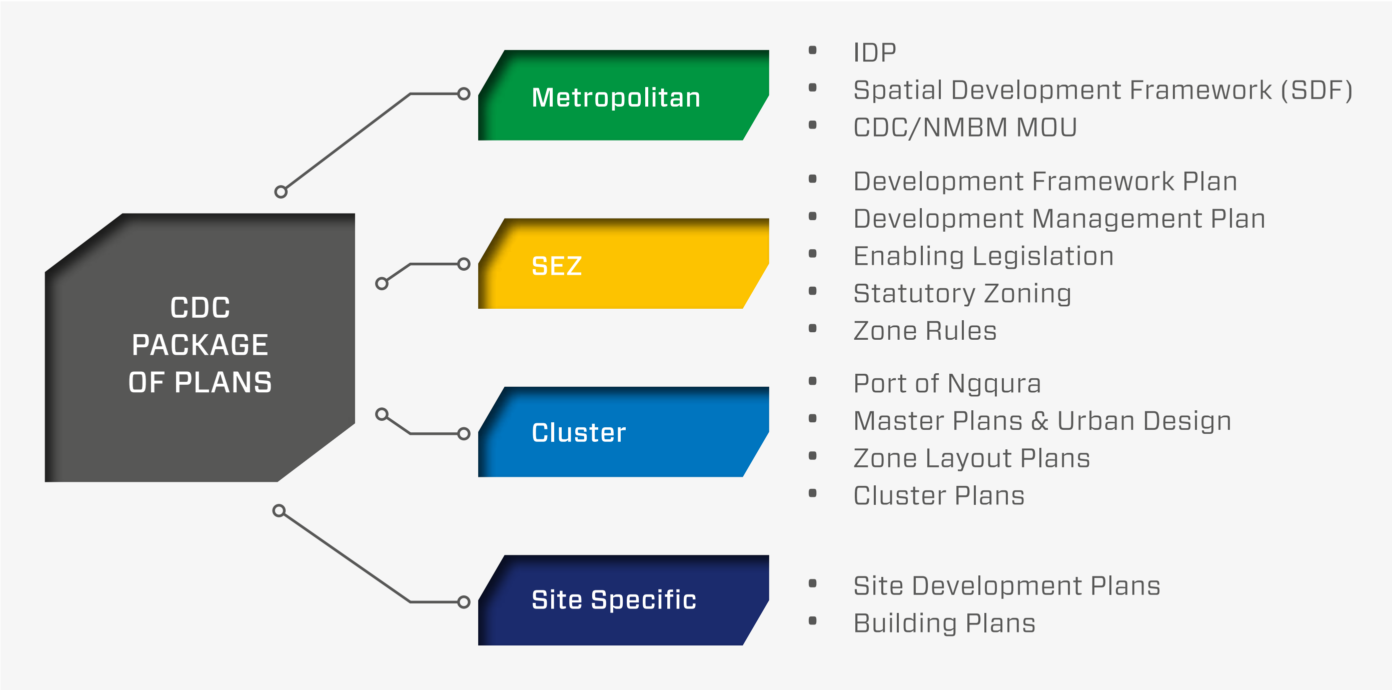
The now historic Level 5 lockdown of March 2020 and subsequent various lockdown levels thereafter over the next nine months, together with some supplier and stock challenges, resulted in a delay in the completion of the Bluewater Bay Sunrise Hotel (BWBSH). Despite these challenges, the construction and hotel teams worked side by side to enable the hotel to open to the public on Monday 9 November 2020. COVID-19 has had a catastrophic effect on the global hospitality industry, and South Africa was not spared from this. In fact, further sanctions on Gqeberha as a holiday destination were levied by the President of South Africa, who named the Nelson Mandela Bay as a COVID-19 pandemic hotspot in early December 2020. This resulted in decreased travel to Gqeberha and accommodation and functions cancellations at the BWBSH during December 2020 and January 2021.

The BWBSH thus generated close to R2m in accommodation, food and beverage revenue from November 2020 to March 2021.

Future accommodation business is anticipated from the Transnet National Port Authority (TNPA) Office relocation programme from April 2021. Furthermore, SEZ tenants have also begun using the hotel's catering and accommodation services.

SPATIAL PLANNING AND DEVELOPMENT

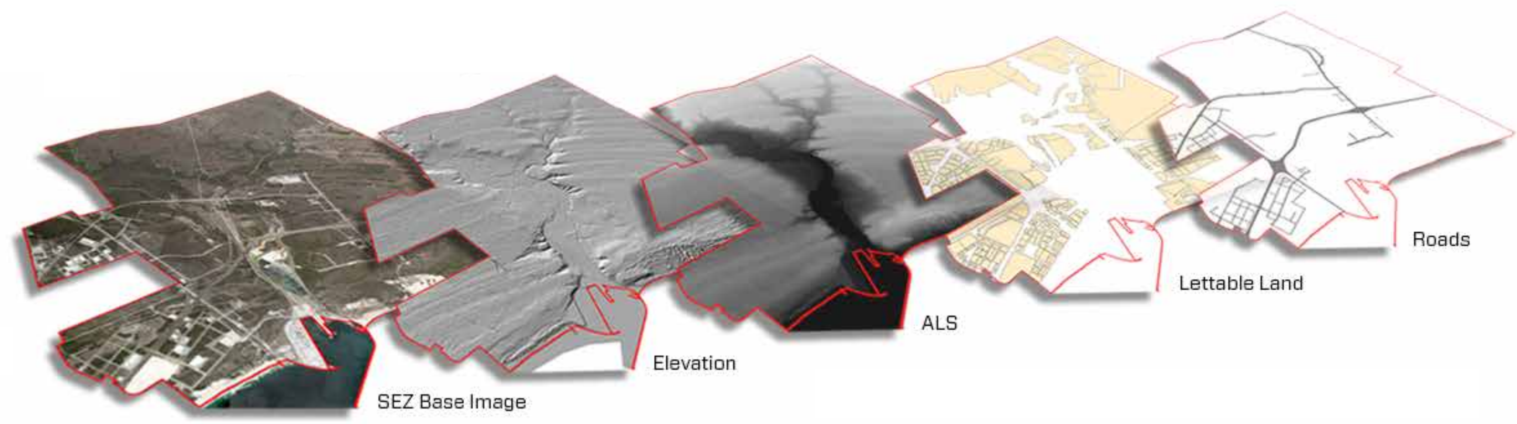
Spatial Planning gives geographical expression to economic, social, cultural and environmental policies, which influence the Coega SEZ through systems for Spatial Development, Geographic Information and Drawing Management. It is directed towards achieving sustainable regional development and the physical organisation of space according to the Package of Plans for the CDC, as depicted below in the diagram. The CDC's Package of Plans is developed and maintained in accordance with the conditions associated with the establishment of the Coega SEZ, and include extensive collaboration with the Nelson Mandela Bay Municipality (NMBM)



During 2020/21, COVID-19 significantly impacted performance on various deliverables as key stakeholders were unavailable due to working remotely. Interaction specifically with the municipality was also affected. However, a major milestone was achieved with the sale and transfer of 115 hectares of land to Transnet for the relocation of the manganese project.

Some of the challenges included displaying and sharing information with stakeholders, as the GIS Enterprise platform services had expired. However, during the financial year, this challenge has since been resolved and all lost connections successfully restored.

In the last quarter of 2020/21, Trade Logistics separated from Spatial Development Services. The Spatial Development Services unit has expanded its product offering to all spheres of government on a consultancy basis.



SPATIAL PLANNING AND DEVELOPMENT: Coega Geographic Information System (GIS).

SAFETY, HEALTH, ENVIRONMENT AND QUALITY

Safety, Health, Environment, and Quality (SHEQ) are crucial elements in the operational requirements of the CDC. SHEQ thus forms an integral part of the CDC's broader sustainability agenda. This agenda aims to drive the sustainable growth of the Coega Special Economic Zone (SEZ) and external services through infrastructure delivery programmes, which include operations in the rest of the African continent. As a player with a global outlook, the CDC seeks to position itself in a manner that offers the agility to respond to complex global challenges and opportunities as they evolve, with sustainability as one of its key focus areas.

This report details the various safety, health, environment, and quality activities that were undertaken during the 2020/21 financial year.

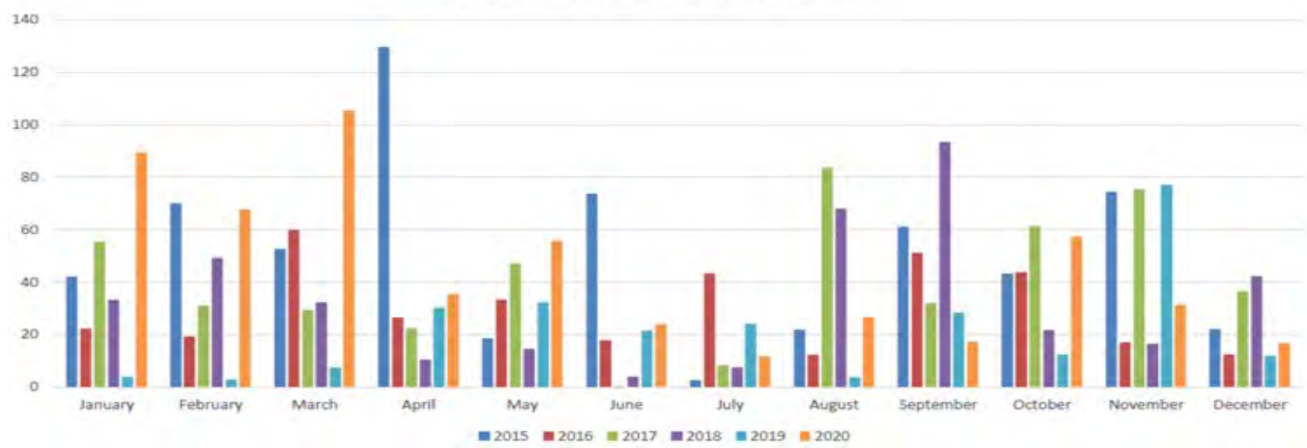
Air Quality Management in the Coega SEZ

The Coega Development Corporation has three ambient Air Quality Monitoring Stations (AQMS) in the Coega SEZ. The table below shows the variables monitored at each of the three AQMS:

SALTWORKS	AMSTERDAMPLEIN	MOTHERWELL
SO_2	SO_2	SO_2
NO_2	NO_2	NO_2
NOx	NOx	NOx
NO	NO	NO
PM2.5		O_3
PM10	PM10	PM10
Wind Speed	Wind Speed	Wind Speed
Wind Direction	Wind Direction	Wind Direction
Temperature	Temperature	Temperature
Relative Humidity	Relative Humidity	Relative Humidity
Atmospheric Pressure		
Solar Radiation	Solar Radiation	
Rainfall		

A rainfall recorded in the Coega SEZ over the past six years showed a decreasing trend, despite rainfall in 2020 being above the annual average as depicted below in the table and graph:

2015	2016	2017	2018	2019	2020	Average
612 mm	360 mm	483 mm	393 mm	256 mm	539 mm	440,5 mm



The total validated data recovery rate based on hourly averaged data for the CDC's three Air Quality Monitoring Stations (AQMS) over the past six years is compared in the table below. Data recovery for the stations shows a decreasing trend from 2015 to 2018, due to station vandalism, power failures, load shedding and the lack of stand-by / spare equipment. The three stations were returned to full working condition during 2019 and the total data recovery rate has improved to 85%. Data recovery at the Saltworks AQMS is over 95%.

YEAR	SALTWORKS (NAQI)	AMSTERDAMPLEIN	MOTHERWELL	TOTAL DATA RECOVERY RATE (AIM-75%)
2015	82.4	87.3	86.7	85%
2016	93	81	85	86%
2017	92	91	23 (vandalised)	69%
2018	93.4	19 (vandalised)	0 (vandalised)	37%
2019	84.9	42	44.5	56%
2020	96.6	78.9	78.4 (vandalised)	85%

The National Department of Environmental Affairs identified the CDC's Saltworks AQMS to be included as a National Air Quality Indicator Station, to assist in managing and reporting the state of air quality.

Vandalism is a major issue, and the Amsterdamplein AQMS was vandalised in December 2020. However, the CDC is currently working on upgrading the security system to all three AQMS. Once this has been achieved, the Amsterdamplein AQMS will be returned to service.

When comparing the year-on-year SO2 and NO2 data recorded at the three AQMS, there appears to be no significant increase over the six-year period.

PM10 data measured at the Motherwell AQMS in 2020 indicated, on average, an increase from previous years. This could be due to increased residential activity. PM10 data measured at the Saltworks AQMS in 2020 is spread out with a higher amount originating from a north-north-westerly direction. This may be attributed to industries within that general direction.

During the 2020/21 financial year, there were four exceedances of the National Ambient Air Quality Standards in the SEZ. Three exceedances were of the daily particulate matter (PM10) limits. The sources of these exceedances can be attributed to emissions from construction activity and industrial operations, coupled with high wind conditions, and from increased informal residential developments in close proximity to the Motherwell AQMS. One exceedance of the daily limit of nitrogen dioxide (NO2) was attributed to industrial operations in close proximity to the Saltworks AQMS, coupled with strong northerly winds.

The CDC identified the need for comprehensive air dispersion modelling (ADM) to determine the cumulative impact of air emissions from new investors into the Coega SEZ. The CDC must ensure that the cumulative effect of air emissions from tenants' activities within the SEZ does not exceed the legislated limits for the criteria pollutants for which ambient air quality standards have been published. The ADM gives the CDC the ability to determine the effect of proposed activities to assist in decision-making on the desirability of proposed investors, by screening prospective investors to determine the effects of their air emissions on the ambient air quality in the SEZ. Licensing authorities that issue air emissions licenses and other environmental permits consult the CDC's Air Dispersion Model to enable decision-making for applications in the SEZ.

Clean air is a critical element for good health. The CDC's air dispersion model aims to improve the understanding of air space consumption by industries within and in close proximity to the SEZ. In so doing, the CDC is able to manage air space consumption, which means more investment can be attracted to the SEZ, which in turn improves the economy and increases job creation.

It is evident that the CDC is still setting the best example in air quality management in South Africa. This is firstly because it has a good air quality monitoring system in place, with many years of valuable data, and, importantly, the data availability is in excess of 80%. Secondly, this is because the CDC, together with the local authorities, has taken a stand in enforcing environmental best practice when it comes to managing fugitive emissions in the Coega SEZ.

Rehabilitation and Landscaping in the Coega SEZ

It is a requirement of the CDC's Environmental Authorisation that faunal and floral species of special concern are rescued and relocated. The CDC chose to develop a plant nursery for the safe-keeping of rescued plants (flora), which are used for landscaping and rehabilitation in the SEZ.

The following principle applies with regards to plants from search and rescue operations in the SEZ:

a) Plants are used in the rehabilitation of identified areas in the SEZ. The identified areas include all road verges that have been disturbed as a result of development. Instead of grassing the verges, they are being rehabilitated using plants from search & rescue operations. The Zone 5 borrow pit is also a rehabilitation site, and is being incrementally rehabilitated and landscaped, as specific areas within the stockpile are shaped;
b) Plants are used in the landscaping of water-wise gardens within the Coega SEZ; and
c) If the investor requests to use the plants in the landscaping of their site following construction, then the plants are held in the nursery.

Prior to the development of any industrial site in the SEZ, search and rescue operations are undertaken to relocate plant species in accordance with best practice environmental management mechanisms which are applied within the Coega SEZ. Such mechanisms also provide the public with an opportunity to collect plants from the Coega SEZ for home use. Several communities of the Critically Endangered plant species, Ledebouria coriacea, were discovered by an amateur botanist during one of Coega's plant collection open days. Those communities that were found within the construction servitude of the project have been safely relocated and are being monitored by the CDC.

As part of the CDC City Sustainability initiative, the CDC is advocating the use of common Coega plants in business, home and institutional gardens throughout Nelson Mandela Bay. Our plants are drought resident, water wise and can add considerable value to home environments. Home gardens play an important role in promoting an appreciation of our uniquely indigenous flora while also serving as biodiversity corridors for the maintenance of key ecological processes. Indigenous gardens also play an important role in mitigating climate change.

The CDC hosted five Plant Rescue Open Days in 2020, where members of the public had the opportunity to register for the open day and search for and collect plants from sites in the Coega SEZ, in Zones 1 and 10, which were earmarked for development.

Coega Plant Rescue Initiative.

Landscaping Projects

The following milestone landscaping projects were achieved during the 2021/21 financial year.

a) **Zone 1 CCA Building** – Rescued plants from the nursery and sites in the SEZ are being used to develop the gardens. Sour fig has been used to stabilise the steeper slopes. Trees have been planted at the entrance to the warehouse. These landscaped areas are maintained by the nursery team on a monthly basis.
b) **Zone 1 CDC Business Centre Gardens** – The gardens of the Coega Business Centre have been one of the landscaping projects undertaken since 2017. The focus has been to ensure that a water-wise approach is taken by pro-actively implementing water conservation efforts and reducing water consumption due to the continuous drought experienced in the Nelson Mandela Bay area. Rescued plants from the nursery or sites in the SEZ were used to develop the office gardens. Stones were collected from the Zone 5 borrow pit and used in the gardens for aesthetics and to support the water-wise approach.
c) **Zone 1 PE Cold Storage and MSC road verges** –The road verges have been landscaped with rock features and indigenous plants from the SEZ.
d) **Zone 1 Traffic Circle** – Landscaped with groupings of endemic thicket plant species from rescue operations within Zone 1.

e) **Zone 3 Hella** – The CDC supplied trees and plants for the landscaping of the Coega SEZ tenant's Hella building.

f) **Zone 2 CCA Entrance** – Existing gardens were supplemented with additional plants from the Coega nursery.

g) **Zone 3 Multi-User Warehouse** – The appointed SMME, under the guidance of the CDC, has landscaped the site with rock features and indigenous plants from the SEZ.

h) **Zone 3 HealthCann Cannabis Project** – The islands on the site were landscaped using plants from the Coega Nursery.

i) **Zone 7 Hougham Park Farmhouse** – The gardens have been landscaped using plants and trees from the nursery and from the search and rescue operations from the Zone 10 Infill Project. The farmhouse was partly refurbished as part of the Zone 10 Infill Project, supplying water and electricity to the house. A layout plan has been produced for the Coega Interpretive Centre, which includes the nursery at Hougham Park.

j) **Bluewater Bay Sunrise Hotel** – The gardens of the hotel have been landscaped using plants from the Coega SEZ nursery, and from search and rescue operations in Zone 1.

Coega's Open Space Management Plan (OSMP)

The CDC has an approved Open Space Management Plan (OSMP) for the Coega SEZ, coupled with the demarcation methodology contained in an approved Work Instruction. The demarcation methodology distinguishes between open space to be demarcated by the CDC and open space to be demarcated by contractors, in the event where construction will take place adjacent to the open space. The purpose of demarcating the open space is to ensure that no construction occurs within the approved open spaces and/or no accidental damage occurs to vegetation within the open spaces in the SEZ.

CDC conducts faunal search and rescue operations prior to any development taking place in the Coega SEZ. One of the species which we are required to relocate is the blue duiker, a threatened species, which occurs within the coastal mesic succulent thicket of Zone 1. The CDC is incrementally developing this thicket zone, which is reducing the habitat size for the remaining blue duikers. Besides poaching, habitat reduction will impact negatively on the remaining numbers of duiker within the zone. During the financial year, the CDC, in collaboration with SANParks, therefore considered a capture and relocation programme for the blue duiker.

One of the faunal relocation success stories during the financial year involved the capture and relocation of eleven Eastern Cape Golden Baboon Spiders that were identified and relocated into the Open Space within Zone 10 of the SEZ. Habitat was specially recreated for the spiders in an area of open space that close as possible to the area in which they were found. The report concluded that the way the project was handled gave wildlife the best opportunity to relocate, largely due to the fact that it was before the breeding season of most species.

Alien Plant Eradication in the Coega SEZ

The CDC has developed an invasive species monitoring, control, and eradication plan. Alien vegetation must be eradicated in accordance with this plan. Plant species to be eradicated include Acacia cyclops (rooikrans), Acacia saligna (Port Jackson) and Salsola kali (Russian tumble weed). Implementation of this programme will assist SHEQ to fulfil the conditions of the Environmental Authorisation, advancing socio-economic development and transformation in Nelson Mandela Bay by creating jobs and encouraging the development of entrepreneurs; ensuring maintenance-clearing of alien vegetation in the Open Space System and developed areas of the SEZ.

A budget of R390 000 was approved for the 2019/20 financial year and an additional R1 million has been approved for the 2020/21 financial year. The scope of the alien clearing is maintenance clearing in identified areas within the Coega OSMP, including storm water infrastructure. Two service providers that were procured in April 2020 have commenced with their first clearing in August 2020.

Progress made since August 2020 is depicted below:
Maintenance Package 1 = 93ha – 100% Complete
Maintenance Package 2 = 115ha – 100% Complete

End Product: The scope of the clearing for next year will be maintenance clearing in identified areas within the Coega OSMP, including storm water infrastructure. Follow up work will also be conducted on areas that have been cleared in the past to remove secondary growth. Grave sites in the Coega SEZ will also be cleared.

Water Quality Monitoring in the Coega SEZ

As per the CDC's Environmental Authorisation, Water Quality Management in the SEZ must be undertaken by the CDC. The CDC set up a water quality monitoring system in the mid-2000's, and has subsequently developed an extensive baseline of water quality in the SEZ. The CDC's water quality monitoring programme consists of quarterly monitoring of ground water, surface water and storm water within the Coega SEZ to determine potential impacts to these environments as a result of activities at the Coega SEZ and within the vicinity of the SEZ.

Quarterly sampling of groundwater, surface water and storm water was conducted in June 2020. Results obtained indicated some exceedances and an investigation was scheduled to be conducted for September (during the next sampling round) to determine the root cause.

The reasons for the exceedances could be the natural presence of ions in the environment, and another contributing factor might be the lack of rainfall. The recommendation was that the samples (stormwater) be taken soon after rain, and the results then be compared to determine any differences. Sampling was done four days after it rained in October, and the results provided to the CDC in December 2020.

The Annual Report covering October 2019 to September 2020 highlighted the following conclusions:

Surface water

Surface water illustrates limited impacts from site activities, with physical and chemical parameters generally being reported at relatively stable levels. This is considered likely to be due to contributions from the Motherwell Canal, which confluences the Coega River between these sample locations.

Slight increasing trends in some physical and chemical parameters are noted to occur from upstream to downstream of the site. This is due to baseflow contributions to surface water from the groundwater environment, as indicated by similar trends in observed in groundwater, but at higher concentrations. Dilution of baseflow from upstream contribution in the surface waters allows for the reduced concentrations of the physical parameters in comparison to those observed in the groundwater.

Groundwater

Boreholes generally illustrate impacts from microbiological parameters. As these constituents are not typically associated with groundwater, it is recommended that these boreholes be treated with chlorine and purged to remove localised microbiological colonies.

Some physical parameters (total hardness, non-carbonate hardness, total dissolved solids and conductivity) illustrate increasing trends from inland towards the coastline. This is considered likely to be the result of primary aquifer contributions, which may display effects of estuarine conditions and impacts from the salt pans.

Stormwater

All sample locations report impacts from microbiological parameters. The occurrence of shallow standing water at most stormwater sample locations is considered to constitute favourable environments for the proliferation of these parameters.

Potable Water and Trade Effluent Sampling and Monitoring

Potable water sampling and analysis is conducted monthly. This is done to ensure that the quality of potable water supplied to the Coega SEZ by the Nelson Mandela Bay Municipality (NMBM) meets the standards stipulated in SANS 241-1:2015 for Drinking Water. Results obtained during the 2020/21 financial year have indicated that the water supplied is fit for human consumption and use, as there have been no exceedances recorded.

Trade effluent sampling and monitoring is also conducted monthly. This monitoring assists the CDC in ensuring that the quality of trade effluent discharged into the Municipality's sewerage system complies with standards stipulated in Water and Sanitation Services By- Laws of the NMBM. The tenants are also required to monitor the quality of their trade effluent. The results during the financial year 2020/21 have indicated that the quality of trade effluent discharged into the municipal sewerage system complied with the standards 73% of the time. The exceedances were caused by tenants who discharged non-compliant effluent from their premises. Sporadically, there were tenants whose quality of trade effluent exceeded the standards, and communication to warn these tenants to comply was sent. Non-conformance reports were also issued to tenants who continually contravened the By-Laws.

EIA's Being Conducted in The Coega SEZ

Currently there are 12 EIAs being conducted for new developments in the Coega SEZ. The developments include marine pipeline infrastructure to serve investors that require seawater, several gas to power projects, sand mining operations, a solar cell manufacturing facility, manganese storage and export, a PET manufacturing facility and a wood pelletising plant.

During the 2020/21 financial year, the following was achievements:

1. The following projects obtained an Environmental Authorisation during the period 1 April 2020 to 31 March 2021:
    a) Uloyiso Group / Arvitrix (Pty) Ltd: Health Care Risk Waste Incinerator, Environmental Authorisation obtained on 26 March 2020; and
    b) Air Products (Pty) Ltd: Storage of dangerous substances: expansion of Liquid Oxygen and Diesel storage tanks, Environmental Authorisation obtained on 5 October 2020.

    BAIC SA obtained Environmental Authorisation for the storage of LPG on 17 February 2020, just outside of last financial year.

2. Despite the vandalism of the Amsterdamplein Air Quality Monitoring Station, SHEQ's vigorous implementation of our Air Quality Management Programme for the SEZ, continues to showcase our commitment to ensuring that air quality is effectively managed to ensure sustainable development of the Coega SEZ.

3. The CDC's rehabilitation and landscaping programme in the SEZ uses plants that are searched and rescued from construction areas in the rehabilitation of degraded areas in the SEZ. Plants from the Coega Nursery are also used in the landscaping of identified areas in the SEZ. The gardens of the Coega Business Centre have been one of the many landscaping projects undertaken since 2017. The focus has been to ensure that a water-wise approach is taken by proactively implementing water conservation efforts, and reducing water consumption due to the drought experienced by the Nelson Mandela Bay area.

4. The identification of the Critically Endangered plant species, Ledebouria coriacea, and the relocation to safety of this species, showcases the success of the CDC's search and rescue operations, coupled with the value provided by the Plant Rescue Open Days hosted by the CDC.

CDC Health and Wellness

HIV & AIDS Statistics (Voluntary Counselling and Testing)

It is not compulsory for CDC employees to subject themselves to HIV voluntary counselling and testing (VCT). However, awareness campaigns are important to encourage employees to undergo VCT. During the 2020/21 financial year, 8% of CDC employees underwent VCT. Targeted interventions have been developed to improve in 2021/2,2 and include awareness sessions such as the SHEQ Weekly Stop and the CDC Annual Health Calendar. There were no positive results recorded during the VCT.

COVID-19 Pandemic Management

The CDC established, implemented, and maintained a COVID-19 Operational Plan focused on ensuring the organisation is ready for all lockdown levels to protect its employees, clients, investors, and stakeholders.

The CDC implemented the following measures in accordance with the Regulations:

(a) Appointment of a COVID-19 Compliance Officer;
(b) Permits were issued to all employees returning to work;
(c) Procurement of personal protective equipment including face shields and consumables;
(d) Workplace preparedness training;
(e) Social distancing measures in offices and queuing areas were strengthened; and
(f) Production and making available a CDC video demonstrating the use of a face mask.
(g) Social distancing was implemented in the office environment;
(h) Provision of face shields for employees working in high contact areas;
(i) Provision of pocket hand sanitisers for employees who use public transport;
(j) Provision of two surgical masks to ensure that employees are protected even when outside the working environment; and
(k) Procurement of sneeze guards.

Integrated Management System

The purpose of the CDC's Integrated Management System (IMS) is to support the business so that processes, services and systems consistently and effectively meet customer expectations, applicable regulatory legal requirements, as well as the provision of mechanisms for continual improvement.

As part of the certification requirements, a surveillance audit was conducted by Bureau Veritas at the end of the financial year. The purpose of the audit was to verify the CDC's compliance with the standards and the effectiveness of the Integrated Management System.

The organisation retained its certification in ISO 9001 Quality; ISO 45001 Health and Safety; and ISO 14001 Environmental.

Construction Works Management

The projects have been managed by the assigned CDC SHE Project Manager. The CDC project and contract management principles applied on award of the contracts from initial, construction until completion and project closeout.

The appointed Professional Construction Health and Safety Agent (PrCHSA) has administered the Management and Supervision of Occupational Safety, Health and Environment on site due to the complexity and size of the works dependent on the risk matrix. The CDC SHE Project Manager oversees the services of the PrCHSA. Any scope changes are approved by the CDC prior to commencement, and any adjustment of the contract value through scope changes are submitted to the CDC Change Review Committee for prior approval.

Compliance and Quality

Quality assurance is monitored on an on-going basis by the CDC SHE Project Manager. The CDC SHE PM attends monthly progress and technical site meetings to evaluate independently the compliance and report any deficiencies at these meetings. Any non-compliance matters with any contractual obligations are immediately reported to the agent for remedial actions on the contractor. No reportable incidents have been recorded and reported in all projects executed and completed in the last financial year of 2020/21.

Project Expenditure

The project expenditure was closely reviewed every month based on work performed and the payment certificates certified by the Principal Agent. A baseline cost plan and monthly cash flow were managed whereby actual expenditure was tracked to measure cost performance. Any deviations from the cost plan were discussed at progress site meetings to ensure that the projected cash flows can be achieved, and that remedial action be taken to ensure such expenditure materialise. The cost plan was also critical to ensuring that payments have been raised and that CDC at all times has adequate funding to effect payment to both the contractor and the consultants on the project.

The CDC SHE Project Manager has developed a relationship with Department of Employment and Labour to minimise the prescribed 30 days response time on permit application projects. All permit projects secured construction work permit certificates within 14 days response.

LOOKING AHEAD

To respond to complex global challenges and opportunities as they evolve, the CDC's Environmental, Social and Governance (ESG) principles will be incorporated into corporate purpose, strategy, goals, and the remuneration of employees in line with the King Report on Governance for South Africa. Furthermore, the King Code for Responsible Investing in South Africa (CRISA) formally encourages institutional investors to integrate sustainability concerns, such as ESG, into their investment decisions.

An emphasis on sustainability will therefore continue in the 2021/22 financial year as key to the CDC's business. Success in this area will enable the organisation to make a significant impact on the economy, in line with the CDC's vision of being a leading catalyst for championing socio-economic development.

We appreciate that today's businesses deal with complex challenges of social, environmental, market, and technological trends. We further recognise that these require sophisticated, sustainability-based management solutions that go beyond the single view of focusing on projects, instead ensuring that sustainability is embedded in all elements of the value chain.

LABOUR STABILITY AND SOCIO-ECONOMIC DEVELOPMENT

The Coega Human Capital Solutions (Coega HCS) is responsible for providing an integrated human capital and business management solution to the Coega SEZ. The Coega HCS has two core mandates:

(a) The provision of a stable labour environment for SEZ investors. Coega HCS has maintained an unprecedented lost days due to labour unrest statistic of just 0.12% over the past fourteen years. This strike statistic not only significantly outperforms the South African average but rivals best practice in Europe. Unsurprisingly, the Coega SEZ is regarded as a best practice site by the International Labour Organisation's Fair Labour Standards Working Group following a comparative evaluation of more than 3,500 SEZ's worldwide.

(b) Ensuring that investors have access to appropriately skilled local workforces. During the 2020/21 financial year 3,160 people benefitted from training initiatives undertaken by Coega HCS, while an average local labour absorption rate of 86% was achieved on all projects supported by Coega HCS.

In keeping with the corporate objective of achieving financial sustainability, Coega HCS added a range of consulting services to its portfolio, and currently supports the CDC external infrastructure portfolios through the provision of labour management and social facilitation services. Revenues earned through consulting activities exceeded expectations with a 134% achievement against the target. Having earned R25,775,232, Coega HCS was the second largest consulting revenue contributor to the CDC's overall revenue, falling slightly behind the Tshwane SEZ programme. Similarly, our relentless cost containment and continual improvement programmes significantly improved the profitability outcome for the unit.

Several new services were added to the portfolio, including a robust e-learning capability and business advisory services for South African investors who wish to position businesses for export and who would be eligible for location on the SEZ. Coega HCS provides assistance with the development of business plans, project viabilities, and assists in achieving financial closure.

Regarding our strategic orientation, our focus for the next financial year will be to develop the HCS business model further through a number of initiatives:

The first will be to extend the range and depth of the social facilitation, conflict resolution and labour management offerings to our current clients building. This will include the packaging and deployment of HCS systems to third parties on a software-as-a-service model, thereby rapidly expanding our datasets, and reach. This offering will be combined with a capacity transfer programme enabling other social facilitation teams to achieve the consistent community and labour stability that characterises HCS projects, thereby unlocking many projects currently beset by community and labour conflicts.

A second initiative is to further develop the quantitative and predictive capacity of our labour and community model which already complies with the International Finance Corporation's Standard 6 (Labour and Social Risk Management) supporting the Equator Principles. This will allow developmental finance institutions and participating banks to adequately assess the risk of project disruption and delays to better inform the pricing of large infrastructure project finance, project disruption risk-assessment and mitigation, and the resulting covenants. Given the extent of large project infrastructure finance requirements in support of the national recovery plan, this capability is essential for our clients and partners.

We will further seek to improve the capability of the extensive ICT systems deployed by the unit, and particularly data security and analytical capabilities (specifically behavioural analysis and predictive capabilities) by migrating to a blockchain architecture and embedding artificial intelligence.

Having achieved substantive results in the development of occupational skill sets in the semi-skilled and skilled categories,

COEGA HCS TEAM: Providing integrated human capital and business management solution to the Coega SEZ.

LABOUR STABILITY AND SOCIO-ECONOMIC DEVELOPMENT: Coega HCS providing a stable labour environment for SEZ investors.

the focus going forward will be on the development of advanced skills and research and development capabilities in support of advanced manufacturing, finance, ICT and engineering. The objective of this initiative is to increase the value addition of South African manufacturing.

Finally, we will seek to expand the range of developmental offerings to include specific support programmes for emerging industrialists, and women in the energy, water, finance, engineering, and agri-processing sectors. These programmes would include enterprise development assistance and assistance with product development and access to markets.

These initiatives combined, will further position Coega HCS favourably to take advantage of emerging market shifts and trends, support its transition to the digital economy, and extended its reach into the African continent.

The current Coega HCS social facilitation model has outperformed its market competitors on two fronts:

(a) The model has delivered unprecedented and consistent results in terms of local labour absorption, labour peace and community support across all projects where it has been implemented in comparison with its market peers;
(b) The Coega HCS social facilitation service has been consistently offered in a wide range of permutations as it is extremely flexible, and is available at half the cost of its closest competitors.

Where the model falls short is that it is extremely labour intensive, and given the cost at which it is delivered, returns are positive, but diminishing. The labour-intensive feature combined with the high skills requirement also limits the model on two fronts:

(a) It cannot be easily extended to deliver on more projects, as this would require the extensive recruitment and development of scarce skills; and
(b) The problem of diminishing returns, as labour costs tend to escalate at a faster rate than project fees, especially over multi-year projects where fees are held stable.

It is this problem of reach, and the prevailing practice to sell HCS social facilitation services as a bundled value-add offering to the CDC infrastructure development offering as a differentiator (when the CDC implements a project, these projects would not suffer the community and labour unrest typical of the many other infrastructure projects in the country), that has constrained the Coega HCS market reach in terms of social facilitation services.

Consequently, the strategy going forward would be to unbundle the Coega HCS social facilitation offering as an exclusive feature of the CDC infrastructure implementation offering, and present it as a stand-alone offering to other infrastructure implementation agents. In doing so, the structure of the offering will also be changed in that the intellectual property of the unit will be monetised. HCS through the years has spent considerable resources and time to develop very advanced labour management and social facilitation systems that are now on offer to support similar work at state-owned entities and all spheres of government.

Coega HCS is still the main contributor to the CDC's training target in supporting economic transformation. Over the years, more than 78,000 individuals have benefited from training interventions provided by the Coega HCS. However, achieving the annual target is not always easy. Coega HCS does not receive a budget allocation with which to meet the training target, has no training facilities and does not employ training facilitators. Instead, we, with a network of external funders, meeting the challenge of raising the R100m average required per annum head-on, and worked with accredited training institutions to deliver the diverse training requirements. The decision not to get directly involved in training provision was informed by several factors:

a) Given the range of training requirements presented the SEZ and elsewhere, while it would be possible for Coega HCS to secure accreditation for all requirements, we cannot be all things to all people. A specific and narrow focus, combined with the relentless pursuit of excellence is required to achieve outstanding skills delivery. We would rather partner with the best in class available in the South African and international market to deliver the absolute best for our investors. Our approach is to support and amplify excellence where we find it.

b) A key failure in the South African training system is workplace integration and relevance. With our large recruitment centre and diverse client base, we are uniquely positioned to assist our network of excellent skills development providers to access relevant workplace experience under the appropriate supervision and mentorship. Similarly, working with our investment and partners, the CDC is often at the forefront of ground-breaking projects, and here our focus is to give our best and brightest young graduates the opportunity to work alongside their global peers on new technology and some of the country's largest projects.

c) The workplace relevance of skills development is often questioned. Curricula tend to lose sight of shifting industry realities and requirements, and the quality of labour and skills forecasting is often questionable. To respond to these challenges, Coega HCS works with industry and the skills development community to foster industry partnerships with our domestic and international partners that continue to support various placement opportunities for the students and their instructors, as well as the exchange of technology and adaptive skills delivery systems. We continue to work with the BRICS Skills Council in facilitating the broad adoption of the BRICS foresight methodology to position our people to participate in the 4IR economy, and to respond to the massive displacement the lower skilled segments of our workforce will likely face. Likewise, we continue our support to the Eastern Cape HRD Council and SETA's by leveraging our extensive labour market intelligence and forecasting capabilities in support of their skills planning efforts.

Over the past year, Coega HCS established several strategic partnerships.

These include the CSIR, with whom the unit is jointly developing a biofibre hub in the Coega SEZ. The first phase of this saw the retention of critical fibre and textiles research and product development equipment, including of an industrial demonstration plan in the province. Given space constraints at the Nelson Mandela University where it was based, this facility was earmarked for relocation to Tshwane but will now instead be relocated to the SEZ. This means it will be accessible to both academia and industry for research and product development purposes. The ambition is to further combine it with a full-scale industrial processing plant, and an investment fund supporting the emergence of new market entrants, the greening of production and value addition to the biofibers already produced in the Eastern Cape (wool and mohair), as well as plant based fibre (for example hemp and other fibre and oil crops). This will not only enhance manufacturing value-add, support localisation requirements and the entry of emerging industrialists, but also several ESG objectives, the development of export markets, and support rural livelihoods.

In partnering with SALGA, we will specifically work to enhance current Local Economic Development practices, including the quality of planning, execution, and investment recruitment into our local municipality in support of local job creation and sustainable economic growth. This partnership builds further on our existing collaboration on the BIGM Project jointly implemented by SALGA and the Canadian Federation of Municipalities that seeks to improve climate resilience, green municipalities, municipal asset management and economic growth.

We have also concluded a partnership with the Sarah Baartman District Municipality aimed at improving local infrastructure, and the development of a secure water supply and distribution network capable of supporting household, agricultural and economic development requirements, local economic development, job creation projects, and green energy supply.

Ongoing partnership development work is aimed at facilitating the exposure and participation of our people in several developing economic sectors. These include the terrestrial applications of space technology, offshore oil, and gas, fintech, advanced manufacturing and agri-tech, as applied to restorative agricultural practices inclusive of soil and water restoration, advanced genetics, and aquaculture.

LOOKING AHEAD

Given the continued interest in Coega HCS's work, our business outlook for the coming financial year is indeed promising, and our consulting portfolio revenues continue to support our developmental work.

Going forward, our dedicated multi-disciplinary team will continue our mission to bring peace where there is discord, opportunity where there is marginalisation and exclusion and relief where there is poverty.

LABOUR STABILITY AND SOCIO-ECONOMIC DEVELOPMENT: Coega HCS exhibits at Working World Exhibitions (WWE).

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In keeping with its vision and in compliance with the King IV code on corporate governance (Principles 3 and 16) and international best practice, the CDC aims to create value and make long-term sustainable investment in communities. The CDC's social responsibility programmes focus on education, human development, and the socio-economic development of disadvantaged communities with a bias towards youth, women and persons with disabilities. The programmes are designed to meet the interests and needs identified in the Eastern Cape and in areas where the organisation implements its programmes.

The sustainability of the CSR programmes ensure high-impact and long lasting initiatives, rather than just short-term charitable donations. The CDC believes that CSR needs to have a demonstrable and positive developmental impact. Furthermore, the CDC aims to make long-term and sustainable investments in communities throughout the Province, with the focus on education and skills development, rural development, health, crime prevention, anti-corruption education, as well as sport and recreation.

The CDC CSR Policy outlines the company's CSR objectives, and its involvement in community development projects. It further sets out the processes and procedures by which the organisation will identify, manage and support its Corporate Social Investment (CSI) activities.

In order to achieve its objectives and in line with the policy, one method in which the CDC drives its CSR initiatives is through establishing partnerships with like-minded organisations. Unfortunately, the COVID-19 pandemic has affected CSR programmes not only in the delivery of the current projects, but also with respect to securing new partnerships for delivery of some of the projects.

This notwithstanding, the investment in communities during the 2020/21 financial year enabled for the continuation of limited CSR programmes, including a successful Maths and Science Programme, Internship Programme, and Disability Affirmation Programme. However, due to budget constraints, the driver training programme model has been adjusted from a free programme to a contracted programme funded by client organisations.

Maths & Science Programme

The CDC established the Maths and Science Programme (MSP), ten years ago, targeting learners from disadvantaged communities. The programme is presented at the Maths and Science Centre which is located at CDC premises in the Coega SEZ in Gqeberha.

The main objective of the MSP is to give learners who did not pass or did not do well in Mathematics and Physical Science in their matric year a second chance to rewrite the two subjects and improve their results. Through the programme, learners receive full-time instruction in Mathematics and Science five days per week. Upon passing, learners can then register with any Tertiary Institution or Institution of Higher Learning for Science, Technology, Engineering and Mathematics (STEM) qualifications. Since its inception, the programme has benefited over 900 learners, who upon completion were able to further their studies in disciplines requiring Maths and Science.

In 2020, the MSP enrolled 100 learners from different areas within the Eastern Cape Province, of which 70% were female and 30% male. Out of the 100 learners in the programme, 93 wrote their final matric examination in Mathematics and Physical Science. The remaining five learners did not write due to the risks associated with the COVID-19 pandemic, and two learners wrote at other centres.

2020/21 MSP Learner's Performance in Mathematics

Mathematics							
Level	**Level 1**	**Level 2**	**Level 3**	**Level 4**	**Level 5**	**Level 6**	**Level 7**
Percentage	**0 - 29**	**30 - 39**	**40 - 49**	**50 - 59**	**60 - 69**	**70 - 79**	**80 - 100**
Entry Results	62	30	6	2	0	0	0
Exit Results	11	26	25	16	11	3	1

2020/21 MSP Learner's Performance in Physical Science

Physical Science							
Level	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Percentage	0 - 29	30 - 39	40 - 49	50 - 59	60 - 69	70 - 79	80 - 100
Entry Results	35	28	27	10	0	0	0
Exit Results	7	17	27	19	16	7	0

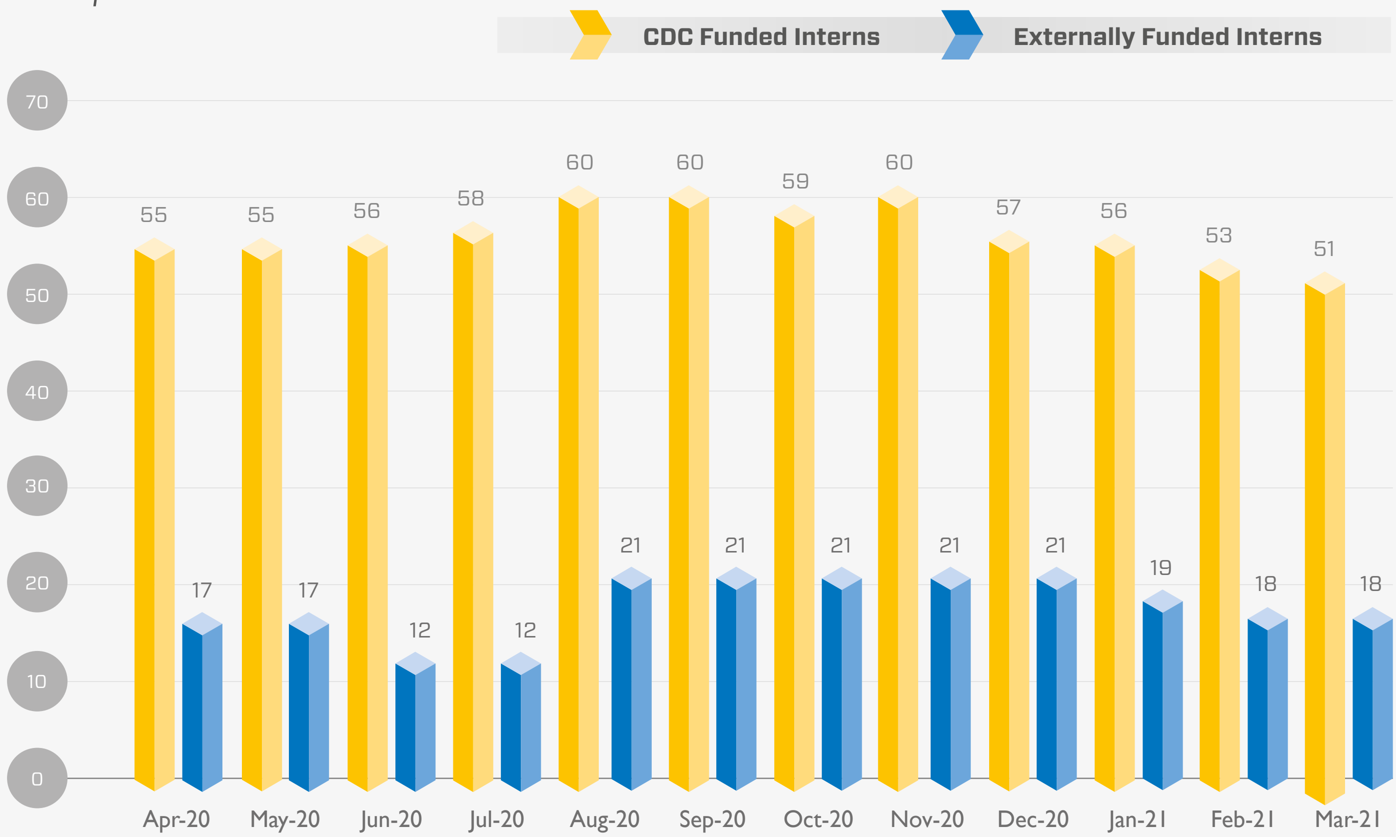
Internship Programme

Since its inception in 1999, it has always been the CDC's objective to provide young persons with a platform to acquire experience that gives them a competitive edge and opens experience for employment opportunities within the Coega SEZ and elsewhere. Over the years, beneficiaries of the 18-months Internship Programme have secured employment in various economic sectors across the country – with a large number swelling ranks within the CDC.

The purpose of the Internship Programme is to provide unemployed graduates with an opportunity for experiential learning and to acquire work experience that increases their chances of employability. In the 2020/21 financial year, the CDC continued to provide opportunities for the placement and development of interns in various business units and programmes across the organisation.

The graph below shows the number of interns as at 31 March 2021. This includes 51 internships funded by the CDC and 18 that were externally funded and hosted by the CDC for technical experience.

Internship Headcount at 31 March 2021



Disability Affirmation Programme

The Disability Affirmation Programme (DAP) aims to restore the dignity of people living with disabilities by providing them with skills that enhance their opportunities to secure employment. The programme is intended to facilitate their integration into the mainstream economy, and to enable them to earn a living with less dependence on government grants or welfare interventions. The programme is additionally geared at assisting people living with disabilities through providing the key tools or equipment that are a prerequisite for optimal functioning both at work and home, such as wheelchairs (including motorised ones where necessary), crutches and footwear. In terms of the CDC Employment Equity Plan, the CDC has an annual target of 5% of employees living with disabilities. By 31 March 2021, the CDC had 14 (3%) of employees with disabilities in its employ placed in different business units and programmes across the organisation. The CDC also provides transport to employees with disabilities.

The CDC is constantly working towards finding practical and innovative solutions to create a conducive environment for employees with disabilities which adds to the recognition of diversity, and the development of talent pipelines, and that benefits both the employer and employees.

CSR PROGRAMMES AND BENEFICIARIES	
Driver Training Programme	Unemployed graduates from disadvantaged communities
Workshops for Women Cooperatives	Women-owned cooperatives
Early Childhood Development Practitioners	Orphans and vulnerable children
Breast Cancer Screenings	Women in rural communities
Mobile Science Laboratories	Grade 12 Learners
Social Assistance to Destitute Families	Non-profit organisations and disadvantaged communities
Provision of Wheelchairs	People with disabilities
Chess Development Programme	Disadvantaged schools
Job-shadowing Programme / Career Guidance	Grade 9 – 12 Learners

Coega Development Foundation

The CDC established the Coega Development Foundation (CDF) to contribute towards the alleviation of socio-economic challenges through skills development and ancillary services. The CDF exists to provide needs-driven, holistic education and skills development solutions that prepare participants for lifelong learning, employability and/or entrepreneurship, contribute to the improvement of early childhood development and facilitate the funding of socio-economic development initiatives.

Training services provided by the CDF include short courses, skills programmes and stand-alone unit standards, learnerships, and apprenticeships. The other CSR initiatives, such as the Driver Training Programme, Maths and Science Programme, and support to underprivileged communities, are also housed under the Foundation.

In 2019, the Foundation secured funding from the Unemployment Insurance Fund (UIF) for 800 learnerships and 335 apprenticeships in the Eastern Cape. These programmes will be implemented over 12 to 24 months.

However, the implementation of these UIF-funded projects has been affected by the COVID-19 pandemic and national lockdown. Learners and apprentices were recruited, and service providers appointed to roll-out the projects.

Working World Exhibition

The CDC supported the Working World Exhibition and Outreach Programme. This annual event has taken place for the past 20 years and its objective is to expose the youth of the Eastern Cape Province to career opportunities available to them within the changing world of work. Career guidance has been found to be sadly lacking, especially our rural schools where students and teachers remain unaware of emerging sector shifts, where future job opportunities are likely to emerge, and what the nature of these jobs will be. Without relevant and up-to-date labour market information, students often are ill-prepared to make the informed subject choices necessary to enable them to access institutions of higher learning and occupational training, and to access employment opportunities in the job market.

To help address this problem, the CDC's approach is two-pronged:

(a) The CDC continues to run the Eastern Cape Occupational Projection System (ECOPS), one of the most advanced labour market projection and forecast models available in the country. The detailed labour forecasts anticipate sector shifts, as well as technological and social changes impacting the labour market. They further allow institutions of learning to adapt their curricula and training programmes to meet labour market demand. Similarly, this forecasting capability also offers key support to the Eastern Cape HRD Council in planning skills development priorities for the province.

(b) Cascading this data to schools and students in an accessible format that makes it usable for individual decision-making. To this end, the CDC continues to support the annual publication of the World of Work Exhibition (WWE) Workbook – a career guidance instrument and teaching tool fully aligned to the Department of Education's CATS curriculum statement. Some 20,000 copies are distributed annually to rural schools where the CDC works with teachers, community-based organisations and NGOs to assist scholars to engage in their future career planning on an informed basis.

During the 2020/21 financial year, the physical exhibition held annually in Gqeberha and East London could not take place due to COVID-19 pandemic regulations, and the shift to rather do a digital exhibition which Coega HCS supported by funding the printing and distribution of Career Guidance Workbooks to all schools in the Eastern Cape. Instead of the physical exhibition, the CDC supported the production of a Future of Work short video, distributed to all schools and still available on the YouTube website.

Scan QR code to watch Fututre of Work video.






COEGA CSR PROGRAMMES: Focussing on education, human development and socio-economic development.

SMALL, MEDIUM AND MICRO-SIZED ENTERPRISES

The CDC has a dedicated SMME Development Unit, which facilitates the development and support of Small, Medium and Micro-sized Enterprises (SMMEs). As an empowerment-driven organisation, the CDC is conscious of the role it plays in empowering the small business sector in the region, and in areas where it has operations throughout the continent. The CDC is therefore continuing to make headway in creating a conducive environment for small business empowerment through a range of small business support programmes, as outlined below.

BBBEE PROGRAMME

The CDC's BEE Programme is guided by the revised Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice. As a public entity, the CDC's performance is also 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.

Living by example, the CDC conducts an annual B-BBEE audit through accredited institutions. During the 2020/21 financial year, the CDC achieved a B-BBEE status Level 3, down from Level 2 last year due to a decline in expenditure on Corporate Social Responsibility and Skills Development Programmes. This was as a result of lack of funding.

Furthermore, the CDC is committed to B-BBEE through initiatives implemented to promote economic empowerment and compliance. The organisation continues to embrace transformation and works to ensure the economic participation of the disadvantaged communities it serves.

SMME DEVELOPMENT PROGRAMME

The development of entrepreneurs is one of the most effective ways of stimulating economic growth, transformation and job creation in our communities. The CDC recognises that a growing small, medium and micro-sized enterprise (SMME) sector is vital for broadening participation and for delivering on our country's economic development objectives. The programme targets SMMEs that are at least 51% Black-Owned with a CIDB grading of 1-7.

The SMME development programme comprises of training and mentorship of SMMEs. Through the training programme, SMMEs gain experience in the following:

- Tenders for construction contracts;
- Applying basic business concepts;
- Applying health and safety to a work area; and
- Understanding and applying business finance.

As at the end of 2020/21 financial year, a total of 410 SMMEs had benefited from the training programme. Of these, 105 SMMEs received CETA-accredited training and 305 SMMEs received non-accredited training.

In addition, the SMME Unit conducted compliance workshops in partnership with SARS and CIDB, and 587 SMMEs benefited from the sessions.

Further to the above, the total value of contracts awarded to SMMEs through the Development Programme amounts to R301 346 518.

The mentorship programme implemented during the financial year ensured that 80% of SMMEs who were awarded contracts successfully completed the programme, while 59 of SMMEs successfully upgraded on CIDB from one grade to another through the CDC's intervention and support.

Economic Empowerment of SMMEs

Access to economic opportunities remains one of the key aspects of driving SMME development, and the CDC's objective is to facilitate, promote and drive the inclusion of SMMEs in procurement opportunities.

The CDC's policy is premised on a compulsory SMME corporate target of 33% which is implemented across all CDC projects.

During the 2020/21 financial year, the CDC achieved 29.71% of total procurement spend towards SMME against the target of 33%. In pursuit of the SMME corporate target, a total of R797 729 863 (96%) was paid to black-owned SMMEs.

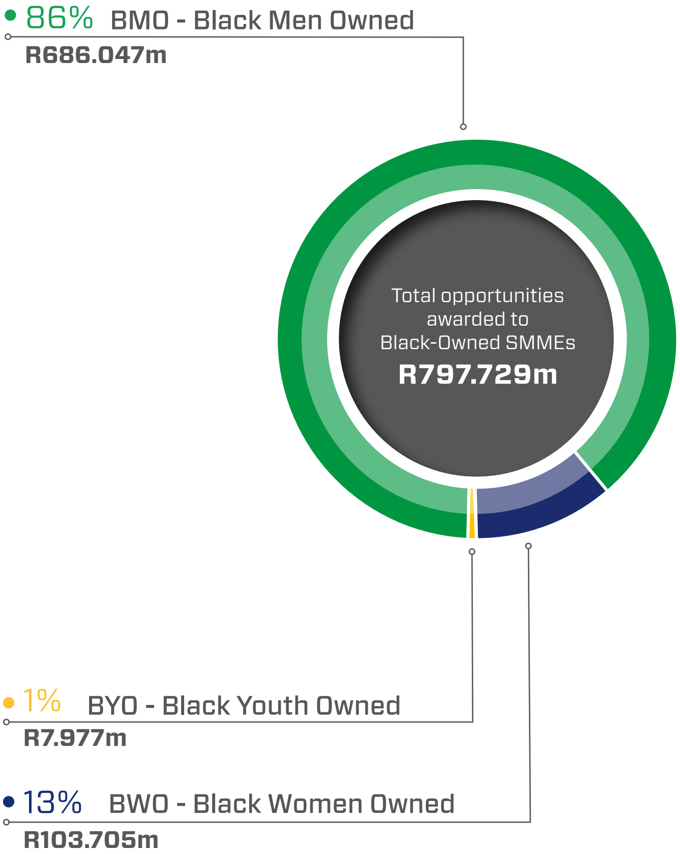
Furthermore, 13.42% was spent with SMMEs that are majority owned by women and 1.04% went towards youth-owned SMMEs.

The illustration on the opposite page details the empowerment opportunities derived from the contracts awarded by the CDC during this period, based on the empowerment criteria of black-owned SMMEs.

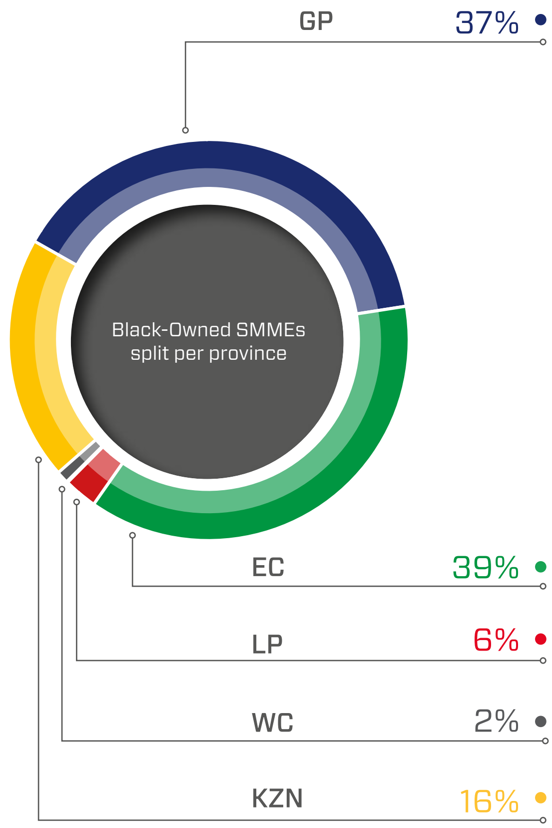
LOOKING AHEAD

The promotion of Small, Medium, and Micro Enterprises (SMMEs) is widely recognised as a key driver for the economic development of the country. The South African government is the country's largest buyer of goods, services and construction works. The public sector is thus a critical platform to enhance and boost the involvement of SMMEs in the economic activities of the country and it is critical to fast-track improved public procurement for SMME participation. To ensure an environment in which an equitable procurement system can flourish, barriers

Total opportunities awarded in respect of Black-Owned SMMEs



SMME split per province for 2020/21



to entry for SMMEs and emerging contractors must be reduced.

As an empowerment-driven organisation, the CDC is conscious of the power of the small business sector in terms of job creation and in terms of its contribution to economic development in the province and the country. The CDC will continue to pursue several initiatives which prioritise empowerment, unlock opportunity and talent, and that stimulate the local economy – particularly in the infrastructure, construction and built environment sectors.

In pursuit of the development of the small business sector, in the CDC will be rolling out the following Enterprise and Supplier Development (ESD) initiatives in the next financial year:

- **Supplier Development**
  - Promote the advancement of suppliers within the CDC's supply chain; and
  - Encourage the participation of black industrialists in line with *the dtic* programmes.
- **Enterprise Development**
  - Encourage and support the development of small businesses outside the CDC's supply chain;
  - Promote entrepreneurship activities; and
  - Widen access to tender opportunities.
- **Black Industrialist Development**
  - Promote access to funding;
  - Facilitate access to markets; and
  - Encourage access to non-financial support.
- **Training and Development**
  - Sector-specific training programmes;
  - Database creation of qualifying small businesses;
  - Build the capacity of small businesses;
  - Promote the management and development of sound business principles;
  - Conduct compliance training;
  - Facilitate access to accredited training programmes and opportunities; and
  - Developmental partnerships with key stakeholders.

Access to economic opportunities remains one of the key aspects of driving SMME development, and the organisation will continue to facilitate, promote and drive the maximum inclusion of SMMEs in procurement opportunities.

NON-SEZ SERVICES

INFRASTRUCTURE PROGRAMMES

The Coega Development Corporation Business Model has evolved over the years. The model is driven by government priorities and the need for continued existence. Coega has expanded its reach in both land-based and sea-based activities. The sea-based activities consist of bunkering and maritime services. Land-based activities are further divided into Special Economic Zones (Coega SEZ and Wild Coast) and non-SEZ activities, which include the Implementing Agent Services on infrastructure including Technical Advisory and SEZ development project management. Implementing Agent Services include domestic (South African) and continental activities. In the last few years, the CDC has been involved on the continent in both Afrophone and Anglophone countries, the Central African Republic, Cameroon, and Zimbabwe, to name but a few.

Performance Results

The target for the 2020/21 financial year was R2 billion worth of work - a target which was exceeded despite the challenging COVID-19 pandemic circumstances. The 2020/21 portfolio undertaken is summarised below:

Summary of Non-SEZ Services Portfolio for the 2020/21 FY

Programme	2020/21 FY (R'000)
Eastern Cape Department of Health	295 881
National Department of Health	48 225
Eastern Cape Department of Health	363 305
KwaZulu Natal Department of Education	696 362
KwaZulu Natal Department of Social development	7 800
Department of Basic Education (ASIDI (KZN)	9 000
National Department of Public Works (Cape Town)	722410
Northern Cape Office of the Premier	4 400
Tshwane Automotive SEZ Programme (Phase 1)	3 157 000
Total	**5 304 383**

Artistic Impressions of Phase 1 of the Tshwane Automotive SEZ development.

New work secured during the 2020/21 financial year is shown in the table below:

New Work Secured during the 2020/21 FY

#	Client Name	Scope of Work	Estimated Value	Type of Work
1	Northern Cape Office of the Premier	a) DPW Remodelling; b) Construction Company Establishment; and c) Mining Company Establishment.	R4.4m in fees	Conceptual Framework Development
2	EC DPW	Development of Bankable Feasibility Studies for 29 Projects for BFI Submission	R0bn in fees	Bankable Business Plans
3	Nelson Mandela University	SMME Support to Nelson Mandela University	R0m in fees	
4	Gauteng Department of Economic Development, City of Tshwane and *the dtic*	Conceptualising, Design & Construction of 13 factories to supply Ford Motor Company for the new Ford Ranger. This car is to be exported to about 143 countries	R3.15 billion	Design and Construction

Coega's External Business Unit successfully secured new projects as a public entity, legislation prescripts allow for Agency Agreements between public entities as well as through tendering. Coega will continue to pursue Agency Agreements, looking for both unsolicited and solicited bids in the market to ensure its continued survival into the future. Furthermore, the CDC plans to take advantage of the South African Economic Reconstruction and Recovery Plan, which is largely driven by aggressive infrastructure investment, employment-orientated strategic localisation, re-industrialisation and export promotion, and energy security – to mention a few.

Wild Coast SEZ

During the 2021 State of the Province Address (SOPA), the Premier of the Eastern Cape, the Honourable Lubabalo Mabuyane, stated that the Wild Coast SEZ will contribute to the development of economic infrastructure in the eastern part of the province, particularly freight and logistics. Progress to date in the Wild Coast SEZ includes completion of the Land and Topographic surveys, appointment of the bulk and top infrastructure consultants, and a fencing contractor.

The CDC is an IA for the Wild Coast SEZ Programme, responsible for its development. The land for the newly established Wild Coast SEZ is located around the Mthatha Airport and is approximately 226 hectares.

The key characteristics of this site are:

- It is adjacent to the Mthatha Airport, and thus has potential for a future transshipment hub for high value or short shelf-life produce;
- Proximity to high accessibility transport routes, namely the R61 connecting to Queenstown and the N2;
- Bulk infrastructure is being planned and thus the Wild Coast SEZ's requirements for industrial use can be incorporated;
- The land is almost at a central point (distance) between the three district municipalities; and
- The identified land is within the most populated local municipality in the region compared to others.

The Wild Coast region incorporates three districts, namely the Alfred Nzo District Municipality (ANDM), OR Tambo District Municipality (ORTDM) and Amathole District Municipality (ADM) (excluding the Buffalo City Metropolitan Municipality). The development of the Wild Coast SEZ will require funds for upgrading existing and providing new enabling bulk infrastructure.

The three primary objectives of the Wild Coast SEZ are to:

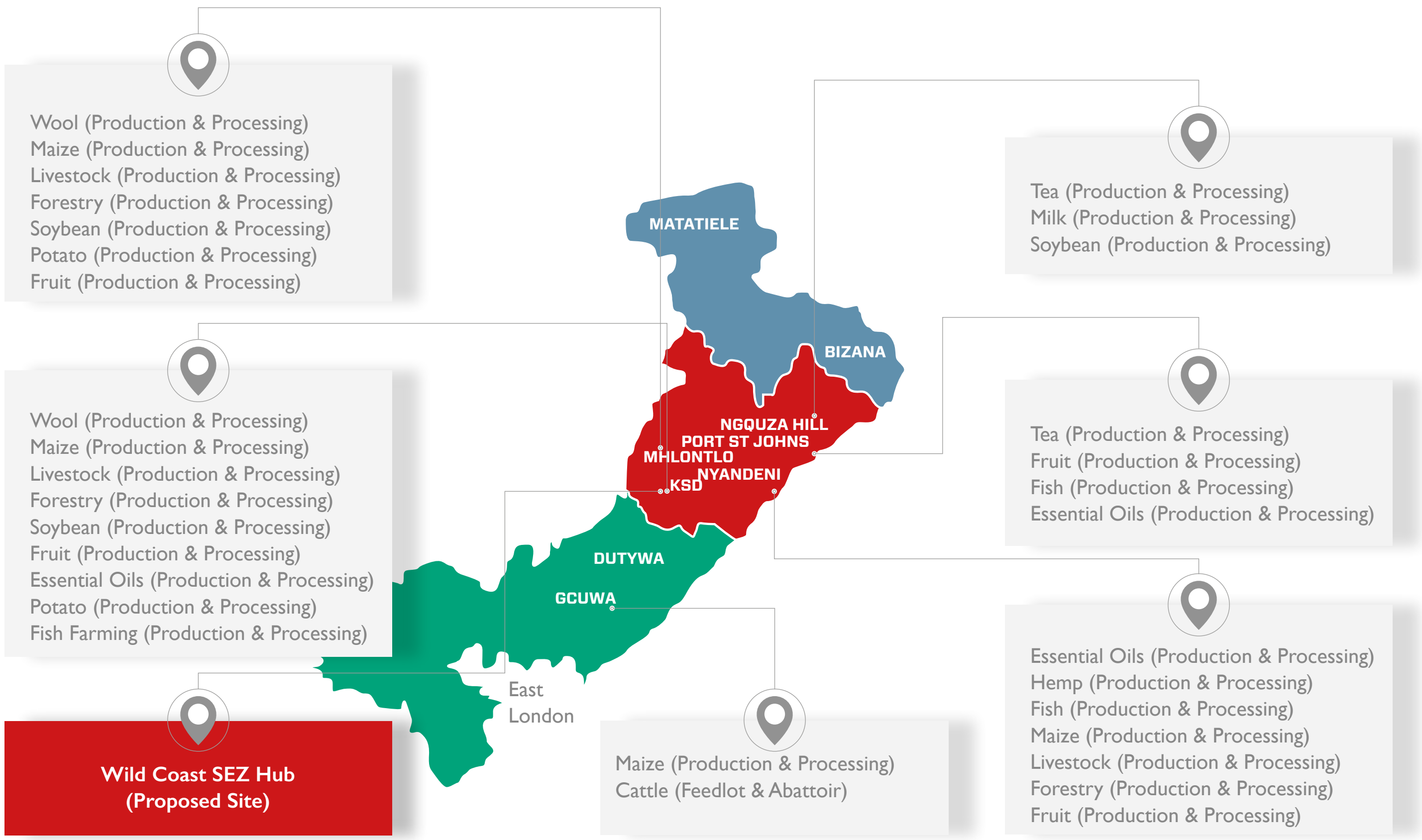
a) Grow the agro-processing sector in the eastern region of the Eastern Cape;
b) Promote beneficiation and further value addition to the region's agricultural resources, and the development of solid manufacturing capability to enhance its economic competitiveness; and
c) Revitalise Mthatha and its surrounds as a key industrial node.

During the financial year, the CDC signed five Letters of Intent for the development of a Fresh Vegetable and Produce Facility, Medicinal and Aromatic Plants (MAP) Cultivation & Oil Extraction Facility, Juice Concentrate Project, Poultry

Processing Project, and Starch Manufacturing Project. The estimated value of projects is R1.7 billion. The forecast is that these projects will create a total of 865 operational jobs and that during construction, a further 600 jobs will be created.

Industrial Parks will continue to be supported by *the dtic*. According to *the dtic*. During its Budget Vote 2021/22, *the dtic* Deputy Minister Nomalungelo Gina stated "the Department will continue with our programme of revitalisation of the industrial parks across the country. By reviving industrial parks, our intervention is promote decentralisation of industrialisation to the less economic activity laden areas such as townships and semi-rural areas. The revitalisation programme is meant to improve industrial infrastructure which has aged because of investors exits in the last few decades. Working with provincial governments, such as the Eastern Cape, we are attracting investors again to settle in these parks and create jobs. To date, R770 million has been approved through *the dtic's* critical infrastructure programme (CIP) fund for revitalisation of industrial parks in 7 provinces."

Agricultural Value Chains and Agro-processing Potential in the Broader Wild Coast Region



COEGA AFRICA PROGRAMME

AfCFTA and the benefits of regional economic integration

When it comes to competing in the global economy, Africa ranks near the bottom, hampered by fragmented markets that stifle productivity and limit economic growth. Regional integration is a development priority for Africa. As such, the African Continental Free Trade Area (AfCFTA) has emerged as an essential tool to end the defragmentation of Africa's economies and boost the productivity of its economies. Forty-four African heads of state established a framework in March 2018 to build a single continental market for goods and services, with free capital and corporate travel. The AfCFTA will simplify trade and investment flows, influence the outcome and direction of foreign direct investment flows into Africa, as well as enhance market efficiency and lower the cost of doing business by providing opportunities for economies of scale. The South African Parliament ratified AfCFTA in January 2019.

Ultimately, AfCFTA aims to improve the continent's economic integration in line with the Agenda 2063's Pan-African vision of "an industrialised, stable, and peaceful Africa." The agreement also aims to eliminate customs tariffs for intraregional trade, to improve capital and individual mobility, and to facilitate investment at the national and continental levels.

The CDC alignment to Africa's regional integration

In line with the continental objectives and strategies, regional integration is also a development priority for Africa. The South African Government is encouraging business leaders to explore business opportunities on the continent and is opening its borders to businesses that want to trade with the country in a way that creates win-win potential for economic growth, job creation, and sustainable development.

The CDC welcomed the South African Parliament's ratification on the AfCFTA in 2019, which emphasised the country's commitment to promoting intra-African trade. To this end, His Excellency, President Ramaphosa alluded to the fact that not only will the AfCFTA provide limitless opportunities for South African businesses going forward, South Africa's Economic diplomacy, through the Department of International Relations and Cooperation [DIRCO], will primarily focus on the continent, as this is where the country's fortunes lie.

The CDC is intensifying its business development efforts outside the borders of South Africa. The CDC therefore continued to pursue opportunities on the rest of the continent during the 2020/21 financial year. Furthermore, the organisation received the necessary impetus when the AfCFTA process was widely communicated. These opportunities were pursued in order to diversify the CDC's products and services in line with its Diversification Strategy, and to add value to the rest of the continent by spreading and transferring some of the skills gained by the CDC. This is also to fulfil the CDC's own vision of being "the leading catalyst for the championing of socio-economic development".

In its Strategy for 2020/25 financial year, the CDC has prioritised its continental journey foray, for joint development collaboration with African states and partners in the development of SEZs, industrial parks, dry ports and logistics bases. Subsequent to the fact-finding missions to Cameroon, DRC, Uganda, Zimbabwe and Nigeria, tangible opportunities have been secured or are being pursued in the indicated areas of collaboration.

Coega African Programme potential business outreach outside the borders of South Africa

With capabilities in Engineering, Procurement, Project Management, Construction and Facilities Management, the CDC is committed to being the leading catalyst for economic development in South Africa in keeping with the broader African regional developmental agenda and economic imperatives. Global recognition and awareness is also critical for the newly established Coega Africa Programme. Other effective channels are currently being explored to further strengthen global brand awareness.

During the 2020/21 financial year, despite international travel restrictions brought about by the COVID-19 Pandemic, the CDC continued with the implementation of projects in Zimbabwe, where the organisation is providing Technical Advisory & Implementing Agent Services on the Norton Business Park and Ecosoft SEZs.

Furthermore, other projects include those located in Cameroon, with a 20-year timeline and USD 25 million concession for the development of logistics bases for the storage of goods and for conducting of customs operations on behalf of the Central African Republic State. Another project has been launched in Nigeria in the western outskirts of Abuja near the Baro River, with a Technical Advisory and Co-Development Partnership for the Gulu Integrated Agro-Industrial Park (GIAIP).

LOOKING AHEAD

The CDC will intensify its continental programme and seek to identify more opportunities. In the next financial year, the CDC will focus on fast-tracking the implementation of projects in the Central African Republic (CAR) and Zimbabwe, whilst marketing its services to increase the portfolio of clients.

OUTLOOK

The CDC's Strategic Plan 2020 - 2025 is directly aligned with government's priorities, which are geared towards economic development through the construction of enabling infrastructure to attract and secure investors into the Coega SEZ and other socio-economic development initiatives outside the Coega SEZ. Infrastructure development, job creation, skills transfer and development, beneficiation of the country's natural resources and contributions towards expanding the manufacturing sector are the cornerstones of the CDC's organisational performance. The sixth administration released the following priorities, which the CDC fully supports and has taken into account in creating its impact and outcome statements:

- PRIORITY 1 : Economic transformation and job creation.
- PRIORITY 2 : Education, skills and health.
- PRIORITY 3 : Consolidating the social wage through reliable and quality basic services.
- PRIORITY 4 : Spatial integration, human settlements and local government.
- PRIORITY 5 : Social cohesion and safe communities.
- PRIORITY 6 : A capable, ethical and developmental state.
- PRIORITY 7 : A better Africa and world.

The Strategic Plan 2020 - 2025 seeks to achieve three impact statements and outcomes, i.e. financial sustainability, increased strategic economic advantage for targeted industries, and increased economic opportunities for the marginalised. These outcomes will be achieved through improved investment attraction, the retention of operational investors and continued customer satisfaction, and growth in the external programmes portfolio – thus continuing to deliver customer and shareholder value. Funding is a key enabler for the achievement of the strategic impact and outcomes of the CDC strategy.

The CDC must continue to generate income to grow its operations and be sustainable. This implies that it has to consider various revenue sources to ensure that it remains viable. It has become clear that the organisation cannot rely on a single revenue source, and it has been actively exploring how best to diversify its revenue streams.

In addition to the current strategies embarked upon by the CDC to increase revenue, the current five-year Strategic Plan aims to broaden the CDC's footprint and the scope of products and services offered. Its sole intent is driven by the pursuit of liquidity and profitability. Therefore, the CDC does not have a solvency problem but a liquidity challenge. In light of the Provincial Government (ECPG) and *the dtic's* reduction in funding, the CDC can no longer depend on obtaining 100% funding for projects from these sources for infrastructure development and for the construction of certain top structures in the SEZ. It will therefore have to seek alternative funding in the open market, as well as alternative funds within the state. The implication of this is that the CDC will have to perform careful planning regarding which projects it undertakes and how reserves of capital will be allocated for these projects.

Investment attraction remains strategic priorities for the CDC as mandated by the SEZ Act No.16 of 2014. As a result, the CDC will continue to increase strategic economic advantage for targeted industries. The focus of the strategy in the next four years of the current Plan is to maximise income from rentals through the operationalisation of targeted investments in the pipeline.

Non-SEZ services will continue to play a critical role in diversifying revenue streams for the CDC. These include international (under the Coega Africa Programme), national, and provincial infrastructure Programmes for government departments, new business initiatives (NBIs), the Bluewater Bay Sunrise Hotel (BWBSH), and other subsidiaries such as the SBFS and the Coega Development Foundation (CDF), to mention but a few.

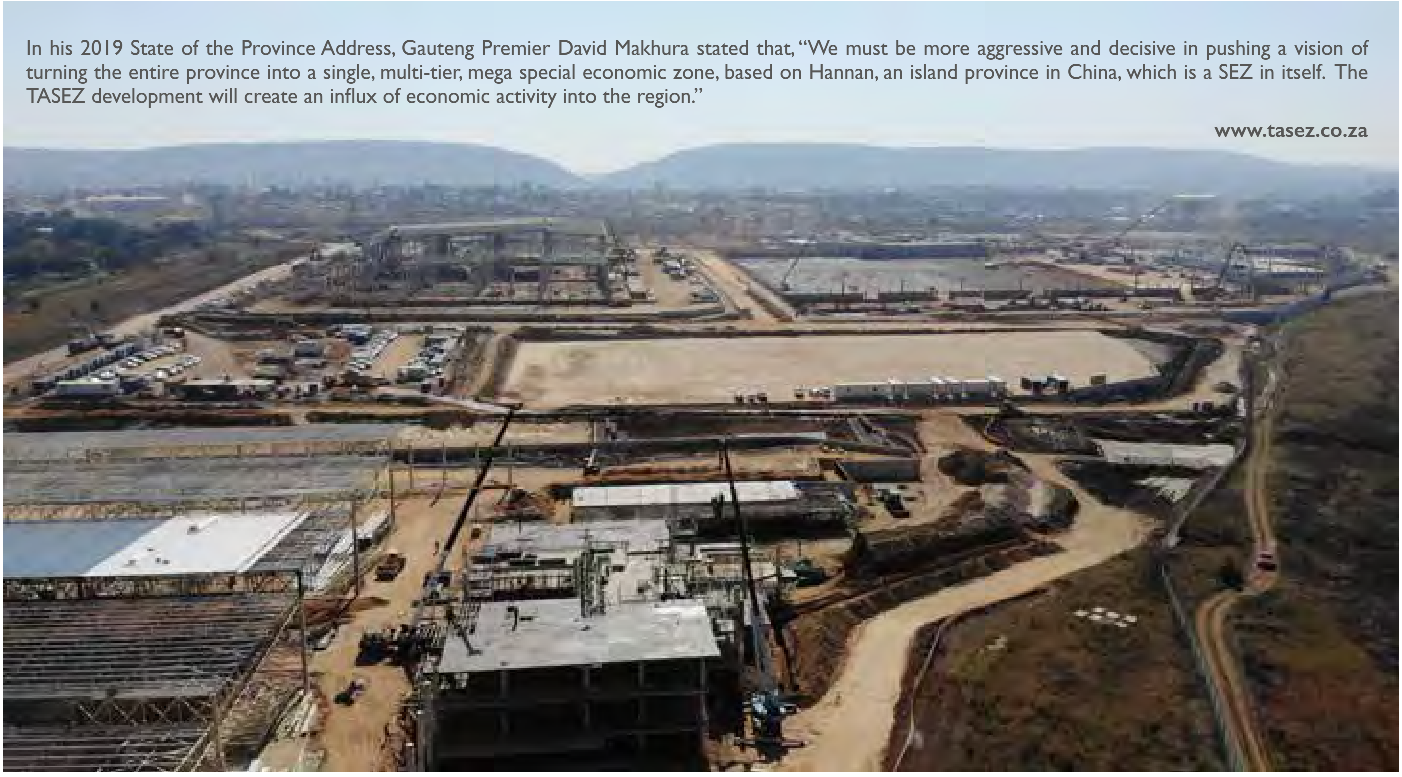
The CDC's contribution to socio-economic development and transformation will be achieved by increasing opportunities for the marginalised through the SMME development, employment creation and skills development. The strategy seeks to increase opportunities for the youth, people with disabilities and women.

Artistic Impression of Phase 1 and Phase 1A of the Tshwane Automotive SEZ development.

CDC is the developer and an interim operator of the Tshwane Automotive Special Economic Zone, Gauteng Province, Capital City of Tshwane.

In his 2019 State of the Province Address, Gauteng Premier David Makhura stated that, "We must be more aggressive and decisive in pushing a vision of turning the entire province into a single, multi-tier, mega special economic zone, based on Hannan, an island province in China, which is a SEZ in itself. The TASEZ development will create an influx of economic activity into the region."

www.tasez.co.za



Aerial view of the Tshwane Automotive SEZ, Phase 1, construction progress to date.

Aerial view of the Tshwane Automotive SEZ, Phase 1A, construction progress.

GOVERNANCE

Review of the Chairperson: Audit and Risk Committee (ARC)

CORPORATE GOVERNANCE STATEMENT

A governance system that is beyond reproach is one of the commitments that the CDC has made to its shareholders and investors. As such, the CDC complies both with applicable legislation, as well as aligning itself to non-binding rules, codes and standards such as the King IV Report and governance protocol.

It is through ethical, effective corporate governance that public entities are controlled, managed and held to account. Corporate governance defines the distribution of rights and responsibilities among all the stakeholders and determines the rules and procedures for decision making. Most importantly, it defines where accountability lies.

In addition to legislative requirements based upon the CDC's enabling legislation and the Companies Act No.71 of 2008, corporate governance is applied through the precepts of the Public Finance Management Act No.1 of 1999 (PFMA), Treasury Regulations and in accordance with the principles contained in the King IV Report on Corporate Governance and the Protocol on Corporate Governance, 2002.

Company Secretary and Professional Advice

All directors have access to the service of the Company Secretary, who is responsible for ensuring that Board procedures are followed. All directors are entitled to seek independent professional advice about the affairs of the organisation and the organisation's expertise.

Report of the Audit & Risk Committee

The Audit and Risk Committee (ARC) has adopted formal terms of reference, which have been approved by the Board. In meeting its responsibilities as set out in the terms of reference, the ARC has reviewed the following:

- The functionality of the risk management internal control system;
- The functioning of the internal audit department;
- The risk areas of the entity's operations to be covered in the scope of the internal and external audits;
- Financial information provided by management;
- The accounting or auditing concerns identified as a result of the internal or external audits;
- The entity's compliance with legal and regulatory provisions; and
- The credibility, independence, and objectivity of the external auditors, as well as their audit reports.

The ARC is satisfied that internal controls and systems have been put in place and that these controls have generally functioned effectively during the year under review. This is except for the lapse of controls identified within the Skilll Development Unit's payroll processes that resulted in the fraud that was covered in the media.

The ARC has evaluated the annual financial statements of the Coega Development Corporation Proprietary Limited for the year ended 31 March 2021 and has concluded that they comply, in all material respects, with the requirements of the Companies Act (Act 71 of 2008) and International Financial Reporting Standards (IFRS).

The ARC has:

- Reviewed the credibility, independence and objectivity of the external auditors;
- Reviewed significant adjustments resulting from the audit;
- Reviewed the external audit report and audit opinion; and
- Met with the external auditors to ensure that there are no unresolved issues.

The ARC agrees that the adoption of the going concern premise is appropriate in preparing the annual financial statements.

The ARC has therefore recommended the adoption of the annual financial statements by the Board of Directors.

Ayanda Mjekula
Chairperson: Audit and Risk Committee

The DHL / Mondelez Facility being constructed in Zone 1 of the Coega SEZ.

AUDIT & RISK COMMITTEE

In order to ensure independent oversight of the organisation's response to material issues via financial controls and risk management, the membership of the ARC is weighted towards independent, external members.

AYANDA MJEKULA
CHAIRPERSON

Appointed: 2002 (ARC Member); 2010 (ARC Chairperson)

See Ayanda Mjekula's profile under Board Member profile.

BATANDWA MDYESHA

Appointed: 2019

See Batandwa Mdyesha's profile under Board Member profile.

TEMBA ZAKUZA

Appointed: 2010

Temba Zakuza is an audit partner at Nkonki Inc. Chartered Accountants and has extensive experience in public sector governance. He was previously the head of the Department of Accounting at the University of Fort Hare; an IRBA Board member and chaired the education, training and professional development committee of the Independent Regulatory Board for Auditors (IRBA).

Zakuza chaired the audit and risk committees of the South African Local Government Association (SALGA), Centlec, and, currently, Walter Sisulu University and Mbizana Local Municipality.

Zakuza has a BCom degree from the University of Limpopo and postgraduate accounting diplomas from UCT. He qualified as a Chartered Accountant (CA (SA)) in 1999 and as a Certified Internal Auditor in 2000.

NOLUNTU BAM

Appointed: 2019

Noluntu Bam has 15 years' experience in financial services regulation and was part of a leadership cohort at the FAIS Ombud that resolved disputes between members of the public and financial services providers. She was the head of the FAIS Ombud institution during the last eight years of her employment.

Her role demanded an in-depth understanding of the way government works, deep understanding of government policy, policy formulation, government programmes and enhanced appreciation of the interconnectedness of the various limbs of government and how these should co-operate with one another.

Bam has an MBA from Wits Business School and a Post Graduate Diploma in Financial Planning Law from the University of the Free State. She also holds a LLM (with specialisation in Income Tax Law) from UNISA, an LLB from the University of KwaZulu Natal and a B.Proc from Walter Sisulu University.

Bam is a professionally registered member of the Financial Planning Institute South Africa and has been an Admitted Attorney of the High Court of South Africa since 1998.

NOMFUNDO QANGULE

Appointed: 2010

Nomfundo Qangule is a Chartered Accountant (CA(SA)) with extensive board and audit committee experience. She currently serves on a number of Boards and Audit Committees including Afrox Ltd, Nozala Investments, Hans Merensky Holdings and Rebosis Ltd, to name a few.

Qangule was previously the CFO of Harmony Gold Ltd and served on various other boards including Afrocentric Health Ltd. She has a strong banking background and worked for Nedbank Corporate and in its international division.

MBULELO SOGONI

Appointed: 2019
Resigned: July, 2020

See Mbulelo Sogoni's profile under Board Member profile.

HUMAN RESOURCES & REMUNERATION COMMITTEE

The committee makes recommendations to the Board on matters including general staff policy, remuneration, bonuses, Directors' fees, service contracts, and other employee benefits.

NOMONDE MTEMBU
CHAIRPERSON

Appointed: 2019

See Nomonde Mtembu's profile under Board Member profile.

DR. PAUL JOURDAN

Appointed: 2000

See Dr. Paul Jourdan's profile under Board Member profile.

PHILA XUZA

Appointed: 2019

See Phila Xuza's profile under Board Member profile.

GLEN ZAMISA

Appointed: 2019

Mr. Glen Zamisa started as an Industrial Engineering Technician within the automotive industry in the early 80s, and later moved from Industrial Engineering and Production into HR.

He studied for various management diplomas at the then Port Elizabeth Technikon.

In 1992, he was sent by VWSA to do an advanced management programme at the University of Cape Town Business School. Mr. Zamisa completed his Master's in Business Administration (MBA) with Stellenbosch University at its Bellville campus in 2004. He also boasts a diploma in company direction with the Graduate Institute of Management and Technology (GIMT) in Johannesburg in 2007.

He has been the Human Resources Manager for various companies (mostly in the automotive sector), and is currently the HR Manager at Borbet SA in Gqeberha since 2010. He is a long-standing member of the Black Management Forum, and previously served as provincial chair, as well as on the national board.

M Zamisa is the Chairman of the Board of the African Pioneer Group (APG), a BEE investment company based in Gqeberha, and is a member of the Audit and Risk Committee of Nelson Mandela University, the Port Elizabeth TVET College Governing Council, and the board of trustees of Medimed Medical Scheme.

SOCIAL & ETHICS COMMITTEE

The role of the social and ethics committee is to monitor the activities of the CDC and its subsidiaries, as a corporate citizen, taking into consideration the relevant legislation and any other legal requirements or prevailing codes of best practice.

PHILA XUZA
CHAIRPERSON

Appointed: 2019

See Phila Xuza's profile under Board Member profile.

GLEN ZAMISA

Appointed: 2019

See Glen Zamisa's profile under Human Resources and Remuneration Committee profile.

NOMONDE MTEMBU

Appointed: 2019

See Nomonde Mtembu's profile under Board Member profile.

DR. PAUL JOURDAN

Appointed: 2000

See Dr. Paul Jourdan's profile under Board Member profile.

GOVERNANCE STRUCTURE

Robust and effective governance is the cornerstone of the CDC's continued success in value creation – providing both investors and stakeholders with the assurance of stability and sustainability.

The CDC Board provides the organisation's vision and strategic direction, playing an active role in defining and monitoring the organisation's annual performance objectives and targets, which map the road towards the achievement of the five-year strategy. The Board meets quarterly to review progress against performance objectives, to consider material issues in the context of the external environment, and to adjust course where necessary.

The diversity of backgrounds, networks and the experience of the Board members ensures a well-rounded collective with significant insight into business and industry, economic affairs, politics and government, infrastructure development, finance, investment and sustainability. Members bring an appropriate mix of the range of specialist expertise required to guide the organisation in its diverse activities, and the Board benefits from the insight and institutional knowledge of its long-standing founder members.

Board members are carefully selected not only for their specialist expertise and knowledge, but also for their in-depth understanding of the socio-economic development challenges of the Eastern Cape and South Africa, and the complexity of managing mega projects such as the Coega SEZ as a mechanism for responding to those challenges.

These qualities of the Board – the specialist skills and knowledge, diversity of experience and networks, and in-depth understanding of the organisation and its external environment – all play a vital role in the organisation's ability to deliver value creation for its diverse stakeholders.

In addition, a strongly integrated and transparent governance system in line with best practice supports the work of the Board, with the Company Secretary as the interface between the Board and the organisation. This ensures consistent application throughout all levels of the business, and enables the CDC to maintain its position as a leader in accountable corporate governance.

The three committees of the Board – Audit and Risk (ARC), Human Resources and Remuneration (HRRC), and the Social and Ethics Committee (SEC) – meet quarterly to consider specific material, strategic and social issues pertinent to their terms of reference, which have been formalised and approved by the Board. Their smaller size and more frequent meetings enable key issues to be swiftly addressed.

The CEO and Executive Management Committee (EXMA) are responsible for overseeing the operational execution of the corporate strategy and for implementing decisions of the Board. Day-to-day operational responsibilities are delegated by the CEO to the Executive Managers, and the CEO regularly reports to and engages with the Board and Board Committees, ensuring a free and transparent flow of information to support informed and integrated decision-making at all levels.

ATTENDANCE SCHEDULE OF BOARD AND COMMITTEE MEETINGS 2020/21

2020/21 FY AUDIT AND RISK COMMITTEE ATTENDANCE SCHEDULE

MEMBERS	MEETING 21 MAY 2020	MEETING 16 JUL 2020	SPECIAL MEETING 25 SEP 2020	MEETING 15 OCT 2020	MEETING 18 FEB 2021
Mr. A Mjekula	√	√	√	√	√
Mr. T Zakuza	√	√	√	√	√
Ms. N Qangule	√	√	√	√	√
Ms. N Bam	√	√	√	√	√
Ms. B Mdyesha	√	√	√	√	√
Mr. M Sogoni *	Apology	Apology	–	–	–

* *In the Board Meeting of 23 July 2020, Mr Mbulelo Sogoni confirmed his request to be excused from ARC.*

2020/21 FY BOARD MEETING ATTENDANCE SCHEDULE						
MEMBERS	**MEETING 28 MAY 2020**	**MEETING 23 JUL 2020**	**SPECIAL MEETING 02 SEP 2020**	**SPECIAL MEETING 30 SEP 2020**	**MEETING 22 OCT 2020**	**MEETING 25 FEB 2021**
Dr. P Jourdan	√	√	√	√	√	√
Mr. A Mjekula	√	√	√	√	√	√
Ms. N Mtembu	√	√	√	√	√	√
Ms. P Xuza	√	√	√	√	√	√
Mr. M Sogoni	√	√	√	√	√	√
Mr. S Khan	√	Apology	√	√	√	√
Ms. B Mdyesha	√	√	√	√	√	√
Dr. M Mnyande *	√	Apology	–	–	–	–
Mr. M Mququ	Apology	Apology	√	√	√	√
Mr. P Silinga *(Former CEO)*	Apology	Apology	√	√	Resigned	–
Mr. K Tiya *(Current CEO)*	–	–	–	–	–	√

** Dr. Mnyande passed away on 03 August 2020.*

2020/21 FY HUMAN RESOURCES AND REMUNERATION COMMITTEE ATTENDANCE SCHEDULE				
MEMBERS	**MEETING 27 MAY 2021**	**MEETING 22 JUL 2021**	**SPECIAL MEETING 29 SEP 2020**	**MEETING 24 FEB 2021**
Dr. P Jourdan	√	√	√	√
Ms. N Mtembu	√	√	√	√
Mr. G Zamisa	√	√	√	√
Dr. M Mnyande *	√	Apology	–	–
Ms. P Xuza	√	√	√	√

** Dr. Mnyande passed away on 03 August 2020.*

2020/21 FY SOCIAL AND ETHICS COMMITTEE ATTENDANCE SCHEDULE			
MEMBERS	**MEETING 27 MAY 2020**	**MEETING 21 OCT 2020**	**MEETING 23 FEB 2021**
Dr. P Jourdan	√	√	√
Ms. N Mtembu	√	√	√
Mr. G Zamisa	√	√	√
Dr. M Mnyande *	√	–	–
Ms. P Xuza	√	√	√

** Dr. Mnyande passed away on 03 August 2020.*

REMUNERATION

REMUNERATION PHILOSOPHY

The CDC differentiates remuneration on the basis of individual competencies, performance, relevant work experience, and contribution to the business objectives, whilst maintaining fair and competitive remuneration aligned to market trends.

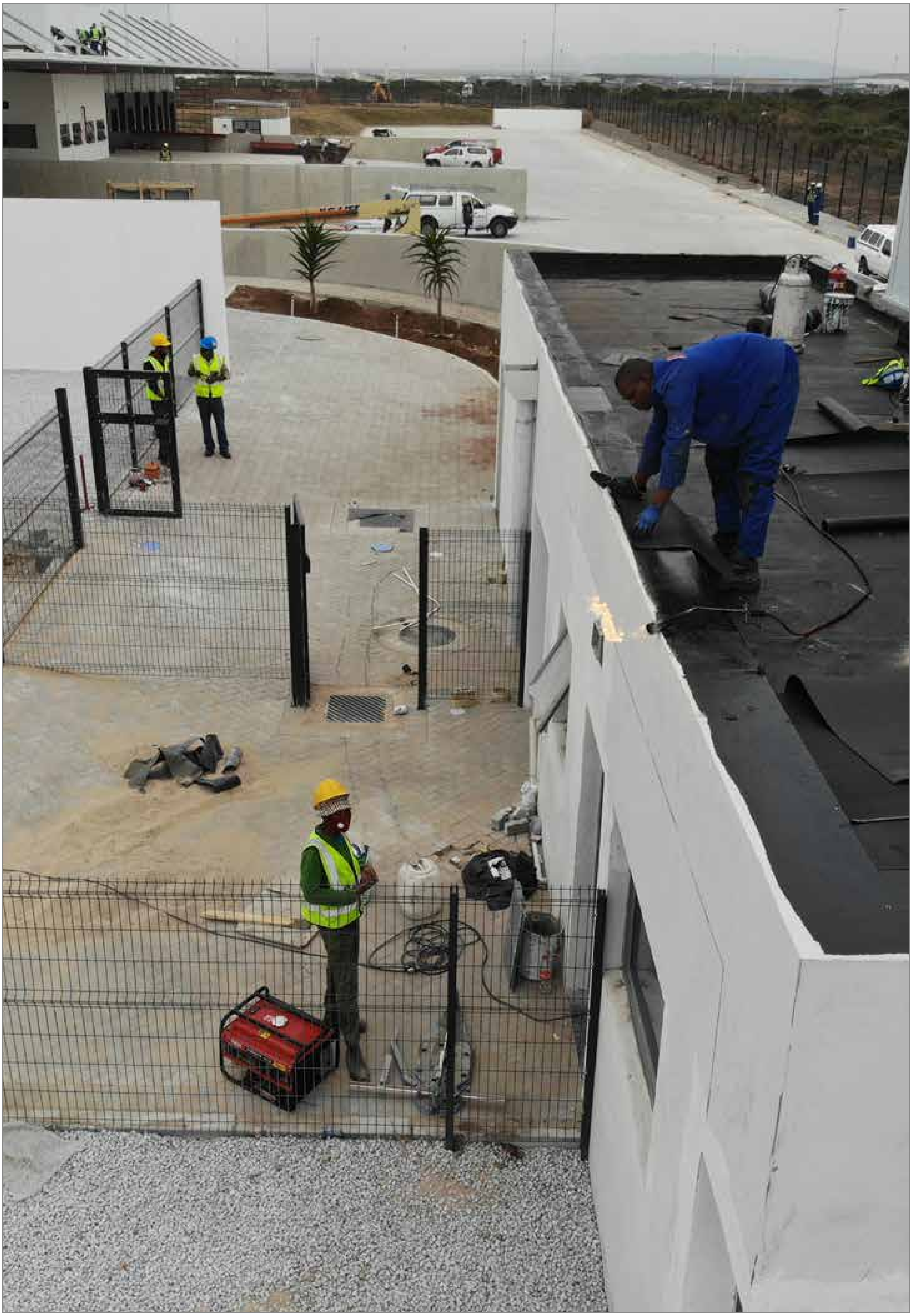
DIRECTORS' EMOLUMENTS

Executive

	Emoluments	Performance incentive	Total Cost to Company	Emoluments	Performance incentive	Total Cost to Company
	2021	2021	2021	2020 Restated	2020 Restated	2020 Restated
	R'000	R'000	R'000	R'000	R'000	R'000
M.P. Silinga (Former CEO)	3,225	6,775	10,000	5,512	2,089	7,601
K.V. Tiya (Current CEO)	1,211	-	1,211	-	-	-
	4,436	**6,775**	**11,211**	**5,512**	**2,089**	**7,601**

Non-executive

	Directors' Fees	Total Cost to Company	Directors' Fees	Total Cost to Company
	2021	2021	2020 Restated	2020 Restated
	R'000	R'000	R'000	R'000
Dr. P. Jourdan (Chairperson)	312	312	271	271
A. Mjekula (Deputy Chairperson)	464	464	215	215
X. Bomela	-	-	15	15
J. de Bruyn	-	-	97	97
B. Lobishe	-	-	14	14
Y.B.B. Mdyesha	224	224	147	147
M. Mnyande	26	26	124	124
N.P. Mtembu	318	318	167	167
M. Sogoni	-	-	147	147
P. Xuza	221	221	115	115
	1,565	**1,565**	**1,312**	**1,312**



Final 'touches' being made on the DHL / Mondelez Facility, in Zone 1 of the Coega SEZ.

CONSOLIDATED **ANNUAL FINANCIAL STATEMENTS**

COEGA DEVELOPMENT CORPORATION PROPRIETARY LIMITED

Company Registration Number 1982/003891/07
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
These financial statements were audited in compliance with the applicable requirements of the Companies Act of South Africa, 71 of 2008 and the Public Finance Management Act. by the AUDITOR-GENERAL OF SOUTH AFRICA, EAST LONDON

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS	Special Economic Zone and Services
DIRECTORS	Dr. P. Jourdan (Chairperson) A. Mjekula (Deputy Chairperson) S. Khan Y.B. B. Mdyesha M.N Mququ N. P. Mtembu M. Sogoni K.V. Tiya (Chief Executive) P. Xuza
REGISTERED OFFICE	Ascot Office Park 1 Ascot Road Greenacres 6057
BUSINESS ADDRESS	Coega SEZ Business Centre Corner Alcyon Road & Zibuko Street Zone 1, Coega SEZ Gqeberha 6000
POSTAL ADDRESS	Private Bag X6009 Gqeberha 6000
TELEPHONE NUMBER	(+27) 41 403 0400
FAX NUMBER	(+27) 41 403 0401
WEBSITE	www.coega.co.za
BRANCH OFFICES	Durban, East London, Pretoria, Cape Town and Mthatha
BANKERS	FNB Standard Bank Nedbank Investec
AUDITORS	Auditor-General of South Africa
COMPANY SECRETARY	M. Mbina

Compiled under the supervision/direction of: Mr. Lionel Billings, CA (SA), *Chief Financial Officer*

STATEMENT OF DIRECTORS' RESPONSIBILITIES AND APPROVALS

Consolidated Annual Financial Statements for the year ended 31 March 2021

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated annual financial statements.

The consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards, and are based upon appropriate accounting policies which are consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The directors have reviewed the group's cash flow forecast for the 12 months to 31 March 2022 and, in light of this review and the current financial position, they are satisfied that the group will have access to adequate resources to continue in operational existence for the foreseeable future.

The consolidated annual financial statements set out on pages 126 to 185, which have been prepared on the going concern basis, were approved by the board of directors on 30 July 2021 and were signed on their behalf by:

Dr. P. Jourdan
Chairperson

Mr. K.V. Tiya
Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE ON THE COEGA DEVELOPMENT CORPORATION (PROPRIETARY) LIMITED

Report on the audit of the consolidated financial statements

OPINION

1. I have audited the consolidated financial statements of the Coega Development Corporation (Proprietary) Limited and its subsidiaries (the group) set out on pages 128 to 185, which comprise the consolidated statement of financial position as at 31 March 2021, consolidated statement of profit or loss and other comprehensive income, statement of changes in net equity, and statement of cash flows for the year then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

2. In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the group as at 31 March 2021, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Public Finance Management Act 1 of 1999 (PFMA) and the Companies Act 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 consolidated financial statements section of my report.

4. I am independent of the group 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.

RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

7. In preparing the consolidated financial statements, the accounting authority is responsible for assessing the group'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 group or to cease operations, or has no realistic alternative but to do so.

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

8. My objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

9. A further description of my responsibilities for the audit of the consolidated financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

INTRODUCTION AND SCOPE

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the entity's annual performance report for the year ended 31 March 2021.

Programme	Pages in the Annual Performance Report
Programme 1 : SEZ Investment Services	66 - 69

13. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:

- Programme 1 - SEZ Investment Services

OTHER MATTER

15. I draw attention to the matter below.

Achievement of planned targets

16. Refer to the annual performance report on pages 66 to 69 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Report on the audit of compliance with legislation

INTRODUCTION AND SCOPE

17. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

18. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

19. The accounting authority is responsible for the other information. The other information comprises the 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. The other information does not include the consolidated financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.

20. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

21. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

22. I have nothing to report in this regard.

Internal control deficiencies

23. I considered internal control relevant to my audit of the consolidated financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Other reports

24. I draw attention to the following engagements conducted by various parties, which had, or could have, an impact on the matters reported in the entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

Investigations

25. Investigations are being conducted through external parties pertaining to allegations of embezzlement of learner stipends. These investigations were still in progress at the date of this auditor's report.

Auditor-General

East London
30 July 2021

AUDITOR-GENERAL
SOUTH AFRICA
Auditing to build public confidence

ANNEXURE – AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated financial statements and the procedures performed on reported performance information for selected programmes and on the entity's compliance with respect to the selected subject matters.

CONSOLIDATED FINANCIAL STATEMENTS

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

   - identify and assess the risks of material misstatement of the consolidated 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 by the board of directors, which constitutes the accounting authority
   - conclude on the appropriateness of the accounting authority's use of the going concern basis of accounting in the preparation of the consolidated 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 and its subsidiaries 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 consolidated financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the consolidated 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 an entity to cease operating as a going concern
   - evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and determine whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
   - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. 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.

4. 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.

DIRECTORS’ REPORT

COEGA DEVELOPMENT CORPORATION (PTY) LIMITED DIRECTORS' REPORT

The directors have pleasure in submitting their report on the consolidated annual financial statements of Coega Development Corporation Proprietary Limited for the year ended 31 March 2021.

1. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and the cash flows of the company are set out in these consolidated annual financial statements.

2. Share capital

		2021 Number of Shares	2020 Number of Shares	2019 Number of Shares
Authorised				
Ordinary shares		1,000,000	1,000,000	1,000,000
Class A ordinary shares		1	1	1
	2021 R ‘000	**2020 R ‘000**	**2021 Number of Shares**	**2020 Number of Shares**
Issued				
Ordinary shares	7	7	673,832	673,832
Class A ordinary shares	-	-	1	1
	7	7	**673,833**	**673,833**

There have been no changes to the authorised or issued share capital during the year under review.

3. Directorate

The directors in office at the date of this report are as follows:

Dr. P. Jourdan	(Chairperson)	Non-executive Independent	South African	
A. Mjekula	(Deputy Chairperson)	Non-executive Independent	South African	
S. Khan		Non-executive Independent	South African	
Y.B. B. Mdyesha		Non-executive Independent	South African	
M. Mnyande		Non-executive Independent	South African	Passed away 3 August 2020
M.N Mququ		Non-executive Independent	South African	
N. P. Mtembu		Non-executive Independent	South African	
M.P. Silinga	(CEO)	Executive	South African	Resigned 30 September 2020
M. Sogoni		Non-executive Independent	South African	
K.V. Tiya	(CEO)	Executive	South African	Appointed 1 January 2021
P. Xuza		Non-executive Independent	South African	

4. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. Litigation statement

The group becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. Other than the matters referred to in note 32, the group is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

6. Auditors

The Auditor-General of South Africa continued in office as auditors for the group for 2021.

7. Company Secretary

The company secretary is Mr. M. Mbina.

Business address	Coega Business Centre Corner Alcyon Road & Zibuko Street, Zone 1, Coega SEZ, Gqeberha, 6000

STATEMENT OF FINANCIAL POSITION

Statement of Financial Position as at 31 March 2021

	Notes	31-Mar 2021 R'000	31-Mar 2020 Restated R'000	31-Mar 2019 Restated R'000
ASSETS				
Non-current assets				
Property, plant and equipment	3	345,187	360,842	295,566
Right-of-use assets	4	802	1,906	-
Investment property	5	6,036,154	5,631,202	5,488,662
Intangible assets	6	24,994	24,322	690
Operating lease smoothing asset	8	349,672	343,286	346,004
		6,756,809	**6,361,558**	**6,130,922**
Current assets				
Inventories	10	333	310	279
Loans and advances	11	37,353	47,567	40,085
Trade and other receivables	12	157,513	122,670	177,393
Prepayments		32,845	4,764	111
Cash and cash equivalents	13	1,241,072	1,423,145	850,769
		1,469,116	**1,598,456**	**1,068,637**
Total assets		**8,225,925**	**7,960,014**	**7,199,559**
EQUITY				
Share capital	14	1,264,558	1,264,558	1,264,558
Retained income		4,869,450	4,165,753	4,109,347
		6,134,008	**5,430,311**	**5,373,905**
LIABILITIES				
Non-current liabilities				
Finance lease liabilities	4	118	853	-
Deferred lease income	8	137,820	139,099	140,744
Deferred income	18	643,102	875,595	447,825
Deferred tax	9	470,673	442,969	453,093
Income received in advance	16	34,323	45,136	55,948
		1,286,036	**1,503,652**	**1,097,610**
Current liabilities				
Trade and other payables	17	669,068	872,569	637,709
Finance lease liabilities	4	735	1,194	-
Deferred lease liability	8	1,646	1,716	1,749
Current tax payable	19	79,194	79,731	36,017
Provisions	15	44,425	60,028	41,756
Income received in advance	16	10,813	10,813	10,813
		805,881	**1,026,051**	**728,044**
Total liabilities		**2,091,917**	**2,529,703**	**1,825,654**
Total equity and liabilities		**8,225,925**	**7,960,014**	**7,199,559**

STATEMENT OF PROFIT OR LOSS

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2021

	Notes	31-Mar 2021 R'000	31-Mar 2020 Restated R'000
Revenue	**20**	511,176	514,295
Other operating income	**21**	514,518	222,729
Other operating gains (losses)		-	10
Movement in credit loss allowances	**22**	(14,208)	(21,280)
Other operating expenses	**22**	(614,566)	(613,478)
Operating profit	**22**	**396,920**	**102,276**
Investment income	**25**	2,189	3,185
Finance costs	**26**	(11,427)	(7,937)
Other non-operating gains (losses)	**27**	408,707	(12,368)
Profit before taxation		**796,389**	**85,156**
Taxation	**28**	(92,692)	(28,750)
Profit for the year		**703,697**	**56,406**

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity as at 31 March 2021

	Share Capital	Share Premium	Total Share Capital	Retained Income	Total Equity
	R'000	R'000	R'000	R'000	R'000
Opening balance as previously reported	7	1,264,551	1,264,558	4,222,345	5,486,903
Prior year adjustments	-	-	-	(112,998)	(112,998)
Restated* Balance at 1 April 2019 as restated	**7**	**1,264,551**	**1,264,558**	**4,109,347**	**5,373,905**
Profit for the year	**-**	**-**	**-**	**56,406**	**56,406**
Balance at 1 April 2020	**7**	**1,264,551**	**1,264,558**	**4,165,753**	**5,430,311**
Profit for the year	**-**	**-**	**-**	**703,697**	**703,697**
Balance at 31 March 2021	**7**	**1,264,551**	**1,264,558**	**4,869,450**	**6,134,008**
Note(s)	14	14	14		

STATEMENT OF CASH FLOWS

Statement of Cash Flows for the year ended 31 March 2021

	Notes	31-Mar 2021 R'000	31-Mar 2020 Restated R'000
Cash flows from operating activities			
Cash (used in)/generated from operations	**29**	(359,412)	141,718
Interest income		2,189	3,185
Finance costs		(11,427)	(7,937)
Tax received (paid)	**30**	(65,525)	4,840
Net cash from operating activities		**(434,175)**	**141,806**
Cash flows from investing activities			
Purchase of property, plant and equipment	**3**	(14,588)	(62,908)
Purchase of investment property	**5**	(418,491)	(153,971)
Sale of investment property		426,721	-
Purchase of other intangible assets	**6**	(4,198)	(476)
Net cash from investing activities		**(10,556)**	**(217,355)**
Cash flows from financing activities			
Government grants received		238,236	625,429
Interest earned on deferred income funds		25,761	23,508
Payment on lease liabilities		(1,338)	(1,012)
Net cash from financing activities		**262,659**	**647,925**
Total cash movement for the year		**(182,072)**	**572,376**
Cash at the beginning of the year		1,423,144	850,769
Total cash at end of the year	13	**1,241,072**	**1,423,145**

ACCOUNTING **POLICIES**

Coega Development Corporation Proprietary Limited is a private company incorporated and domiciled in South Africa.

The consolidated annual financial statements for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 30 July 2021.

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1 Basis of preparation

The consolidated annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated annual financial statements and the Companies Act of South Africa of South Africa, as amended.

These consolidated annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The consolidated annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the group's functional currency.

These accounting policies are consistent with the previous period, except for the effect of new or amended IFRS standards that have been adopted in the current year.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the consolidated annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Significant judgements and sources of estimation uncertainty

The preparation of consolidated annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Lease classification

The group is party to leasing arrangements, both as a lessee and as a lessor. The treatment of leasing transactions in the consolidated annual financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred.

Expected manner of realisation for deferred tax

Management have reviewed the investment property portfolio of the group in order to determine the appropriate rate at which to measure deferred tax. Investment property is measured at fair value. The manner of recovery of the carrying amount, i.e. through use or sale, affects the determination of the deferred tax assets or liabilities. IFRS assumes that the carrying amount of investment property is recovered through sale rather than through continued use. Management considered the business model of the portfolio and concluded that the assumption is rebutted and that the deferred taxation should be measured on the continued use basis and has therefore applied the normal corporate tax rate.

Critical judgments in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Fair value estimation

Several assets and liabilities of the group are either measured at fair value or disclosure is made of their fair values.

Observable market data is used as inputs to the extent that it is available. Qualified external valuers are consulted for the determination of appropriate valuation techniques and inputs.

Impairment testing

The group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture, computer and other categories of equipment are estimated and, where available, based on group replacement policies for the various assets. Individual assets within these classes which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 15.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Capitalisation of infrastructure costs

Management applies judgement in assessing whether infrastructure will be controlled by the group and whether future economic benefits are expected to flow to the group in determining whether costs incurred on infrastructure should be capitalised as assets.

1.4 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

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

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.

Fair value

Subsequent to initial measurement, investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

1.5 Property, plant and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day-to-day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

Item	Depreciation method	Average useful life
Buildings	Straight line	25 years
Marine vessels and equipment	Straight line	12 years
Furniture and fixtures	Straight line	20 years
Motor vehicles	Straight line	5 - 15 years
IT equipment	Straight line	15 years
Hospitality equipment	Straight line	10 years
Other property, plant and equipment	Straight line	10 - 20 years

Land has an indefinite useful life and is not therefore depreciated.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

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

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.6 Intangible assets

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

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

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

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	Straight line	15 - 20 years

1.7 Investments in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

1.8 Financial instruments

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

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

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:
- Mandatorily at fair value through profit or loss.

Financial liabilities:
- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 35 Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Loans and advances

Classification

Loans and advances (note 11) are classified as financial assets subsequently measured at amortised cost.

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 25).

The application of the effective interest method to calculate interest income on loans and advances is dependent on the credit risk of the loan as follows:

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

Impairment

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

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

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

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

Significant increase in credit risk

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

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 90 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

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

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

Definition of default

For purposes of internal credit risk management purposes, the group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group considers that default has occurred when a loan instalment is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

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

Measurement and recognition of expected credit losses

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

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

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

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

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

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 22).

Credit risk

Details of credit risk related to loans and advances are included in the specific notes and the financial instruments and risk management (note 35).

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of loans and advances is included in profit or loss in derecognition gains (losses) on financial assets at amortised cost.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 12).

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

Recognition and measurement

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

They are subsequently measured at amortised cost.

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

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income (note 25).

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

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit-impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

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

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

Measurement and recognition of expected credit losses

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

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 12.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 22).

Write-off policy

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

Credit risk

Details of credit risk are included in the trade and other receivables note (note 12) and the financial instruments and risk management note (note 35).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Trade and other payables

Classification

Trade and other payables (note 17), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

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

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

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

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 26).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 35 for details of risk exposure and management thereof.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

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

Derecognition

Financial assets

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

Financial liabilities

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

Reclassification

Financial assets

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

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

Financial liabilities

Financial liabilities are not reclassified.

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

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

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 profit or loss for the period, except to the extent that the tax arises from:

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

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

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

1.10 Leases

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

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

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

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

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense (note 22) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However, as an exception to the preceding paragraph, the group has elected not to separate the non-lease components for leases of land and buildings.

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

Lease liability

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

Lease payments included in the measurement of the lease liability comprise the following:
- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;
- the exercise price of purchase options, if the group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 22).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 26).

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:
- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;

- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

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

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:
- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

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

Group as lessor

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Operating lease income is included in revenue (note 20).

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Impairment of assets

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

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

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

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.13 Share capital and equity

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

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the group in which they are declared.

1.14 Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

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

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.15 Provisions and contingencies

Provisions are recognised when:
- the group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be 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 business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - 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.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 32.

1.16 Government grants

Government grants are recognised when there is reasonable assurance that:
- the group will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income.

Grants related to income are presented as a credit in the profit or loss (separately).

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.17 Revenue from contracts with customers

Revenue is income arising in the course of an entity's ordinary activities. The group recognises service revenue from the following major sources:
- Business management services
- Travel services
- Strategy and Human Capital consulting services
- Levies and services provided to tenants

The group also recognises rental income on its investment property portfolio as revenue. Please refer to note 1.9 Leases.

A contract with a customer is recognised when all of the following criteria are met:
- the contract has been approved and all parties of the contract are committed to performing their respective obligations;
- each party's rights regarding the good and services to be transferred are identifiable;
- payment terms for the goods or services to be transferred are identifiable;
- the contract has commercial substance; and
- it is probable that the consideration in exchange for the goods or services that will be transferred will be collected.

At the inception of a contract, the services promised in the contract are assessed and a performance obligation is identified for each promise to transfer to the customer either:
- a service that is distinct; or
- a series of distinct services that are substantially the same and that have the same pattern of transfer.

Revenue is recognised when or as the performance obligation is satisfied by the transferring of the promised service to a customer.

The group allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the group expects to be entitled in exchange for transferring the promised services to the customer.

Provision of services

The group provides management, travel and support services. Revenue from providing services is recognised in the accounting period in which the services are rendered.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to management.

If the contract includes an hourly fee, revenue is recognised in the amount to which the group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

1.18 Irregular and Fruitless & Wasteful Expenditure

Irregular Expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including:
- PFMA, or
- the State Tender Board Act, No 86 of 1968, or any regulations made in terms of the Act: or
- any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

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.

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 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 expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register. Irregular expenditure is expenditure that is contrary to the Act or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the statement of profit or loss and comprehensive income and where recovered, it is subsequently accounted for as revenue in the statement of profit or loss and comprehensive income.

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 profit or loss and comprehensive income in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of profit or loss and comprehensive income.

Revenue from the recovery of Irregular and Fruitless and Wasteful Expenditure

Revenue from the recovery of irregular and fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Public Finance Management Act (Act No.1 of 1999) and is recognised when the recovery from the responsible officials is virtually certain. Such revenue is based on legislated procedures.

1.19 Commitments

A financial commitment is a commitment to an expense at a future date as of the balance sheet date. Commitments are not reported as liabilities as of the balance sheet date but are reported in the notes to the financial statements. Commitments revolves around the designation of funds for capital projects including any future liability. Such commitments arise when an award for the procurement for capital goods is issued to a service provider. The disclosed value of the commitment is the value of the contract awarded, as adjusted from time to time, excluding VAT, less the cumulative value of work completed and invoiced for at the reporting date. The group discloses commitments for capital expenditure in note 31.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 April 2021 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	1 January 2023	Unlikely there will be a material impact
Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	1 January 2022	Unlikely there will be a material impact
Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	1 January 2022	Unlikely there will be a material impact

3. PROPERTY, PLANT AND EQUIPMENT

	2021			2020 Restated		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Land	28,550	-	28,550	28,550	-	28,550
Buildings	383,173	(133,830)	249,343	383,173	(118,503)	264,670
Marine vessels and equipment	9,531	(496)	9,035	-	-	-
Furniture and fixtures	11,160	(3,889)	7,271	11,006	(3,485)	7,521
Motor vehicles	38,248	(15,371)	22,877	39,203	(12,853)	26,350
IT equipment	8,909	(1,983)	6,926	8,792	(2,430)	6,362
Hospitality equipment	10,775	(1,584)	9,191	10,456	(523)	9,933
Other property, plant and equipment	11,357	(5,758)	5,599	15,569	(7,900)	7,669
Capital - Work in progress	6,395	-	6,395	9,787	-	9,787
Total	**508,098**	**(162,911)**	**345,187**	**506,536**	**(145,694)**	**360,842**

	2019 Restated		
	Cost or revaluation	Accumulated depreciation	Carrying value
	R'000	R'000	R'000
Land	28,550	-	28,550
Buildings	287,494	(104,210)	183,284
Marine vessels and equipment	-	-	-
Furniture and fixtures	8,968	(7,177)	1,791
Motor vehicles	35,608	(33,309)	2,299
IT equipment	6,323	(4,083)	2,240
Hospitality equipment	-	-	-
Other property, plant and equipment	15,053	(10,923)	4,130
Capital - Work in progress	73,272	-	73,272
Total	**455,268**	**(159,702)**	**295,566**

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Transfers	Write offs	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Land	28,550	-	-	-	-	28,550
Buildings	264,670	-	-	-	(15,327)	249,343
Marine vessels and equipment	-	-	9,531	-	(496)	9,035
Furniture and fixtures	7,521	706	98	(481)	(573)	7,271
Motor vehicles	26,350	2,963	-	(1,659)	(4,777)	22,877
IT equipment	6,362	2,567	-	(1,309)	(694)	6,926
Hospitality Equipment	9,933	319	-	-	(1,061)	9,191
Other property, plant and equipment	7,669	1,796	-	(2,223)	(1,643)	5,599
Capital - Work in progress	9,787	6,237	(9,629)	-	-	6,395
Total	**360,842**	**14,588**	**-**	**(5,672)**	**(24,571)**	**345,187**

Reconciliation of property, plant and equipment - 2020 Restated

	Opening balance	Additions	Transfers	Write offs	Other changes, movements	Depreciation	Change in estimate	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Land	28,550	-	-	-	-	-	-	28,550
Buildings	183,284	22,408	73,272	-	-	(14,294)	-	264,670
Furniture and fixtures	1,791	2,123	-	(351)	264	(529)	4,223	7,521
Motor vehicles	2,299	14,442	-	(688)	-	(2,115)	12,412	26,350
IT equipment	2,240	2,468	-	-	-	(513)	2,167	6,362
Hospitality equipment	-	10,455	-	-	-	(522)	-	9,933
Other property, plant and equipment	4,130	1,225	-	(78)	(76)	(1,386)	3,854	7,669
Capital - Work in progress	73,272	9,787	(73,272)	-	-	-	-	9,787
Total	**295,566**	**62,908**	**-**	**(1,117)**	**188**	**(19,359)**	**22,656**	**360,842**

Reconciliation of property, plant and equipment - 2019 Restated

	Opening balance	Additions	Disposals	Transfers	Other changes, movements	Depreciation	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Land	28,550	-	-	-	-	-	28,550
Buildings	185,664	-	-	9,073	(39)	(11,414)	183,284
Furniture and fixtures	2,116	455	-	-	-	(780)	1,791
Motor vehicles	1,604	1,533	-	-	-	(838)	2,299
IT equipment	2,790	437	(95)	-	-	(892)	2,240
Other property, plant and equipment	3,661	2,529	-	-	-	(2,060)	4,130
Capital - Work in progress	82,345	-	-	(9,073)	-	-	73,272
Total	**306,730**	**4,954**	**(95)**	**-**	**(39)**	**(15,984)**	**295,566**

Property, plant and equipment notes

No assets have been encumbered by the company.

Changes in estimates

The company reassesses the useful lives and residual values of items of the company at the end of each reporting period, in line with the accounting policy and IAS 16 Property, plant and equipment. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information.

Details of PPE

Registers with details of PPE are available for inspection by shareholders or their duly authorised representatives at the business address of the group.

4. LEASES (GROUP AS LESSEE)

The group leases several assets, including buildings and IT equipment. The average lease term is 3 years.

The group adopted IFRS 16 for the first time in the current financial period. Comparative figures have been accounted for in accordance with IAS 17 and accordingly, any assets recognised under finance leases in accordance with IAS 17 for the comparative have been recognised as part of property, plant and equipment. The information presented in this note for right-of-use assets therefore only includes the current period.

Additions to right-of-use assets

Additions to ROU Assets	Opening balance	Additions	Depreciation	Closing balance
	R'000	R'000	R'000	R'000
Leasehold Property	1,157	-	(667)	490
IT Equipment	749	-	(437)	312
	1,906	**-**	**(1,104)**	**802**

Lease liability movement

	Opening balance	Additions	Interest Expense	Cash Flows	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Leasehold Property	1,238	-	88	(796)	530
IT Equipment	809	-	56	(542)	323
	2,047	**-**	**144**	**(1,338)**	**853**

Finance lease liabilities

The maturity analysis of lease liabilities is as follows:	2021	2020 Restated	2019 Restated
	R'000	R'000	R'000
Within one year	735	1,194	-
Two to five years	118	853	-
	853	**2,047**	**-**
Non-current liabilities	118	853	-
Current liabilities	735	1,194	-
	853	**2,047**	**-**

5. INVESTMENT PROPERTY

	2021			2020 Restated		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Investment property	6,036,154	-	6,036,154	5,631,202	-	5,631,202

	2019 Restated		
	Cost / Valuation	Accumulated depreciation	Carrying value
	R'000	R'000	R'000
Investment property	5,488,662	-	5,488,662

Reconciliation of investment property - 2021

	Opening balance	Additions	Disposals	Other changes, movements	Fair value adjustments	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Investment property	5,631,202	418,491	(13,800)	(1,132)	1,393	6,036,154

Reconciliation of investment property - 2020 Restated

	Opening balance	Additions	Other changes, movements	Fair value adjustments	Total
	R'000	R'000	R'000	R'000	R'000
Investment property	5,488,662	153,971	(13)	(11,418)	5,631,202

Reconciliation of investment property - 2019 Restated

	Opening balance	Additions	Other	Fair value adjustments	Total
	R'000	R'000	R'000	R'000	R'000
Investment property	5,414,528	215,624	40	(141,530)	5,488,662

The company's investment properties, comprising the construction village, commercial centre, tenanted properties, developed zones and logistics park, were last comprehensively valued on 31 March 2019 by independent external valuers, Marsh (Pty) Limited, who are registered as Professional Valuers in terms of section 22 of the Property Valuers Profession Act, 2000 (No 47 of 2000).

The individual land components within Zones 1 to 5 have been based on fully serviced land and leasehold improvements. Zone 6 was valued based on partially serviced land. Zones 7-14 were based on bulk land plus the value of improvements (top structures).

The Logistics Park was valued as leasehold land. The Construction Village valuations were based on fully serviced land and improvements.

Tenanted properties were valued in terms of the investment method/income approach or using a discounted cash flow. The Construction Village has been valued using the comparable sales approach and the commercial centre on the depreciated replacement cost method. Serviced and bulk land were valued using the comparable sales approach.

On an annual basis, in between external valuations, management performs a valuation of newly completed investment properties using an income and/or discounted cash flow approach.

Included in investment property are investment properties under construction. Such properties are accounted for at cost until completed.

Included in capital work in progress as at 31 March 2021 is a cumulative amount of R84 million (2020: R84 million; 2019 R81 million) reflecting expenditure on a return effluent water reservoir. This reservoir forms part of a larger return effluent scheme still to be completed and which is designed to supply industrial grade water to SEZ investors. The reservoir has been constructed on land currently owned by Transnet and the company has not yet secured legal rights to the reservoir and the underlying land. However, given the context of the historical land related agreements concluded between the company and Transnet and the current de facto control of and operational responsibility for the reservoir by the company, management are of the opinion that the reservoir is an asset of the company.

Pledged as security

No investment properties have been pledged as security.

Details of property

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the business address of the company.

Amounts recognised in profit and loss for the year

	2021	2020 Restated	2019 Restated
	R'000	R'000	R'000
Rental income from investment property	257,440	229,763	290,078

Direct operating expenses for investment property are included in total operating expenditure. The detailed income statement on page 187 provides a detailed breakdown of operating expenditure including specific direct operating expenses such as repairs and maintenance and municipal expenses.

6. INTANGIBLE ASSETS

	2021			2020 Restated		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software, other	66,851	(41,857)	24,994	62,653	(38,331)	24,322

	2019 Restated		
	Cost / Valuation	Accumulated amortisation	Carrying value
	R'000	R'000	R'000
Computer software, other	62,178	(61,488)	690

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
	R'000	R'000	R'000	R'000
Computer software, other	24,322	4,198	(3,526)	24,994

Reconciliation of intangible assets - 2020 Restated

	Opening balance	Additions	Amortisation	Change in estimate	Total
	R'000	R'000	R'000	R'000	R'000
Computer software, other	690	476	(3,291)	26,447	24,322

Reconciliation of intangible assets - 2019 Restated

	Opening balance	Additions	Amortisation	Total
	R'000	R'000	R'000	R'000
Computer software, other	914	1,274	(1,498)	690

Other information

The group reassesses the useful lives and residual values of items of intangible assets at the end of each reporting period, in line with the accounting policy and IAS 38 Intangible assets. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information.

Registers with details of intangible assets are available for inspection by shareholders or the duly authorised representatives at the business address of the group.

7. INTERESTS IN GROUP COMPANIES

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's separate financial statements.

Subsidiaries

	% voting power 2021	% voting power 2020	Carrying amount 2021	Carrying amount 2020
Rapid Infrastructure Development Agency (Pty) Ltd	100	100	-	-
Coega Development Foundation NPO	100	100	-	-

The voting power % and carrying amounts for 2019 were consistent with the values above for both subsidiaries.

8. OPERATING LEASE SMOOTHING ASSET/(DEFERRED LEASE INCOME)

	2021 R'000	2020 Restated R'000	2019 Restated R'000
Non-current assets	349,672	343,286	346,004
Non-current liabilities	(137,820)	(139,099)	(140,744)
Current liabilities	(1,646)	(1,716)	(1,749)
	210,206	**202,471**	**203,511**

IFRS 16 and IAS 17 both require the straight lining (averaging) of operating lease (rental) income by lessors. The application of IAS 17 has resulted in the acceleration of the recognition of rental income for certain leases within the Company's portfolio of leases while for other leases the application of IAS 17 has resulted in the deferral of rental income invoiced and received in terms of the lease agreements. Specifically, large upfront lease premiums received from Namascene and BAIC resulted in the postponement of lease income under IAS 17. The table above sets out the liability created for leases where lease income recognition has been deferred together with the asset created for leases where lease income has been accelerated. The net amount of R210,2m (2020: R202,5m; 2019 R203,6m) reflects the cumulative aggregate amount by which rental income in the statement of financial performance has been adjusted. In 2020/21 rental income was increased by R7,6m (2020 decreased by R1,1m) as a result of straight lining.

9. DEFERRED TAX

Deferred tax liability

	2021 R'000	2020 Restated R'000	2019 Restated R'000
Temporary Differences	(470,673)	(442,969)	(453,093)

Deferred tax asset

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

	2021 R'000	2020 Restated R'000	2019 Restated R'000
Deferred tax liability	(470,673)	(442,969)	(453,093)
Deferred tax liabilities			
Investment property	(431,298)	(434,183)	(437,379)
Operating lease smoothing	(58,856)	(56,712)	(57,012)
Right of use assets	(224)	(534)	-
PPE	(12,918)	(13,129)	-
Prepaid expenses	(4,001)	(280)	-
Deferred tax assets			
Provision for incentive payments	7,233	12,499	7,362
Provision for leave pay	5,206	4,318	4,330
Expected credit losses	541	4,262	1,437
Income received in advance	23,405	24,884	28,169
Lease liability	239	573	-
Assessed loss	-	15,333	-
Total deferred tax balance	**(470,673)**	**(442,969)**	**(453,093)**

Reconciliation of deferred tax asset / (liability)

	2021 R'000	2020 Restated R'000	2019 Restated R'000
At beginning of year	(442,969)	(453,093)	(440,971)
Opening balance adjustment arising from IFRS 9 implementation	-	-	(43,874)
Reversing temporary difference on investment property	2,884	3,197	53,942
Reversing (Originating) temporary difference on operating lease smoothing asset	(2,146)	302	(17,251)
Originating temporary difference on IFRS 16 Right-of-use asset	309	(534)	-
Originating (reversing) temporary difference on provision for performance incentives	(5,266)	5,136	73
Reversing temporary difference on provision for leave pay	889	(21)	(51)
Originating (reversing) temporary difference on expected credit losses	(3,719)	2,825	(991)
Reversing temporary difference on income received in advance	(1,478)	(809)	(14)
Originating temporary difference on IFRS 16 Lease liability	(334)	573	-
Originating (reversing) temporary difference on assessed loss	(15,333)	12,584	-
Originating temporary difference on PPE	210	(13,129)	(2,947)
Derecognition of opening deferred tax asset	-	-	(1,009)
Originating temporary difference on prepaid expenses	(3,720)	-	-
	(470,673)	**(442,969)**	**(453,093)**

Unrecognised deferred tax asset

	2021 R'000	2020 Restated R'000	2019 Restated R'000
Deductible temporary differences not recognised as deferred tax assets	11,481	4,733	358
Unused tax losses not recognised as deferred tax assets	21,411	10,245	6,716
	32,892	**14,978**	**7,074**

The unrecognised deferred tax assets above relate to Rapid Infrastructure Development Agency (Pty) Limited. Certain immaterial prior year adjustments relating to 31 March 2020 were made which increased the total unrecognised deferred tax asset for that year by R1,2m from R13,7m to R14,9m.

Use and sales rate

The deferred tax rate applied to the fair value adjustments of investment properties/ financial assets is determined by the expected manner of recovery. Where the expected recovery of the investment property/financial assets is through sale, the capital gains tax rate of 22% (2020: 22% ; 2019: 22%) is used. If the expected manner of recovery is through indefinite use, the normal tax rate of 28% (2020: 28% ; 2019: 28%) is applied.

If the manner of recovery is partly through use and partly through sale, a combination of capital gains rate and normal tax rate is used.

The deferred tax on the fair value adjustments on investment properties/financial assets comprises of:

R431million (2020: R434 million; 2019: R437 million) at the normal tax rate.

10. INVENTORIES

	2021 R'000	2020 Restated R'000	2019 Restated R'000
Other inventories for sale	333	310	279

11. LOANS AND ADVANCES

Loans and advances are presented at amortised cost, which is net of loss allowance, as follows:

	2021 R'000	2020 Restated R'000	2019 Restated R'000
Loans and advances	37,353	47,567	40,085
Split between non-current and current portions			
Current assets	37,353	47,567	40,085

Exposure to credit risk

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

In order to mitigate the risk of financial loss from defaults, the group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained in all cases. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Loans and advances are subject to the impairment provisions of IFRS 9 Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for loans and advances is calculated based on twelve month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses. The loss allowance is updated to either twelve month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition. On the other hand, if a loan is in arrears more than 90 days, then it is assumed that there has been a significant increase in credit risk since initial recognition.

In determining the amount of expected credit losses, the group has taken into account any historic default experience, the financial positions of the counterparties as well as the future prospects in the industries in which the counterparties operate or are employed. This information has been obtained from the counterparties themselves, as well as from economic reports, financial analyst reports and various external sources of actual and forecast data, and is applied to estimate a probability of default occurring as well as estimating the loss upon default.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below.

The group does not hold collateral or other credit enhancements against loans and advances.

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for loans and advances by credit rating grade:

2021

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans and advances	N/a	12m ECL	56,488	(19,135)	37,353

2020

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans and advances	N/a	12m ECL	49,898	(2,331)	47,567

2019

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans and advances	N/a	12m ECL	40,423	(338)	40,085

Reconciliation of loss allowances

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

Loans and advances: Loss allowance measured at 12-month ECL:

	2021 R'000	2020 Restated R'000	2019 Restated R'000
Opening balance in accordance with IAS 39 Financial Instruments: Recognition and Measurement	-	-	124
Adjustments upon application of IFRS 9	-	-	134
Opening balance	**2,331**	**338**	**258**
Charge for the year	16,804	1,993	80
Closing balance	**19,135**	**2,331**	**338**

Fair value of loans and advances

The fair value of loans and advances approximates their carrying amounts.

12. TRADE AND OTHER RECEIVABLES

	2021 R'000	2020 Restated R'000	2019 Restated R'000
Financial instruments:			
Trade receivables	168,823	147,624	183,357
Loss allowance	(23,580)	(26,176)	(6,889)
Trade receivables at amortised cost	145,243	121,448	176,468
Deposits	756	756	756
Other receivable	1,339	466	169
Non-financial instruments:			
VAT	10,175	-	-
Total trade and other receivables	**157,513**	**122,670**	**177,393**

Split between non-current and current portions

	2021 R'000	2020 Restated R'000	2019 Restated R'000
Current assets	157,513	122,670	177,393

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

	2021 R'000	2020 Restated R'000	2019 Restated R'000
At amortised cost	147,338	122,670	177,393
Non-financial instruments	10,175	-	-
	157,513	**122,670**	**177,393**

Exposure to credit risk

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

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

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

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward-looking information and general economic conditions of the industry as at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

	2021 R'000	2020 Restated R'000	2019 Restated R'000
Opening balance in accordance with IAS 39 Financial Instruments: Recognition and Measurement	-	-	220,614
Adjustments upon application of IFRS 9	-	-	(209,055)
Opening balance	**26,176**	**6,889**	**11,559**
Charge for the year	(2,596)	19,287	(4,670)
Closing balance	**23,580**	**26,176**	**6,889**

Trade receivables to the extent of R10 million have been written off but are subject to enforcement activity.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2021	2020 Restated	2019 Restated
	R'000	R'000	R'000
Cash on hand	17	34	44
Bank balances	489,396	648,202	563,568
Short-term deposits	751,659	774,909	287,157
	1,241,072	**1,423,145**	**850,769**

The bank and cash balances above include funds held which are not available to the CDC amounting to R1,079 million (2020: R1,342 million; 2019 R779 million). R666 million (2020: R763 million; 2019 R289 million) of this are funds earmarked for special projects, and of which the corresponding liability is disclosed as deferred grant income.

14. SHARE CAPITAL

	2021	2020 Restated	2019 Restated
Authorised	**Rands**	**Rands**	**Rands**
1,000,000 Ordinary shares of 1c each	10,000	10,000	10,000
1 "A" Class shares of R1	1	1	1
	10,001	**10,001**	**10,001**
Issued	**R'000**	**R'000**	**R'000**
Ordinary	7	7	7
Share premium	1,264,551	1,264,551	1,264,551
	1,264,558	**1,264,558**	**1,264,558**

15. PROVISIONS

	Opening Balance	Additions	Utilised during the year	Paid out during the year	Adjustments	Total
Reconciliation of provisions - 2021						
Provision for performance incentives	44,639	25,843	-	(44,651)	-	25,831
Provision for leave pay	15,389	24,429	(20,099)	(2,024)	899	18,594
	60,028	**50,272**	**(20,099)**	**(46,675)**	**899**	**44,425**
Reconciliation of provisions - 2020 Restated						
Provision for performance incentives	26,293	44,599	-	(26,253)	-	44,639
Provision for leave pay	15,463	22,951	(22,272)	(1,520)	767	15,389
	41,756	**67,550**	**(22,272)**	**(27,773)**	**767**	**60,028**
Reconciliations of provisions - 2019 Restated						
Provision for performance incentives	26,034	26,293	-	(26,034)	-	26,293
Provision for leave pay	15,646	22,635	(22,197)	(1,752)	1,131	15,463
	41,680	**48,928**	**(22,197)**	**(27,786)**	**1,131**	**41,756**

16. INCOME RECEIVED IN ADVANCE

	2021 R'000	2020 Restated R'000	2019 Restated R'000
Non-current portion			
On the 8th of December 2010, CDC concluded a 12 year agreement with Souvaris in respect of the General Motors South Africa property. Effectively CDC has ceded and assigned its rights, title and obligations in the GMSA lease to Souvaris. Souvaris in return paid an amount of R125 million to CDC which represents future rentals.	17,362	27,779	38,194
On the 1st February 2015, CDC concluded a 50 year agreement with MSC, who made an upfront payment of R19.8m for the lease contract.	16,961	17,357	17,754
	34,323	**45,136**	**55,948**

	2021 R'000	2020 Restated R'000	2019 Restated R'000
Current portion			
On the 8th of December 2010, the CDC concluded a 12-year agreement with Souvaris in respect of the General Motors South Africa property. Effectively CDC has ceded and assigned its rights, title and obligations in the GMSA lease to Souvaris. Souvaris in return paid an amount of R125 million to CDC which represents future rentals.	10,417	10,417	10,417
On the 1st of February 2015, CDC concluded a 50-year agreement with MSC, who made an upfront payment of R19.8m for the lease contract.	396	396	396
	10,813	**10,813**	**10,813**

17. TRADE AND OTHER PAYABLES

	2021 R'000	2020 Restated R'000	2019 Restated R'000
Financial instruments:			
Trade payables	215,790	190,067	98,091
Project payables	393,841	578,491	491,285
Accrued audit fees	-	65	-
Deposits received	35,960	52,672	28,525
Other payables	23,477	13,574	14,881
Non-financial instruments:			
VAT	-	37,700	4,927
	669,068	**872,569**	**637,709**

Exposure to liquidity risk

Refer to note 35 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

18. DEFERRED INCOME

	2021 R'000	2020 Restated R'000	2019 Restated R'000
Government grants			
At beginning of the year	875,595	447,825	500,467
Grants received during the year	238,236	625,429	118,164
Interest earned on unspent grant funds received	25,761	23,508	18,831
Released to income/utilised during the year	(496,490)	(221,167)	(220,656)
- to offset costs	(69,748)	(61,721)	(28,187)
- adjustments	(1,096)	-	-
- SEZ Projects	(425,646)	(159,446)	(161,450)
	643,102	**875,595**	**447,825**

Funding of R238 million was received during the year and R496 million was utilised during the year. The unused portion of R643 million is deferred to the next financial year as the funding is ringfenced for specific projects. The Company may not use the funding other than as directed in the approvals.

19. CURRENT TAX PAYABLE (RECEIVABLE)

Included in current tax payable is an estimate of R61,3m being additional income tax payable for prior financial years arising from prior year adjustments made in the annual financial statements from 2016 to 2020. This estimate is based on prevailing income tax legislation and judgement has been applied in estimating the amount of tax, penalties and interest that will become payable once SARS has assessed the voluntary disclosure programme submission made by the Group. Due to the inherent uncertainties in the applicable legislation and the scope for SARS to apply its own judgement, the final amount of additional tax, penalties and interest may differ from the current estimate. Refer also to note 38.

20. REVENUE

	2021 R'000	2020 Restated R'000
Revenue from contracts with customers		
Sale of goods	3,074	22
Rendering of services	239,949	271,941
Royalty income	97	97
Donations	18	17
	243,138	**272,077**
Revenue other than from contracts with customers		
Rental Income	257,440	229,763
Interest received (trading)	10,598	12,455
	268,038	**242,218**
	511,176	**514,295**

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

	2021 R'000	2020 Restated R'000
Sale of goods		
Catering and bar sales	3,074	22
Rendering of services		
Administration and management fees received	166,066	200,740
Initiation fees	161	9
Other revenue from rendering of services	73,722	71,192
	239,949	**271,941**
Royalty income		
Royalty income	97	97
Other revenue		
Donations received	18	17
Total revenue from contracts with customers	**243,138**	**272,077**

Timing of revenue recognition

	2021 R'000	2020 Restated R'000
At a point in time		
Donations received	3,074	22
Sale of goods	149	83
Sale of goods	18	17
	3,241	**122**
Over time		
Rendering of services	166,078	200,666
Services revenue arising from property leases (rentals)	73,722	71,192
Royalty income	97	97
	239,897	**271,955**
Total revenue from contracts with customers	**243,138**	**272,077**

21. OTHER OPERATING INCOME

	2021 R'000	2020 Restated R'000
Fees earned	350	441
Sundry income	12,141	4,822
Government grants	502,027	217,466
	514,518	**222,729**

22. OPERATING PROFIT (LOSS)

Operating profit for the year is stated after charging (crediting) the following, amongst others:

	2021 R'000	2020 Restated R'000
Auditor's remuneration - external		
Audit fees	3,140	4,647
Remuneration, other than to employees		
Consulting and professional services	19,375	20,027
Employee costs		
Salaries, wages, bonuses and other benefits	303,057	300,232
Funeral scheme	171	177
Relocation allowances	22	28
Other short-term costs	3,989	3,584
Retirement benefit plans: defined contribution expense	20,985	19,894
Total employee costs	**328,224**	**323,915**

	2021 R'000	2020 Restated R'000
Leases		
Operating lease charges		
Premises	506	3,239
Furniture and equipment	128	906
	634	**4,145**
Depreciation and amortisation		
Depreciation of property, plant and equipment	24,571	19,359
Depreciation of right-of-use assets	1,104	1,153
Amortisation of intangible assets	3,526	3,291
Total depreciation and amortisation	**29,201**	**23,803**
Movement in credit loss allowances		
Trade and other receivables	14,208	21,280
Other		
Research costs	974	386

Expenses by nature

The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

	2021 R'000	2020 Restated R'000
Employee costs	328,224	323,915
Lease expenses	634	4,145
Depreciation, amortisation and impairment	29,201	23,803
Other expenses	256,507	261,615
	614,566	**613,478**

23. EMPLOYEE COST

	2021 R'000	2020 Restated R'000
Employee costs		
Basic	257,920	240,820
Performance incentives	25,843	45,399
Medical aid - company contributions	9,924	8,423
UIF	857	747
WCA	535	502
SDL	2,785	2,773
Leave pay provision charge	5,193	1,568
Funeral scheme benefits	171	177
Short-term benefit 2 (Filtered)	22	28
Other short-term costs	3,989	3,584
Retirement benefit plans	20,985	19,894
	328,224	**323,915**
Total employee costs		
Direct employee costs	-	-
Indirect employee costs	328,224	323,915
	328,224	**323,915**

Analysis of Employee cost paid (excluding directors, refer to note 34 for analysis of directors remuneration)

	Salary	Other Short-Term Benefits	Performance Incentive Paid	Total Cost to Company 2021	Total Cost to Company 2020 Restated
	R'000	R'000	R'000	R'000	R'000
Executive management and programme directors	36,430	6,587	14,598	57,885	44,808
Other employees	216,930	36,690	22,866	276,487	251,862
	253,360	**43,277**	**37,464**	**334,372**	**296,670**

Included in the above-mentioned employee costs are costs for the following key management personnel:

Key management personnel (other than directors)

	Salary	Other Short-Term Benefits	Performance Incentive Paid	Total Cost to Company 2021	Total Cost to Company 2020 Restated
	R'000	R'000	R'000	R'000	R'000
L Billings	2,467	495	1,953	4,915	3,082
T Ngxekana	1,285	342	369	1,996	1,727
N Keti	-	-	-	-	211
Z Kunene	1,569	268	291	2,128	2,057
T Poswa	1,464	213	481	2,158	1,855
V. Heynes	1,262	205	303	1,771	1,538
Z Mqhatu	1,652	225	316	2,193	2,130
S Simayi	1,642	161	478	2,281	2,186
H van der Kolf	1,976	516	1,176	3,668	3,117
F Ndema	1,412	197	112	1,721	1,648
T Koza	2,780	383	2,208	5,371	3,973
D Lefutso	1,993	347	660	3,000	2,520
C Mashigo	-	-	-	-	1,753
M Mawasha	2,191	343	219	2,754	2,425
C Mbande	2,093	662	1,635	4,390	3,269
B Mthembu	2,125	642	2,317	5,084	3,479
G Moyo	1,191	174	229	1,593	-
K Byrne	3,445	389	1,699	5,533	3,592
A van Jaarsveldt	2,095	139	512	2,745	2,565
T Jack	1,361	403	-	1,765	604
M Mabula	2,337	482	-	2,819	1,077
	36,340	**6,586**	**14,958**	**57,885**	**44,808**

Number of persons employed during the year:

	2021	2020 Restated
Fixed term contract	191	172
Permanent	247	235
Temporary	1	-
	439	**407**

24. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

	2021 R'000	2020 Restated R'000
Depreciation		
Property, plant and equipment	24,571	19,359
Right-of-use assets	1,104	1,153
	25,675	20,512
Amortisation		
Intangible assets	3,526	3,291
Total depreciation, amortisation and impairment		
Depreciation	25,675	20,512
Amortisation	3,526	3,291
Impairment losses	-	-
	29,201	**23,803**

25. INVESTMENT INCOME

	2021 R'000	2020 Restated R'000
Interest income **Investments in financial assets:**		
Bank and other cash	2,189	3,185

26. FINANCE COSTS

	2021 R'000	2020 Restated R'000
Trade and other payables	6,435	2,874
Late payment of tax (Tax authorities)	4,849	4,841
Lease liabilities interest expense	143	222
Total finance costs	**11,427**	**7,937**

27. OTHER NON-OPERATING GAINS (LOSSES)

	Note	2021 R'000	2020 Restated R'000
Gains (losses) on disposals, scrappings or settlements			
On disposal of PPE and investment property		407,314	(950)
Fair value gains (losses)			
Investment property	5	1,393	(11,418)
Total other non-operating gains (losses)		**408,707**	**(12,368)**

28. TAXATION

Major components of the tax (income) expense

	2021 R'000	2020 Restated R'000
Current		
Local income tax - current period	76,996	10
Local income tax - recognised in current tax for prior periods	(12,008)	38,864
	64,988	**38,874**
Deferred		
Originating and reversing temporary differences	27,704	(10,124)
Other deferred tax	-	-
	27,704	**(10,124)**
	92,692	**28,750**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2021 R'000	2020 Restated R'000
Accounting profit	796,389	85,156
Tax at the applicable tax rate of 28% (2020: 28%)	222,989	23,844
Tax effect of adjustments on taxable income		
Income tax recognised in current tax for prior periods	(12,002)	38,864
Tax effect of capital gains inclusion rate	(22,662)	-
Exempt income: donations received	(5)	-
Current year tax losses not recognised	5,905	1,159
Non deductible expenses	6,846	6,090
Exempt income: government grants	(108,379)	(41,207)
	92,692	**28,750**
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax asset has been recognised.	32,892	14,979

29. CASH (USED IN)/GENERATED FROM OPERATIONS

	2021 R'000	2020 Restated R'000
Profit before taxation	796,389	85,156
Adjustments for:		
Depreciation and amortisation	29,201	23,803
(Gains) losses on disposals, scrappings and settlements of assets and liabilities	(407,314)	1,126
Interest income	(2,189)	(3,185)
Finance costs	11,427	7,937
Fair value (gains) losses	(1,393)	11,418
Net impairments and movements in credit loss allowances	14,208	21,280
Movements in operating lease assets and accruals	(7,735)	1,040
Movements in provisions	(15,603)	18,272
Non-cash flow adjustments to PPE, Investment Property and Intangible Assets	1,342	(49,287)
Deferred income released	(496,490)	(221,167)
Income received in advance	(10,813)	(10,813)
Changes in working capital:		
Inventories	(23)	(31)
Trade and other receivables	(32,247)	33,443
Prepayments	(28,081)	(4,653)
Loans and advances	(6,590)	(7,482)
Trade and other payables	(203,501)	234,861
	(359,412)	**141,718**

30. TAX REFUNDED (PAID)

	2021 R'000	2020 Restated R'000
Balance at beginning of the year	(79,731)	(36,017)
Current tax for the year recognised in profit or loss	(64,988)	(38,874)
Balance at end of the year	79,194	79,731
	(65,525)	**4,840**

31. COMMITMENTS

Authorised capital expenditure

	2021 R'000	2020 Restated R'000
Already contracted for but not provided for		
Property, plant and equipment	372,747	307,598

This committed expenditure will be financed by grant funding, existing cash resources and other internally generated funds.

Operating leases – as lessee (expense)

Refer to note 4 for details of lease commitments under IFRS 16.

Operating leases – as lessor (income)

	2021 R'000	2020 Restated R'000
Minimum lease payments due		
First year	169,642	162,085
Second year	168,663	152,938
Third year	141,193	151,895
Fourth year	132,858	130,556
Fifth year	112,733	124,592
Sixth year and onwards	962,074	1,069,947
	1,687,163	**1,792,013**

32. CONTINGENCIES

The CDC had claims by various third parties arising from contractual disputes which are still unresolved, and the outcome of these claims cannot be reliably assessed at year end. The total value of such potential claims is estimated at R52.1 million (2020: R23.9 million).

Land Arbitrations:

The price of certain land which has been acquired in the Coega Special Economic Zone is subject to arbitration. The dispute is between Ntinga Property Investment (Pty) Ltd and CDC. The dispute arises out of a sale agreement entered into between Ntinga (the seller) and Coega (the purchaser) in respect of certain immovable property as well as the purchase and sale of mineral rights on the property and the mining license in relation to such mining rights. The matter was referred to arbitration as provided by the sale agreement. The claimant has not taken any further steps to pursue the matter. The matter is therefore dormant at this stage. Management's assessment of the case is that the matter will not have an impact on the annual financial statements.

Contingent asset - counter claim against the Nelson Mandel Bay Municipality:

Included in trade and other payables is an amount of R126 million owing to the Nelson Mandela Bay Municipality for rates and service/utlity charges. The company has lodged a counter claim against the municipality for R106 million in respect of payments made to service providers by the company on behalf of the municipality. At the date of signature of these financial statements, a formal acknowledgement of debt had not been issued by the municipality.

Guarantees and other credit facilities:

The CDC holds guarantees amounting to R764 025 with First National Bank, issued in favour of International Air Transport Association, the licensing authority for the Company's travel licence. The guarantees do not have a maturity date. In addition, the CDC has credit card facilities with a combined limit of R350 000, petrol cards to the value of R1 200 000 held with Wesbank.

33. RELATED PARTIES

The Eastern Cape Department of Economic Development Environmental Affairs and Tourism is the Executive Authority in terms of the PFMA. The Eastern Cape Department of Economic Development Environmental Affairs and Tourism holds all the issued ordinary shares. Grants received from government during the year are fully disclosed in notes 21 and 18. There were no further transactions with related parties during the year other than those disclosed in this note. Details regarding directors' emoluments and key/executive management compensation are disclosed in note 23 as well as note 34.

Relationships:

Holding company:	Eastern Cape Department of Economic Development, Environmental Affairs and Tourism
Subsidiaries:	Refer to note 7

Related party balances

	2021 R'000	2020 Restated R'000
Loan accounts - Owing (to) by related parties		
Rapid Infrastructure Development Agency (Pty) Ltd	70,025	59,626
Amounts included in Loan accounts regarding related parties		
Expenses paid on behalf of Rapid Infrastructure Development Agency (Pty) Ltd	9,581	10,768
Rental income received from Rapid Infrastructure Development Agency (Pty) Ltd	817	856
Other related party transactions - grants received		
Department of Economic Development Environment Affairs and Tourism	163,647	59,522
Loan accounts - Owing (to) by related parties		
Coega Development Foundation NPO	-	5

34. DIRECTORS' EMOLUMENTS

Executive

	Emoluments	Performance incentive	Total Cost to Company	Emoluments	Performance incentive	Total Cost to Company
	2021	2021	2021	2020 Restated	2020 Restated	2020 Restated
	R'000	R'000	R'000	R'000	R'000	R'000
M.P. Silinga (Chief Executive)	3,225	6,775	10,000	5,512	2,089	7,601
K.V. Tiya (Chief Executive)	1,211	-	1,211	-	-	-
	4,436	**6,775**	**11,211**	**5,512**	**2,089**	**7,601**

Non-executive

	Directors' Fees	Total Cost to Company	Directors' Fees	Total Cost to Company
	2021	2021	2020 Restated	2020 Restated
	R'000	R'000	R'000	R'000
Dr. P. Jourdan (Chairperson)	312	312	271	271
A. Mjekula (Deputy Chairperson)	464	464	215	215
X. Bomela	-	-	15	15
J. de Bruyn	-	-	97	97
B. Lobishe	-	-	14	14
Y.B.B. Mdyesha	224	224	147	147
M. Mnyande	26	26	124	124
N.P. Mtembu	318	318	167	167
M. Sogoni	-	-	147	147
P. Xuza	221	221	115	115
	1,565	**1,565**	**1,312**	**1,312**

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

Categories of Financial Assets

		2021		
		Amortised cost	Total	Fair value
	Notes	R'000	R'000	R'000
Loans and advances	11	37,353	37,353	37,931
Trade and other receivables	12	147,338	147,338	147,338
Cash and cash equivalents	13	1,241,074	1,241,074	1,241,074
		1,425,765	**1,425,765**	**1,426,343**

		2020 Restated		
		Amortised cost	Total	Fair value
	Notes	R'000	R'000	R'000
Loans and advances	11	47,567	47,567	47,567
Trade and other receivables	12	122,670	122,670	122,670
Cash and cash equivalents	13	1,423,226	1,423,226	1,423,226
		1,593,463	**1,593,463**	**1,593,463**

		2019 Restated		
		Amortised cost	Total	Fair value
	Notes	R'000	R'000	R'000
Loans and advances	11	40,085	40,085	40,085
Trade and other receivables	12	177,393	177,393	177,393
Cash and cash equivalents	13	850,792	850,792	850,792
		1,068,270	**1,068,270**	**1,068,270**

Categories of Financial Liabilities

		2021			
		Amortised cost	Leases	Total	Fair value
	Notes	R'000	R'000	R'000	R'000
Trade and other payables	17	669,068	-	669,068	669,072
Finance lease obligations	4	-	853	853	853
		669,068	**853**	**669,921**	**669,925**

		2020 Restated			
		Amortised cost	Leases	Total	Fair value
	Notes	R'000	R'000	R'000	R'000
Trade and other payables	17	834,869	-	834,869	834,869
Finance lease obligations	4	-	2,047	2,047	2,047
		834,869	**2,047**	**836,916**	**836,916**

	Notes	2019 Restated		
		Amortised cost	Total	Fair value
		R'000	R'000	R'000
Trade and other payables	17	632,781	632,781	632,781

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

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

There are no externally imposed capital requirements.

There have been no changes to what the group manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The capital structure and gearing ratio of the group at the reporting date was as follows:

	Notes	2021 R'000	2020 Restated R'000	2019 Restated R'000
Lease liabilities		853	2,047	-
Trade and other payables	17	669,068	872,569	637,708
Deferred lease income	8	139,465	140,744	142,389
Deferred income		643,102	875,595	447,825
Income received in advance		45,136	55,949	66,761
Total borrowings		**1,497,624**	**1,946,904**	**1,294,683**
Cash and cash equivalents	13	(1,241,072)	(1,423,144)	(850,769)
Net borrowings		**256,552**	**523,760**	**443,914**
Equity		6,133,998	5,430,307	5,373,895
Gearing ratio		4%	10%	8%

Financial risk management

Overview

The group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and/or price risk).

The board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the group's risk management policies. The committee reports quarterly to the board of directors on its activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The group audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The group is exposed to credit risk on trade and other receivables, loans and advances and cash and cash equivalents.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

To calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12-month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12-month expected credit losses. This determination is made at the end of each financial period. The basis of the loss allowance for a specific financial asset could thus change year-on-year.

Management applies the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12-month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 90 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivables which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopts this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward-looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

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

		2021			2020 Restated		
		Gross carrying amount	Credit loss allowance	Amortised cost/ fair value	Gross carrying amount	Credit loss allowance	Amortised cost/ fair value
	Notes	R'000	R'000	R'000	R'000	R'000	R'000
Loans receivable	11	56,488	(19,135)	37,353	49,898	(2,331)	47,567
Operating lease asset	8	349,672	-	349,672	343,286	-	343,286
Trade and other receivables	12	170,918	(23,580)	147,338	148,846	(26,176)	122,670
Cash and cash equivalents	13	1,241,074	-	1,241,074	1,423,226	-	1,423,226
		1,818,152	**(42,715)**	**1,775,437**	**1,965,256**	**(28,507)**	**1,936,749**

		2019 Restated		
		Gross carrying amount	Credit loss allowance	Amortised cost/ fair value
	Notes	R'000	R'000	R'000
Loans receivable	11	40,423	(338)	40,085
Operating lease asset	8	346,004	-	346,004
Trade and other receivables	12	184,282	(6,889)	177,393
Cash and cash equivalents	13	850,792	-	850,792
		1,421,501	**(7,227)**	**1,414,274**

Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and government grants.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

	Notes	2021			
		Less than 1 year	2 to 5 years	Total	Carrying amount
Non-current liabilities					
Finance lease liabilities	4	-	118	118	118
Current liabilities					
Trade and other payables	17	669,072	-	669,072	669,072
Lease liabilities		735	-	735	735
		669,807	**118**	**669,925**	**669,925**
Current assets					
Trade and other receivables	12	157,513	-	157,513	157,513
Loans and advances	11	37,353	-	37,353	37,353
		194,866	-	194,866	194,866
		864,673	**118**	**864,791**	**864,791**

	Notes	2020 Restated				
		Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
Non-current liabilities						
Finance lease liabilities	4	-	735	118	853	853
Current liabilities						
Trade and other payables	17	834,866	-	-	834,866	834,866
Finance lease liabilities		1,194	-	-	1,194	1,194
		836,060	**735**	**118**	**836,913**	**836,913**
Current assets						
Trade and other receivables	12	122,670	-	-	122,670	122,670
Loans and advances	11	47,567	-	-	47,567	46,567
		170,237	-	-	170,237	169,237
		1,006,297	**735**	**118**	**1,007,150**	**1,006,153**

	Notes	2019 Restated		
		Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	17	632,786	632,786	632,781
Current assets				
Trade and other receivables	12	177,393	177,393	177,393
Loans and advances	11	40,085	40,085	40,085
		217,478	217,478	217,478
		850,264	**850,264**	**850,259**

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The group policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Increase or decrease in rate

	2021		2020 Restated		2019 Restated	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Impact on profit or loss:						
Bank and cash deposits	12,410	(12,410)	14,231	(14,231)	8,507	(8,507)

36. FAIR VALUE INFORMATION

Fair value hierarchy

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

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.
Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

Levels of fair value measurements

Level 3

Recurring fair value measurements

	Notes	2021 R'000	2020 Restated R'000	2019 Restated R'000
ASSETS				
Investment property	5			
Investment property		6,036,154	5,631,202	5,488,662
Total Investment property		**6,036,154**	**5,631,202**	**5,488,662**

37. GOING CONCERN

The consolidated 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 company 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 for the company. During 2020/21 the Company operated without receiving the full amount of requisite funding for operational expenditure but was able to sustain operations from external revenues generated by the Company. Management maintains detailed financial plans and forecasting processes and manages working capital elements as necessary to ensure that key operations of the business are fully delivered. The provision of the necessary additional funding required for the Company has been discussed with the shareholder and is receiving attention at the highest level.

The potential impact of COVID-19 on the company has been considered as part of the going concern assessment. The directors have reviewed the liquidity forecasts for the company, which have been updated for the expected impact of COVID-19 on operations. The directors have also considered sensitivities in respect of potential downside scenarios in concluding that the company is able to continue in operation for a period of at least twelve months from the date of approving the annual financial statements. Those sensitivities include a downside scenario for COVID-19 on operating performance. In reaching its conclusion on the going concern assessment, the directors also considered the long-term viability of the Group. This included key changes to the principal risks relevant to the sustainability of our operations in light of the COVID-19 pandemic, sensitivity analysis, scenario assessments, and combinations thereof, including that of a longer-term global recession with likely impacts beyond 2021. Based on the review, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual financial statements.

38. PRIOR PERIOD ADJUSTMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year. Where adjustments were done in the current annual financial statements, management considered the impact on the opening balances of the earliest comparative figures and these were adjusted accordingly. The aggregate effect of the prior period adjustments on the financial statements for the year ended 31 March 2021 is as follows:

	2020 Restated R'000	2019 Restated R'000
Current tax payable		
Balance before restatement	22,302	(18,166)
Adjustment	3,246	54,183
Effect of prior year adjustment	54,183	-
	79,731	**36,017**

The above adjustment to tax liability flows from a SARS Voluntary Disclosure Programme submission arising as a result of the correction of accounting errors in prior years.

	2020 Restated R'000	2019 Restated R'000
Retained income		
Balance before restatement	4,282,007	4,222,345
Adjustment	(3,256)	(112,998)
Effect of prior year adjustment	(112,998)	-
	4,165,753	**4,109,347**

The above adjustment to retained income flows from the adjustments to current tax, finance costs and investment property set out in this note.

	2020 Restated R'000
Finance costs	
Balance before restatement	4,692
Effect of prior year adjustments	3,245
	7,937

The above adjustment to tax liability flows from a SARS Voluntary Disclosure Programme submission arising as a result of the correction of accounting errors in prior years.

	2020 Restated R'000	2019 Restated R'000
PPE		
Balance before restatement	894,139	727,122
Adjustment	(101,741)	(431,556)
Effect of prior year adjustment	(431,556)	-
	360,842	**295,566**

The adjustments to PPE arise as a result of reclassifying investment property under construction from PPE to investment property.

	2020 Restated R'000	2019 Restated R'000
Investment Property		
Balance before restatement	5,181,843	5,141,032
Adjustment	101,729	347,630
Effect of prior year adjustment	347,630	-
	5,631,202	**5,488,662**

The adjustments to investment property arise as a result of completed CWIP projects which should have been capitalised in prior years as well as a result of reclassifying investment property under construction from PPE to investment property.

	2020 Restated R'000	2019 Restated R'000
Deferred tax		
Balance before restatement	468,081	478,205
Adjustment	-	(25,112)
Effect of prior year adjustment	(25,112)	-
	442,969	**453,093**

The adjustment to deferred tax arises as a result of the tax consequences of the above adjustments to investment property.

	2020 Restated R'000
Revenue	
Balance before restatement	520,495
Adjustment	(6,200)
	514,295

This adjustment arises as a result of the reclassification of grant income from the Wild Coast SEZ grant funding received from revenue to other operating income.

	2020 Restated R'000
Other operating income	
Balance before restatement	216,529
Adjustment	6,200
	222,729

This adjustment arises as a result of the reclassification of grant income from the Wild Coast SEZ grant funding received from revenue to other operating income.

39. COMPLIANCE WITH BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

In terms of 13G(1) all spheres of government, public entities and organs of state must report on their compliance with the Broad-Based Black Economic Empowerment Act in their audited annual financial statement and annual reports. During the financial period ended 31 March 2021, the CDC embarked on a process of being measured for B-BBEE compliance with the B-BBEE Codes of Good Practice, Gazette No. 38766. The applicable scorecard used to determine the CDC's compliance with the B-BBEE Act 53 of 2003 as amended is the GENERIC (GEN) scorecard used for entities with a turnover of more than R50 million. The CDC achieved a B-BBEE Level 3 and submitted the final report and BEE certificate, Form 1 together with the Annual Report to the BEE Commission.

DETAILED INCOME STATEMENT

	Notes	31-Mar 2021 R'000	31-Mar 2020 Restated R'000
REVENUE			
Sale of goods		3,074	22
Rendering of services		239,949	271,941
Royalty income		97	97
Rental income on investment property		235,825	208,465
Levies and other income on investment property		21,615	21,298
Interest received (trading)		10,598	12,455
Donations		18	17
	20	**511,176**	**514,295**
Cost of sales			
Opening stock		(310)	(279)
Purchases		(23)	(31)
Closing stock		333	310
		-	-
Other operating income			
Fees earned		350	441
Other income		12,141	4,822
Government grants		502,027	217,466
	21	**514,518**	**222,729**
Other operating gains (losses)			
Foreign exchange gains		-	10
Movement in credit loss allowances	**22**	**(14,208)**	**(21,280)**
EXPENDITURE *(refer to next page)*		(614,566)	(613,478)
Operating profit	**22**	**396,920**	**102,276**
Investment income	**25**	2,189	3,185
Finance costs	**26**	(11,427)	(7,937)
Other non-operating gains (losses)			
Gains (losses) on disposal of assets or settlement of liabilities		407,314	(950)
Fair value gains (losses)		1,393	(11,418)
Profit before taxation		**796,389**	**85,156**
Taxation	**28**	(92,692)	(28,750)
Profit for the year		**703,697**	**56,406**

The supplementary information presented does not form part of the consolidated annual financial statements and is unaudited.

	Notes	2021 R'000	2020 Restated R'000
Other operating expenses			
Advertising		(4,301)	(1,554)
Amortisation	**24**	(3,526)	(3,291)
Auditors remuneration - external auditors	**22**	(3,140)	(4,647)
Bad debts		(10,087)	(14,489)
Bank charges		(426)	(814)
Cleaning		(2,292)	(2,653)
Computer expenses		(324)	(2,386)
Accounting fees		(3)	-
Consulting and professional fees - other		(15,012)	(14,680)
Consulting and professional fees - legal fees		(4,360)	(5,347)
Consumables		(1,391)	(1,309)
Delivery expenses		(37)	(387)
Depreciation	**24**	(25,675)	(20,512)
Employee costs	**23**	(328,224)	(323,915)
Entertainment		(5)	(45)
Other		1,871	(2,214)
Minor assets		(4,311)	(4,140)
Temporary workers		(2,382)	(5,511)
Direct contract costs		(4,377)	(1,563)
Health & safety		(8,131)	(5,371)
Project costs		(13,023)	(20,475)
CSI		(145)	(443)
Programme training expenses		(10,470)	(8,081)
Change in estimate - useful lives of PPE & intangible assets		-	49,136
Credit checks		(9)	(9)
Fines and penalties		(30)	(5)
Insurance		(6,730)	(7,225)
IT expenses		(13,927)	(15,000)
Lease rentals on operating lease		(634)	(4,145)
Motor vehicle expenses		(3,189)	(4,096)
Municipal expenses		(71,619)	(83,254)
Other expenses		-	(104)
Placement fees		(1,957)	(372)
Printing and stationery		(1,524)	(1,507)
Promotions		(2,295)	(2,487)
Repairs and maintenance		(20,958)	(24,413)
Research and development costs		(974)	(386)
Security		(24,072)	(15,695)
Staff welfare		(2,868)	(4,659)
Subscriptions		(585)	(1,198)
Telephone and fax		(11,811)	(12,765)
Training		(2,508)	(4,751)
Travel - local		(8,822)	(35,960)
Travel - overseas		(283)	(756)
		(614,566)	**(613,478)**

The supplementary information presented does not form part of the consolidated annual financial statements and is unaudited.

KING IV ASSESSMENT

King IV Principles "Apply and Explain"

Principle 1: "The governing body should set the tone and lead ethically and effectively."	Yes	In executing its duties, the Board is guided by the following principles: Integrity, Responsibility, Accountability and Transparency.	Accounting Authority - Board Charter
Principle 2: "The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture."	Yes	The Board approves all policies of the CDC. This enables the Board to ensure that the policies articulate and give effect to its direction on organisational ethics.	Code of Conduct and Ethics Policy
Principle 3: "The Governing Body should ensure that the organisation is and is seen as a responsible corporate citizen."	Yes	The CDC has a Social and Ethics Committee. In addition the CDC has a CSI Strategy, and initiatives implemented include contributions to community development and socio-economic transformation. The CDC's Environmental Strategy further contribute to the status.	
Principle 4: "The Governing Body should appreciate that the organisation's core purpose, its risks & opportunities, strategy, business model, performance & sustainable development are all inseparable elements of the value creation process."	Yes	The Board oversees the strategy approval after considering the parameters to determine short, medium and long-term as well as the risks, opportunities that might affect the organisation's wellbeing.	• Corporate Plan • Risk Management Strategy • Risk Management Reports • Fraud Prevention Plan
Principle 5: "The Governing Body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance & its short, medium & long-term prospects."	Yes	• The CDC is compliant to the planning and reporting requirements as defined in the PFMA and National Treasury Regulations. • The Board exercises its oversight by reviewing and approving the Corporate Plan and the IN-Year Performance Monitoring reports.	• DEDEAT Compulsory & Quarterly Performance Reports • ***the dtic*** Monthly and Quarterly • Annual Report
Principle 6: "The Governing Bodies should serve as the focal point & custodian of Corporate Governance."	Yes	On an annual basis, the Board reviews and approves a Board Charter. The Board Charter inter – alia serves as a reference point on how the Board is expected to execute its oversight role over the CDC. The frequency of meetings as well as issues that require Board approval are all documented either in the Charter or in the Delegation of Authority Document.	• Board Charter • Board and its Sub-Committees • Minutes of the Meetings • Delegation of Authority Document

King IV Principles "Apply and Explain" continued...

Principle 7: "The Governing Body should comprise the appropriate balance of knowledge skills, experiences, diversity & independence for it to discharge its governance role & responsibilities objectively."	Yes	The composition of the Board comprises of a wide range of professionals with a mix of knowledge, skills and experience, including the business, commercial and industry experience.	Composition of the Board of Directors
Principle 8: "The GB should ensure that its arrangements for delegation within its own structures promote independent judgement, & assist with balance of power & the effective discharge of its duties."	Yes	The Board has in place a Delegation of Authority Document that is approved by the Board and is reviewed from time to time to ensure that the document is current and addressing issues that need to be dealt with by the Board and those that the Board has delegated to either it's committees or to management.	The following committees have been established by the Board: • Audit & Risk Committee • Human Resources and Remuneration Committee; • Social & Ethics Committee; and • Capital Allocations Committee.
Principle 9: "The GB should ensure that the evaluation of its own performance & of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness."	Yes	• Members of the Board complete the annual self-evaluation questionnaire. • A formal process that is facilitated by an external service provider is undertaken annually to evaluate the performance of the Board, its committees, its chair and its individual members.	• Members of the Board have completed the self-evaluation questionnaire. • The evaluation by an external service provider is yet to be undertaken.
Principle 10: "The governing body should ensure that the appointment of, & delegation to, management contribute to role clarity & the effective exercise of authority and responsibilities."	Yes	The Board has developed a delegation of authority framework to clarify the powers and authority delegated to its sub-committees and management.	Delegation of Authority Document
Principle 11: "The Governing Body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives."	Yes	A report on risk is a standard item on every Board and Audit Committee meeting that is held. A report on the status of the top ten risks facing the organisation is submitted to the Board. The report on risk also captures any risks that may have manifested themselves post the approval of the top ten strategic risks.	• Audit and Risk Committee • Risk Management Committee • Risk Management Strategy, Plan and Reports.

King IV Principles "Apply and Explain" continued...

Principle 12: "The Governing Body should govern technology & information in a way that supports the organisation setting & achieving strategic objectives."	Yes	• ICT is a standing item on the agenda of the Audit and Risk Committee. • ISO 20000, ISO 27000 International Standards of Certification as well as ICT systems that are monitored by ICT Programme Director. ICT Steering Committee. BCM – Project under way. Disaster Recovery tested every year. Incidents reported to ARC – Vulnerability assessment done monthly internally and externally on an annual basis.	• ICT Governance Framework • ICT Strategy • ICT Steering Committee
Principle 13: "The Governing Body should govern compliance with applicable laws & adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical & a good corporate citizen."	Yes	• The CDC has developed a Legal Compliance Policy Framework. • The CDC Board assumes responsibility of ensuring compliance by monitoring compliance through the reports presented for approval. • Each functional unit within the organisation ensures compliance and is thereafter subject to an independent audit all findings emanating out of an audit is diligently dealt with and reported back to the Audit and Risk Committee and the Board. • The CDC has a compliance monitoring unit that is responsible for monitoring and ensuring compliance with the PFMA, Treasury Regulations and other National Treasury frameworks as well as King IV. • Key focus areas are determined through the compliance assessment and actions defined to ensure compliance.	• Legal Compliance Policy • PFMA, Treasury Relations
Principle 14: "The Governing Body should ensure that the organisation remunerates fairly, responsibly & transparently to promote the achievement of strategic objectives & positive outcomes."	Yes	• The remuneration philosophy of the CDC differentiates in remuneration based on individual competencies, performance, relevant work experience, and contribution to the business objectives; whilst maintaining a fair and competitive remuneration structure aligned to market trends. • Guaranteed remuneration is benchmarked against a market survey conducted by an external remuneration consultant and subject to approval by the Human Resources and Remuneration Committee and the Board.	• Remuneration and Benefits Policy • Remuneration Structure and Reports • Minutes of the Board and HRRC

Principle 16: "In the execution of its governance role & responsibilities, the GB should adopt a stakeholder inclusive approach that balances the needs, interest & expectations of material stakeholders in the best interest of the organisation over time."	Yes	Implementation of stakeholder relations is delegated to management: • Methods to identify stakeholder groups • Determining material stakeholders. • Managing stakeholder risk • Engagement and communication with stakeholders • Measure quality of stakeholder relationships. Full evidence attached	• Stakeholder Management Framework • Stakeholder Relations Report
Principle 17: "The Governing Body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governances and creation of value by the companies in which it invests."	N/A	Not applicable to CDC, this refers to an entity which pools money to purchase securities, property, and other investment assets or to originate loans.	

The Coega Business Centre in Zone 1, Coega SEZ.

ABBREVIATIONS & ACRONYMS

ADZ	Aquaculture Development Zone
AHI	Afrikaans Handelsinstituut
AIDS	Acquired Immune Deficiency Syndrome
AMP	Advanced Management Programme
ANC	African National Congress
ANCYL	African National Congress Youth League
APDP	Automotive Production and Development Programme
ARC	Audit and Risk Committee
ASDD	Annual Supplier Development Day
AU	African Union
AWS	Animal Welfare Society
BA	Bachelor of Arts
BAIC	Beijing Automobile International Corporation
B-BBEE	Broad-Based Black Economic Empowerment
BCom	Bachelor of Commerce
BD	Business Development - a BU of the CDC
BIA	Business Impact Analysis
BMF	Black Management Forum
BPO	Business Process Outsourcing
BSc.	Bachelor of Science
BU	Business Unit
CA (SA)	Chartered Accountant of South Africa
CBE	Council for the Build Environment
CBS	Coega Business Solutions
CCA	Customs Controlled Area
CCT	Coega Corporate Travel
CDC	Coega Development Corporation (Pty) Ltd
CDF	Coega Development Foundation
CEO	Chief Executive Officer
CEF	Central Energy Fund
CETA	Construction Education and Training Authority
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
CKD	Completely Knocked Down
CoE	Centre of Excellence
CSDC	Coega Skills Development Centre
CSI	Corporate Social Investment
CSS	Central Support Services
DBE	Department of Basic Education
DBSA	Development Bank of Southern Africa
COGDA	Department of Cooperative Governance
DEDEAT	Department of Economic Development, Environmental Affairs & Tourism
DFP	Development Framework Plan
DRDLR	Department of Rural Development and Land Reform
DoE	Department of Education
DoH	Department of Health
DPW	Department of Public Works
DRP	Disaster Recovery Plan
DRPW	Department of Roads and Public Works
DSD	Department of Social Development
DSRAC	Department of Sport, Recreation, Arts and Culture
the dtic	Department of Trade, Industry and Competition
EC	Eastern Cape
ECD	Early Childhood Development
ECDC	Eastern Cape Development Corporation
EC-DoH	Eastern Cape Department of Health
EC-DRPW	Eastern Cape Department of Roads and Public Works
EDTA	Economic Development, Tourism and Agriculture
EIA	Environmental Impact Assessment
EM	Executive Manager
EPWP	Expanded Public Works Programme
ETI	Employment Tax Incentive
EU	European Union
EXMA	Executive Management Committee
FAW	First Automotive Works
FOCAC	Forum on China-Africa Cooperation
FY	Financial Year
GDP	Gross Domestic Product
GGDA	Gauteng Growth and Development Agency
GGP	Gross Geographic Product
GRI	Global Reporting Initiative
HA	Hectare
HCS	Human Capital Solutions
HIV	Human Immunodeficiency Virus
HRRC	Human Resources and Remuneration Committee
HV	High Voltage
IA	Implementing Agent
IATA	International Air Transport Association
ICT	Information and Communication Technologies
ID	Infrastructure Development
IDC	Industrial Development Corporation
IDMS	Infrastructure Delivery Management System
IDP	Infrastructure Delivery Programme
IDZ	Industrial Development Zone
IFRS	International Financial Reporting Standards
IIP	SEZ Infrastructure Programme
IIRC	International Integrated Reporting Council
<IR>	International Integrated Reporting Framework
IR	Integrated Report
IRBA	Independent Regulatory Board for Auditors
IRC	Integrated Reporting Committee (South Africa)

IRS	ICT, Research and Strategy
ISIDP	Integrated Social Infrastructure Development Programme
ISO	International Organisation for Standardisation
ITC	International Institute for Aerospace Survey and Earth Sciences
KPI's	Key Performance Indicators
KZN	KwaZulu-Natal
LLB	Bachelor of Law
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MBA	Master of Business Administration
MDP	Management Development Programme
MEC	Member of the Executive Council
MEGA	Mpumalanga Economic Growth Agency
MEI	Minerals Engineering International
MEMSA	Mining Equipment Manufacturers of South Africa
MERSETA	Mechanical Engineering and Related Education and Training Authority
MSc.	Master of Science
MMC	Member of the Mayoral Committee
MTEF	Medium Term Expenditure Framework
MV	Medium Voltage
MW	Mega Watts
NAFCOC	National African Federated Chamber of Commerce and Industry
NCEDA	Northern Cape Economic Development, Trade and Investment Promotion Agency
NDPWI	National Department of Public Works and Infrastructure
NEF	National Empowerment Fund
NGOs	Non-Governmental Organisations
NMB	Nelson Mandela Bay
NMBLP	Nelson Mandela Bay Logistics Park
NMBM	Nelson Mandela Bay Municipality
NMU	Nelson Mandela University
NSDS	National Skills Development Strategy
NSF	National Skills Framework
OEMP	Operational Environment Management Plan
OHS	Occupational Health and Safety
OPB	Operations Business Unit
OTP	Office of the Premier
PA	Principal Agent
PESTLE	Political, Economic, Social, Technological, Legal and Environmental
PFMA	Public Finance Management Act
PhD.	Doctor of Philosophy
PIA	Programme Implementing Agent
PLZ	Chief Dawid Stuurman International Airport
PMI	Project Management Institute
PMTE	Property Management Trading Enterprise
Pr. Eng.	Professional Engineer
PTIP	Provincial Treasury Infrastructure Programme
REIPPPP	Renewable Energy Independent Power Producer Procurement Programme
RoDs	Records of Decisions
RTI	Right to Information
SIID	Research and Development
SA	South Africa
SAAE	South African Academy of Engineers
SABS	South African Bureau of Standards
SADC	Southern African Development Community
SAIEE	South African Institute of Electrical Engineers
SAICA	South African Institute of Chartered Accountants
SALGA	South African Local Government Association
SANS	South African National Standard
SARS	South African Revenue Service
SASDA	South African Supplier Development Agency
SC	Senior Counsel
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDP	Site Development Plans
SDU	Spatial Development Unit
SEBS	School of Environmental and Biological Sciences
SEC	Social and Ethics Committee
SEDA	Small Enterprise Development Agency
SETA	Sector Education and Training Authority
SEZ	Special Economic Zone
SEZ&ET	Special Economic Zones and Economic Transformation
SLA	Service Level Agreement
SHE	Safety, Health and Environment
SHEQ	Safety, Health and Environmental Quality
SMME	Small, Micro and Medium Enterprises
SOC	State-Owned Company
SoE	State-Owned Enterprise
SOPs	Standard Operating Practices
SOPA	State of the Province Address
SWOT	Strengths, Weaknesses, Opportunities, and Threats
TEU	Twenty Foot Equivalent Unit
TNPA	Transnet National Ports Authority
TVET	Technical and Vocational Education and Training
UCT	University of Cape Town
UK	United Kingdom
UNECA	United Nations Economic Commission for Africa
Unisa	University of South Africa
VACC	Vulindlela Accommodation and Conference Centre
VAT	Value Added Tax
VWSA	Volkswagen South Africa
WISA	Water Institute for Southern Africa
ZAR	South African Rands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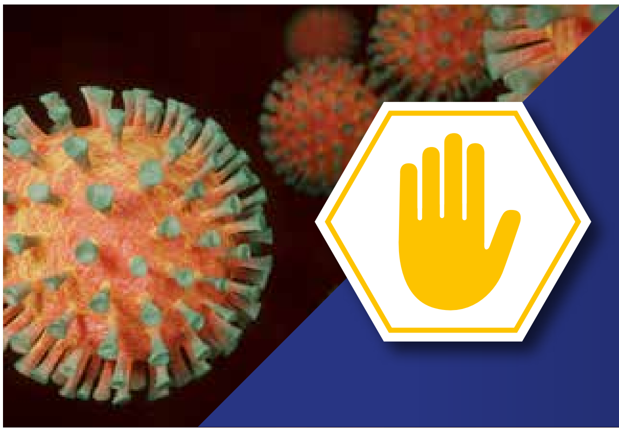
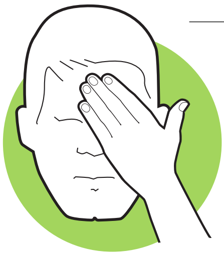
Eastern Cape Premier, Mr Lubabalo Oscar Mabuyane, visiting the Coega SEZ.



STOP COVID-19 OUTBREAK

There are general precautions you can take to prevent the spread of viral respiratory infections.

Wash your hands frequently with soap and water or alcohol-based hand sanitizer, lather for at least 20 seconds



Avoid touching your eyes, nose and mouth with unwashed hands

Avoid close, unprotected contact with anyone with respiratory symptoms

Stay healthy: eat a balanced diet, get rest, avoid stress

Where to find information on the Coronavirus in South Africa

National Institute of Communicable Disease

Toll Free: 0800 029 999

Hotline: 082 883 9920 • Website: www.nicd.ac.za

Cover your mouth and nose with a tissue or your sleeve (not your hands) when coughing or sneezing

Clean and disinfect frequently touched objects and surfaces with isopropyl alcohol

Complaints Management

Help us change your bad experience into a positive encounter

DO YOU BELIEVE IN FAIR TREATMENT/ ETHICAL AND TRANSPARENT BUSINESS PRACTICES/ RESOLVING PROBLEMS AMICABLY? For effective and efficient resolution of your complaint, please contact the CDC Complaints Management office on:

Call Centre: +27 (0)86 000 4278 | Mobile: +27 (0)73 443 5195 | Fax: +27 (0)41 403 0401 | Email: complaints@coega.co.za
Postal Address: Complaints Management Office, Coega Development Corporation, Private bag X6009, Gqeberha, 6000

Tip-Off Anonymous

STOP: THEFT / FRAUD / DISHONESTY / BRIBERY / BLACKMAIL / INTIMIDATION / CORRUPTION

Call Toll-free TODAY: 0800 007 035 and remain anonymous.

Free fax: 0800 200 796 | Email: fraud@kpmg.co.za | Website: www.thornhill.co.za/kpmgethicslinereport
Postal Address: BNT 371, P.O Box 14671, Sinoville, 0129

The KPMG Ethics Line service allows all stakeholders to report concerns of misconduct.

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GQEBERHA HEAD OFFICE:

Physical Address:

Coega Development Corporation, Coega SEZ Business Centre,
Corner Alcyon Road & Zibuko Street, Zone 1, Coega SEZ, Gqeberha, 6100
Tel: +27 (0)41 403 0400

EAST LONDON OFFICE:

Physical Address:

Harraway House, 12 Pearce Street, Berea, East London, 5241
Tel: +27 (0)43 711 1600

DURBAN OFFICE:

Physical Address:

18 Cranbrook Crescent, Umhlanga, 4051
Tel: +27 (0)31 584 1760

PRETORIA OFFICE:

Physical Address:

145 Herbert Road, East Wood, Arcadia, Pretoria, 0083
Tel: +27 (0)12 423 0980

CAPE TOWN OFFICE:

Physical Address:

1101, 11th Floor, South African Reserve Building, Cape Town, 8001
Tel: +27 (0)21 481 9960

MTHATHA OFFICE:

Physical Address:

24 Park Road, Mthatha, 5099
Tel: +27 (0)47 531 1246

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BBBEE LEVEL 3 CONTRIBUTOR
ISO 9001:2015 ▪ ISO 14001:2015 ▪ ISO 45001:2018
ISO 20000-1:2011 ▪ ISO 27001:2013

E-mail: contact.centre@coega.co.za | Website: www.coega.co.za

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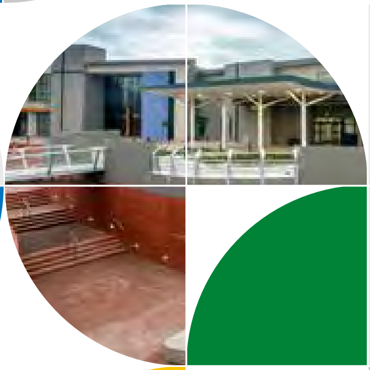

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