BAIC SA

Bluewater Bay Sunrise Hotel

Dynamic Commodities

Dedisa Peaking Power Plant

INTEGRATED ANNUAL REPORT 2023/24

TASEZ

www.coega.co.za

Virtual Tour of the Coega SEZ

AFRICAN BUSINESS AWARDS 2023
SKILLS TRAINING AND EDUCATION
WINNER
AVENG media

COEGA

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

TOP HIGHLIGHTS FOR **2023/24 FY**

INVESTMENT DESTINATION OF CHOICE

11 New investors with a combined investment value of **R840.39** million

60 OPERATIONAL INVESTORS

To date, the CDC has recorded a staggering sixty operational investors with a combined investment value of **R12.3** billion

REVENUE GENERATED

R642.1 million which includes both the SEZ and non-SEZ programmes

JOB CREATION HUB

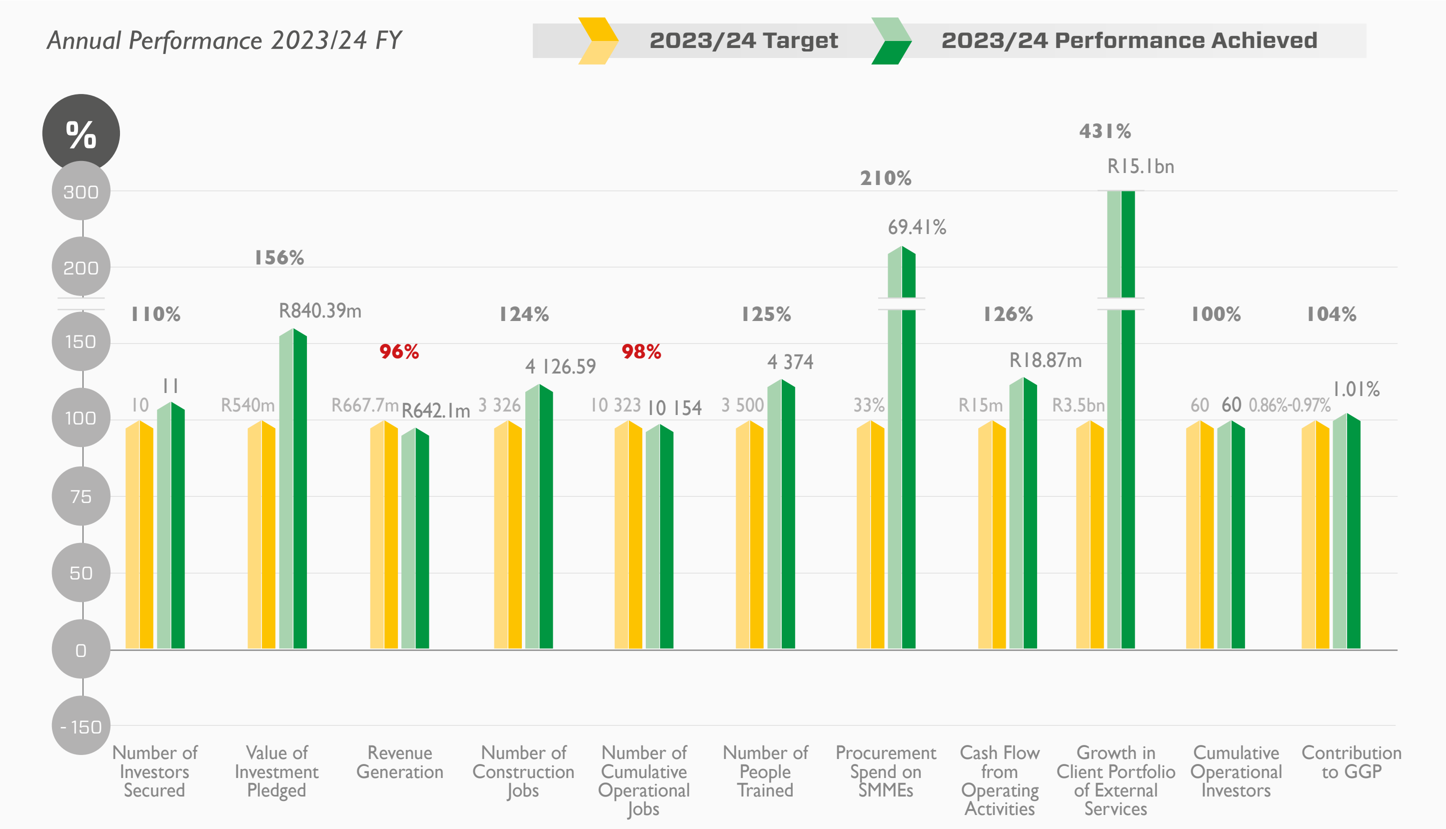
The CDC secured 4 126,59 additional construction jobs, reaching 10 154 operational jobs and has also trained over 4 374 people

10 154 OPERATIONAL JOBS

SMME PROCUREMENT

SMME procurement spend of **69.41%**

4 374 PEOPLE TRAINED



2025

Strategic Plan 2020-2025

2023/24 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 MARGINALISED

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

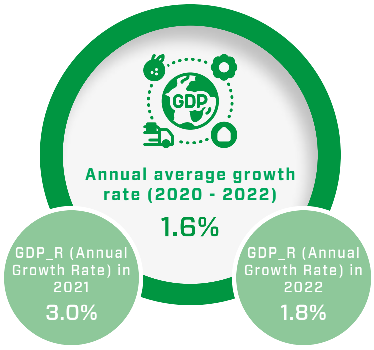
2020

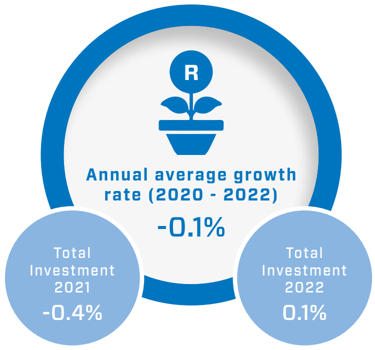
EASTERN CAPE ECONOMIC INDICATORS

Gross Regional Domestic Product (GRDP)

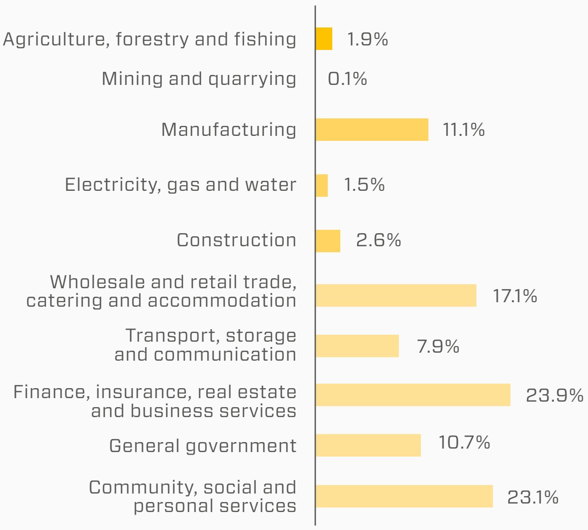
R322.9 bn (in 2021)
R328.6 bn (in 2022)

Constant prices 2015

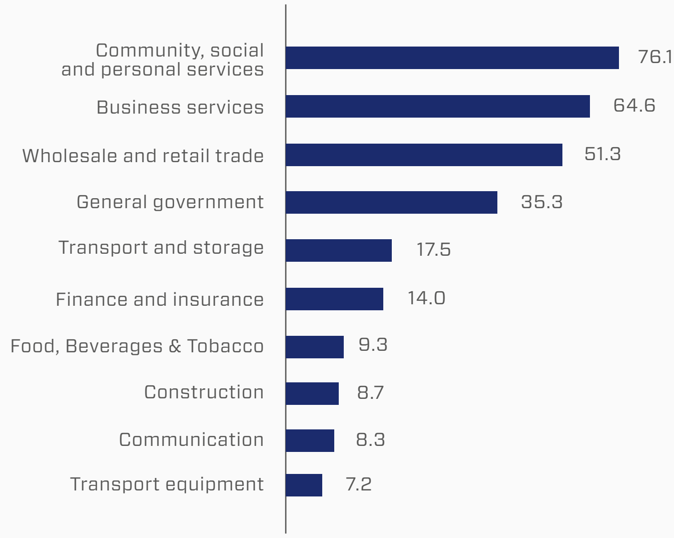




EC GVA Sector Proportion (%), 2022



Top 10 Industries (GVA) - R Billions, 2022



Price Inflation

COEGA DEVELOPMENT CORPORATION HIGHLIGHTS ON ECGGP:

The CDC is one of the organisations that continuously strives year-on-year to positively contribute to the socio-economic growth of the Eastern Cape Province, as well as in areas where the organisation has operations across the country. This year, the CDC contribution to the Eastern Cape' Gross Geographical Products (EC GGP) was 1,01% against a target range of 0.86%-0.97% which is 4% above the upper end of the targeted range.

The CDC's achievements this financial year furthermore indicate that the entity contributed positively to the varying economic sectors, i.e., automotive, manufacturing, agro-processing, logistics and business process outsourcing, from the 11 signed investments against a target of 10 (110% achievement). This achievement equates to an investment value of R840.39 million, against a target of R540m, resulting in +56% achievement of the annual target.

The achievements were due to strategic continuity and focus on the implementation of corporate plans, 2015/16 – 2019/20 Sustainable Growth Strategy premised on three pillars i.e., Financial Sustainability, Business Intelligence, and Strategic Partnerships; and Strategic Plan 2021 – 2025 seeking 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.

COEGA

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

BBBEE LEVEL 1 CONTRIBUTOR
ISO 9001:2015 ▪ ISO 14001:2015 ▪ ISO 45001:2018
ISO 20000-1:2018 ▪ 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


FAW


COEGA

ABOUT THIS REPORT

REPORTING PHILOSOPHY

The International Integrated Reporting Council (IIRC) requires Coega Development Corporation (CDC) to compile a fully Integrated Annual Report (IAR) in terms of the International Integrated Reporting Framework <IR>. Over the eleven 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 welcome 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. IAR is shaped by a diverse coalition including business leaders and investors that 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, sharpening the organisation's focus on evaluating and understanding the external environment along with the stakeholders' needs and concerns to make decisions on material issues. This process informs the CDC's strategic response, planning and performance targets which aim to create value over time for shareholders, investors, clients and a broad base of stakeholders.

The CDC is thus confident that the 2023/24 Integrated Annual Report will provide its stakeholders with clear, concise, connected and comparable information about its strategy, governance, performance and prospects. The newly revamped website (www.coega.co.za), which has more in-depth information on the many programmes and activities in which the CDC is involved, serves as a supplement to this material. The new CDC website will continue to be updated frequently to ensure its accuracy and currency.

This report provides a clear picture of the CDC's strategic goals, objectives, impact and outcomes, current position, and future direction. The purpose of this Integrated Annual Report is therefore to enable shareholders, clients, investors, society, and general stakeholders and partners to make an informed assessment of the CDC's performance and its ability to continue creating sustainable 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, and other areas throughout South Africa, and further afield where the organisation operates.

REPORTING APPROACH AND CHANGES

In line with the guiding principles of the International Integrated Reporting Framework and the King IV report on corporate governance, the 2023/24 Integrated Annual Report's content continues to be focused closely on tying organisational performance to strategy and important risks.

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 practices; 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, governance structures, emerging risks and opportunities from new technologies and new reporting and disclosure requirements, e.g., Integrated Reporting. Therefore, the CDC's Integrated Annual Report 2023/24 complies with the principles of the King IV report on corporate governance.

SCOPE, BOUNDARIES AND MATERIALITY

This report covers the financial year 2023/24 from the period 1 April 2023 to 31 March 2024. Included in this report are all operations related to the mandate of the CDC, including its role as the entity responsible for the development and operation of the Coega Special Economic Zone (SEZ), as gazetted, and non-SEZ project management Services.

Using the expertise and experience obtained during the development of the 9003ha Coega SEZ infrastructure, since inception in 1999, the CDC serves as an Implementing Agent (IA) of Choice to both private sector and government departments, in support of the South African Infrastructure Delivery Programme (IDP), South Africa's National Infrastructure Plan 2050 (NIP 2050), and South African Economic Reconstruction and Recovery Plan (ERRP). The ERRP recognised Coega as a leading Infrastructure Development Agent designated for certain key national projects and to further strengthen state capacity for infrastructure expansion.

The construction of infrastructure generates employment and broad-based black economic empowerment opportunities, further contributing to the goals of the National Development Plan (NDP), Vision 2030.


In particular, the IDP is an initiative of the South African government, established to fast-track and improve the standard of infrastructure delivered by the public sector. To support the IDP and other programmes of government, the CDC adopted the Infrastructure Delivery Management System (IDMS) to support public sector infrastructure delivery to meet the needs of society.

The CDC operates in a dynamic environment. In order to be sustainable, it thus must adapt to meet the needs and requirements of its partners, funders, investors or tenants and clients. This is reflected in the Annual Performance Report, which highlights the annual performance of the CDC, measured against its five- year Strategic Plan 2020-2025.

The business activities of Coega investors or tenants, and those of Transnet (specific to the deep-water Port of Ngqura located within the Coega SEZ complex) 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 following the standards set by the CDC 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 and Excellence

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 20000-1:2018 (IT Service Management System); and
- ISO 27001:2013 (Information Security Management System).

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).

This alignment to best practices has enabled the CDC to vastly receive recognition of excellence within industry. During the period under review, Coega was the winner of the Infrastructure and Development Award 2024 for exceptional performance in its role as a trusted Implementing Agent of Choice in South Africa, at the Africa Career Summit and Gala Awards, in Sandton, north of Johannesburg. This award followed from the Skills Education and Training Award received from the African Business Awards at the prestigious gala event in 2023, held in Sandton. This award was presented to companies which support skills training and learnerships programmes and promote career awareness. During the same year, 2023, Coega received the Eastern Cape Premier's Special Recognition Award and the Premier's Discretionary Award for a Clean Audit at the Batho Pele Service Excellence and Innovations Awards.

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 reflected in this report, including: the Chair of the Parliamentary Portfolio Committee on Trade, Industry, and Competition, Ms. Judy Hermans; the former Minister of Trade, Industry and Competition, Mr. Ebrahim Patel; as well as his Deputy Ministers and Director-General. The Board wishes to extend a warm congratulations to South Africa's 7th Administration, and welcomes the Minister of the Department of Trade, Industry and Competition, Honourable Mr. Parks Tau and his Deputy Ministers.

The Board would also like to express its appreciation to the Premier of the Eastern Cape, Mr. Oscar Lubabalo Mabuyane; the Eastern Cape former MEC for Finance, Economic Development, Environmental Affairs and Tourism, Mr. Mlungisi Gerald Mvoko and wishes to congratulate him on his appointment as Eastern Cape MEC of Finance; 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. The Board congratulates Ms. Nonkqubela Ntomboxolo Pieters on her appointment as the MEC for the Department of Economic Development, Environmental Affairs and Tourism.

External stakeholders, including valuable partners and CDC employees are essential to the organisation's success. The Board would like to express a heartfelt thank you to everyone who uphold the CDC's values, principles, governance standards, and high level of performance.

The CDC Board is ultimately responsible for ensuring the accuracy of the Integrated Annual Report, with assistance from its committees. Post review of the results of the integrated reporting process entirely, the Board has therefore concluded that the 2023/24 Integrated Annual Report has maintained the previous years' requirements of the International Integrated Reporting Framework <IR>.

OUR BUSINESS

REVIEW OF THE CHAIRPERSON

Dr. Luvuyo Bono
Interim Board Chairperson

In 2023, the Coega Development Corporation (CDC) continued creating value for stakeholders and consolidating socio-economic gains in the face of a challenging economic environment. I am pleased with the CDC's resilience and performance, considering that at the beginning of the 2023/24 financial year (FY), we were sieged with a colossal task to meet our targeted outcomes and impact statements. Some of the challenges facing the organisation included exogenous economic factors, seismic geo-political instability caused by the prolonged war between Russia and Ukraine, and the recent conflict between Israel and Palestine. In global markets, soaring fuel prices, rising interest rates, inflationary pressures, and supply chain disruptions combined created a quadruple threat to South Africa's cost of living, prices of goods and services, sending shockwaves through the nation and impacting millions, worldwide.

Faced with global market instability, astuteness and urgency is required to address socio- economic challenges of unemployment, poverty, and small business development, among other key outcomes. The CDC's business of promoting, facilitating, and attracting investors, both domestic and international across various sectors to the Coega Special Economic Zone (SEZ) is a catalyst for socio-economic development.

Operating in this complex ecosystem, our business was impacted by the performance of global markets. On the Foreign Direct Investment (FDI) front, the prospects for international investment looked extremely glum in 2023, during the period the CDC was setting its outcome targets for the year, with global FDI flows reaching an estimated US$1.4 trillion. Compared to the preceding year (2022), this was equivalent to an increase of 3.0 percent. It is essential to note that global FDI flows were impacted by several challenges on the global scene as all new investment project numbers, including greenfield announcements, global project finance transactions, and cross border mergers and acquisitions, declined.

According to the United Nations Conference for Trade and Development's (UNCTAD) recently released Investment Trends Monitor, developing countries reflected a high investment value worth US$841billion, compared to developed countries in 2023. Notably, in developed countries, FDI flows to the European Union jumped from negative US$150 billion to positive US$141billion in 2023, owing to large investment swings observed in countries like Luxembourg and the Netherlands.

On the African front, FDI flows to Africa decreased slightly by 1.0 percent to reach an estimated US$48 billion in 2023. Greenfield project announcements increased over the same period owing to strong growth observed in Morocco, Kenya, and Nigeria. However, project finance deals fell by one third, more than the global average decline, weakening prospects for infrastructure finance flows. Notably, South Africa still dominates the region, despite its slow growth. In 2023, Southern Africa attracted the second-highest number of investment projects, with capital investment of US$36 billion, creating 25,000 jobs. Almost 75 percent of the Southern region's FDI (measured by projects) went to South Africa in 2023. Investment into the rest of the African continent struggled, as it grappled with soaring commodity prices, food insecurity, debt distress, climate shocks, poor infrastructure, and water scarcity. While South Africa's growth outlook is tepid, the country's energy crisis also brings opportunity for investors. This is evidenced by South Africa being the third-largest recipient of CleanTech FDI into Africa.

The South African economy slowed to 0.6 percent year on year in 2023, from the 1.9 percent growth observed in 2022. The country's economy has been subject to several headwinds in 2023, including persistent power cuts, operational and maintenance failures in freight rail and port efficiency, as well as the high cost of living. Moreover, the country's investment aspirations are hampered by prolonged power failures and sub-optimal transport infrastructure. These issues impede investment in productive sectors of the economy. According to Fitch Solutions macro-economic forecasts, South Africa's fixed investment will remain subdued in the coming years, shrinking slightly as a share of GDP, in the face of tepid foreign and domestic investor sentiment. The country's official unemployment rate declined by 0.6 percentage points to reach 32.1 percent in 2023, from the 32.7 percent observed in 2022. When compared to the previous year (2022), 789,000 additional jobs were created in South Africa in 2023.

It is in this context that the Board has paid particular attention to the CDC's response to challenges and opportunities, to enhance its global investment strategy and attract sustainable investments that positively impact economic performance, jobs, and livelihoods. Considering the turbulent economic environment that has impacted businesses internationally and in Africa, it is pleasing that the CDC achieved most of its annual targets in the Corporate Plan, as highlighted in the Performance

Report section of this Integrated Report, in the face of CAPEX and OPEX funding challenges.

Coega's achievement of R840.39m in investment pledged from eleven (11) investors, against a target of ten (10), signals a positive trend and a strong unique value proposition that continues to propel the Coega SEZ as a leader in the country and on the African Continent. This year, automotive, manufacturing, agro-processing, logistics and business process outsourcing were the largest contributors to the growth of investors.

Furthermore, as a story of good progress, through its SEZ investment and other Non-SEZ business activities, I am pleased that the CDC has continued to create employment in the economy, thus contributing to the reduction of unemployment and furthering the goals and objectives of the National Development Plan (NDP, Vision 2030). Through targeted local and international investment promotion campaigns since its establishment in 1999, the Coega SEZ's sixty (60) operational investors to-date employ 10,154 people, making a significant impact on the lives of millions of people in this region.

I am equally excited by the R3 billion automotive investment announced this year by the Stellantis Group to build a state-of-the-art car manufacturing plant in the Coega SEZ. This investment, and others mentioned hereunder, are expected to provide opportunities and to improve the lives of our citizens. The construction of the Stellantis project is expected to begin in 2024. Another milestone for Coega, which has dominated the news is the US$4.6 billion Green Ammonia Project by Hive Hydrogen, with construction expected to begin in 2026 The announced operationalisation of the R11 billion total investment by Beijing Automotive Group (BAIC) South Africa (SA) and the Industrial Development Corporation (IDC) is welcomed. To date, the IDC has invested R1.2 billion, with BAIC SA investing R2.7 billion during Phase One (1) of the project.

Moreover, I am encouraged that other socio-economic outcome targets were met and exceeded, such as the number of people trained, contribution to Gross Geographic Product (GGP), client portfolio of Non-SEZ Services, and procurement spend on Small, Medium and Micro Enterprises (SMMEs).

In response to annual performance areas that were below target, such as revenue generation, owing to a difficult economic and trading environment and other exogenous factors, the CDC's Executive Management team is working to implement the Recovery Plan 2024/25, which highlights the Programme of Action to accelerate revenue growth and performance; and as we look towards the development of the CDC's Strategic Plan 2025-2030.

The CDC Board will continue to focus on the performance indicators, and driving innovation, continuous improvement, and financial sustainability.

As a newly registered Schedule 3(d) public entity under the Public Finance Management Act (PFMA) of 1999, the CDC has secured innovative financing instruments to unlocking new opportunities for project development and growth. Now, the CDC awaits concurrence from the National Treasury under Section 66 of the PFMA.

The CDC welcomes the appeal and commitment by the Eastern Cape Government for stakeholder collaboration, particularly between various role players in the automotive sector, such as the Automotive Industry Development Centre (AIDC) Eastern Cape and the Eastern Cape Development Corporation (ECDC) to attract new Original Equipment Manufacturers (OEMs), especially OEMs that are producing electric vehicles (NEVs). Such initiatives will enable the growth of the automotive sector at Coega, and throughout the region.

By forging new partnerships and strengthening existing ones, we can create a powerful force for development and growth. This collaborative approach will enhance our go-to-market value proposition and advance transformative projects that improve the lives of people in the region.

We extend our gratitude to the Council for Scientific and Industrial Research (CSIR) for the partnership that has enabled the CDC to advance Biofibre projects. Biofibre supports the global competitiveness of the South African automotive sector by helping to lower carbon footprints, but more importantly, to localise the automotive sector value chain into the highly labour-absorptive agricultural sector.

Partnerships on the continent will also strengthen the CDC's performance. In this regard, the organisation has continued its proactive development of new markets for growth and sustainability in Africa, as part of Coega's Non-SEZ Programme. The Coega Africa Programme (CAP), which is in line with the AfCFTA agreement to promote growth, development, and economic integration on the African continent, continues to seek new markets.

The growth of Coega's Non-SEZ Programme has continued to surpass all expectations, exceeding an annual target of R3,5 billion and achieving R15,1 billion. This was achieved despite the challenges of infrastructure project delays and budget cuts by CDC clients. Coega's Non-SEZ Programme has played an important role in deepening state capacity to deliver multi-billion-rand infrastructure projects, as part of the South African Economic Reconstruction and Recovery Plan, South Africa's National Infrastructure Plan 2050, and the NDP (Vision 2030).

Inclusive growth and development remain a central focus for the CDC. As we implement infrastructure projects within and beyond the SEZ, we prioritise initiatives that empower small businesses to thrive. The CDC exceeded a target of 33 percent on procurement spend on SMMEs and achieved 69.41 percent, which is welcomed progress to advance economic opportunities within marginalised communities.

In his State of the Province Address (SOPA), the Premier of the Eastern Cape, Honourable Oscar Lubabalo Mabuyane, indicated that the province has turned the corner into a positive socio-economic trajectory in the past five years; and that Coega has played a key role in this regard to change the quality of life of the regional population. The Eastern Cape economic growth forecasts of 1.5 percent and 1.7 percent for 2024 and 2025, respectively, are expected. To realise these forecasts, with the CDC as a catalyst for the championing of socio-economic development, the continued support from the Eastern Cape Provincial Government is welcomed. The Wild Coast Industrial Park in Mthatha, that is being implemented by the CDC, currently awaits SEZ designation by the Department of Trade, Industry and Competition following the investment pipeline of R1.7 billion that has been secured by the Eastern Cape Province. We are grateful to the province for the allocation of R21m over the 2024/25 FY, and R55.9m over the 2024 MTEF to advance the operationalisation of the Wild Coast Industrial Park.

As I highlight these achievements, I am reminded of the significant challenges faced by the CDC, some of which include, CAPEX and OPEX funding which is key for sustainability, legacy ICT networks and infrastructure, national energy supply and logistics challenges. Given the severity of the country's energy supply challenge, it is pleasing that the impact on Coega SEZ investors has been minimal, which further strengthen our value proposition in global markets.

Considering the importance of ESG, the newly established Sustainability Business Unit and the appointment of the Chief Sustainability Officer, last year, have enabled the publishing of the Sustainability Report, following the approval of Coega's Sustainability Framework. The CDC Board recognised that this focus was not solely driven by current trends, but rather by its potential to build a strong foundation for future resilience. The Board will continue to monitor implementation to ensure that the intended outcomes are realised.

The Board is committed to upholding the highest standards of corporate governance by enforcing legislative compliance throughout the organisation. This year, the focus on good corporate governance and risk management have been at the forefront of our fiduciary duty. Throughout the year, the CDC Board made a clear statement to the organisation and its stakeholders that non-compliance with legislation, organisational policies, and procedures will not be tolerated. Therefore, good progress has been made to strengthen organisational controls, systems and procedures.

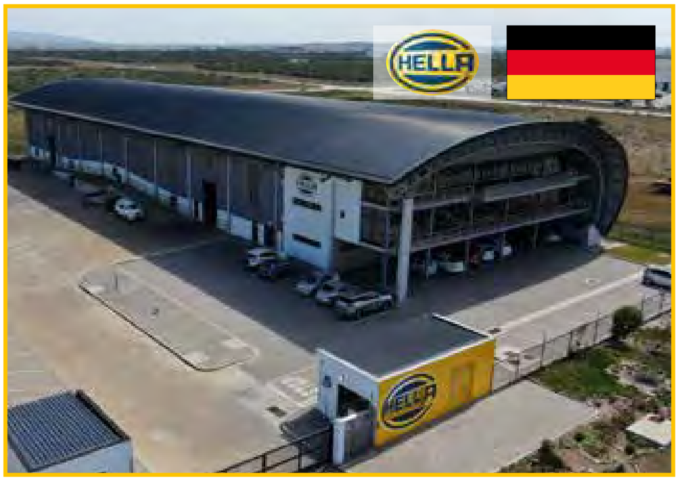
All this work has been done through the efforts of CDC employees. The Board recognises its responsibility to empower management by ensuring that the CDC can attract and retain skilled personnel. To achieve this, the organisation's human resources capabilities remain a critical success factor.

Our achievements would not have been possible without the support of our strategic and social partners, and our government and business stakeholders. 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, good 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 and the Portfolio Committee on Trade and Industry for their unwavering support during the last financial year. I would also like to express my warmest gratitude to the CDC Board, its committees, and Executive Management team for the organisational achievements during the 2023/24 FY, as we proceed with the implementation of our final year of the five (5)-year corporate strategy 2020 - 2025.

A heartfelt thank you to all CDC employees for their commitment and dedication. They have continued to give their best despite the challenging economic and business environment. Finally, I would like to offer special appreciation to our stakeholders who continue to support and – rightfully so – critique and challenge us to be a leader on the African continent and a world-class organisation. Through working together, we can ensure that the Eastern Cape, South Africa, and Africa, thrive.

Dr. Luvuyo Bono
Interim Board Chairperson



Some of the featured Operational Investors at the Africa's leading Coega Special Economic Zone.

BOARD MEMBERS

DR. LUVUYO BONO
INTERIM CHAIRPERSON

Appointed: 2024; and 2024 (Interim Chairperson)

Dr. Bono was appointed by the shareholder, Former MEC for the Department of Economic Development, Environmental Affairs, and Tourism (DEDEAT), Honourable Mlungisi Mvoko, as the Coega Development Corporation Board member in March 2024, and as Interim Board Chairperson on 13 June 2024.

Dr. Bono is an experienced advocate who is fit for the role. He holds a Doctor of Laws degree from the Nelson Mandela University. He is currently in active practice as an admitted Advocate of the High Court registered with the Legal Practice Council. He is also an Associate of the Labour and Social Security Law Unit at the Nelson Mandela University (NMU), Labour Law Lecturer, and a part-time Senior Commissioner for the Commission for Conciliation, Mediation and Arbitration (CCMA). Dr. Bono was awarded the status of "Adjunct Professorship in Labour Law" by NMU. In 2023, Dr. Bono was appointed as a member of the Rules Board of the Labour Court and Labour Appeal Court.

THEMBA KOZA
ACTING CHIEF EXECUTIVE OFFICER

Appointed: 2023

Themba Koza holds a Degree in Chemical Engineering from the Cape Peninsula University of Technology, an M.Sc. in Environmental Science from Rhodes University, a Postgraduate Diploma in Sustainability Studies from the University of Cambridge, Management Advanced Programme from the University of Witwatersrand, an Executive MBA from the University of Cape Town and a Master's Degree in International Business from the Edinburgh Business School (both awaiting treaties).

Themba has held various senior and executive positions at the Coega Development Corporation in the areas of Safety, Health and Environment, Operations, Facilities Management, and Infrastructure Delivery. Prior to joining the Corporation, he held the position of Environmental Engineer at Foskor Limited.

NOMONDE MTEMBU

Appointed: 2019

Nomonde Mtembu holds a qualification in Labour Law from the Nelson Mandela University, a National Diploma in Human Resource Management from the Southern Business School, 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.

Ms. Mtembu has previously worked at Tescor in various positions, including Hydro Plant Operator at First Falls and Collywobbles, from 1987 to 1991, before becoming a senior invoice clerk when Eskom took over Tescor. After the 1994 elections, she held various positions including Operations Controller, Administration Controller, Materials Requirement Planner Controller and Special Projects. From 2013 until 2018, she was the Senior MRP Controller. She has also acted in Warehousing Management and Logistics Management positions.

Ms. Mtembu has completed various courses in supervision, leadership and management and has been involved in labour relations and facilitation of resolutions between labour and management.

PHILA XUZA

Appointed: 2019

Phila Xuza served seven successful years (2005-2012) as founding Chief Executive Officer of Amathole Economic Development Agency SoC, trading as Aspire, after which Phila established Centre for Small Towns Regeneration (CSTR) – a strategic, technical advisor and mentor aimed at awakening the intrinsic value of small towns as contributors to vibrant regional economies. CSTR brings together an efficient and effective combination of knowledge and capacity building programmes, consultation, and partnership.

It is a primary resource and support to both local and regional development initiatives of local and national governments in South Africa and beyond. Phila's work is widely published in newspapers, academic journals, and book chapters. She also sits on the Board of development corporations and government agencies.

CELESTE PRINCE

Acting Company Secretary

PHELISA NKOMO

Appointed: 2021

Phelisa Nkomo is part of catalytic Gender Empowerment initiatives in South Africa as a lead development economist for the Women's Economic Assembly (WECONA), a multi-sectorial initiative which facilitates public sector procurement and economic opportunities through access to supply chain. The assembly advocates for the creation of opportunities for women's equitable participation in the economy and fosters multiplier effects for sustainable development and finance for development.

In 2021 Ms. Nkomo was part of establishment of Gender Based Violence and Femicide Response Fund as a technical advisor, this is a multi-sectorial private sector led enterprise which was launched in February 2021. Ms Nkomo has recently been appointed as Chair of OXFAM Board.

Ms. Nkomo is a focused strategic thinker who relies on her expertise to drive change. She is forward-thinking and subscribes to collaborative, ethical and transformative leadership as well as diversity and inclusion. Phelisa is additionally an optimist who is driven by impact.

She is a Development Economist, with eight (8) years working experience as an Economic Policy Advisor in the Public Sector with combined exposure in Socio-Economic Justice and Human Rights Civil Society Organisations, Legislative Development, Partnership Development, Sustainability (ESG) and Grant-making organisations for nine (9) years.

Nkomo has served in several Boards and acquired a depth of knowledge in areas like Pragmatic Leadership principles, Corporate Governance principles, Strategy Development, Risk Management, and lateral thinking. Currently, her Board and Executive roles include Commonwealth Entrepreneurs Club; Independent Development Trust; OXFAM South Africa, NEDLAC Macro-Economic Working Group - Studies in Inequality and Poverty; BRICS Gender Working Group; Gender Based Violence and Femicide Response Fund Working Group. Her previous Board roles include MDDA from 2011 to 2019 and AGRISETA from 2012 to 2019.

She has an Honours Degree in Economics from the University of Western Cape (2008); a Post Graduate Diploma in Economic Policy from the University of Western Cape (2007); Post Graduate Diploma in Economic Policy from the University of the Western Cape (2007); a Diploma in Public Relations from the Cape Peninsula University of Technology (2004); and Advanced Certificate in Community Development & Project Management from the Beit Bell Collage (Israel) (1996). She has also completed the Executive Leadership Programme at the Gordon Institute Business School (GIBS) (2016). Ms Nkomo is currently studying towards her Master's in development finance at the University of Stellenbosch, Business School.

SIBUSISO NDUNA

Appointed: May 2023

Sibusiso Nduna is a qualified Chartered Accountant with 13 years' experience, founding, leading, and managing companies and business divisions. He was appointed to the Coega Development Corporation's Board of Directors as Non-Executive Director, in 2023.

Mr. Nduna is currently a non-executive director of City Power Johannesburg (SOC), a municipal entity of the City of Johannesburg. He is the founder of Tornando Financial Services (Pty) Ltd and On Point Advisory (Pty) Ltd; and Mr. Nduna is a licensed business rescue practitioner and an insolvency practitioner, registered with the Master of the High Court.

Mr. Nduna has worked in senior strategic, finance, auditing, and governance roles across diverse business environments, including private and public sectors, having completed his articles at Deloitte. Prior key positions include, amongst others, Boards of the South African Institute of Chartered Accountants (SAICA); and Advancement of Black Accountants of Southern Africa (ABASA), as Chairperson of the ABASA Business Forum. Moreover, Sibusiso has previously served state-owned entities and Sector Education and Training Authorities (SETAs), focusing mainly on turnaround strategies toward the improvement of audit outcomes.

SIYABULELA LAZARUS

Appointed: May 2023

Siyabulela Lazarus is an Investment Professional, with 14 years' experience. He was appointed to the Coega Development Corporation's Board of Directors as Non-Executive Director and Shareholder Representative, in 2023.

Mr. Lazarus is currently the Director of Trade and Investment Promotion at the Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) in the Eastern Cape, responsible for provincial investment coordination and oversight over the Coega Development Corporation, East London Industrial Development Zone, and the Eastern Cape Development Corporation. He holds a Bachelor of Commerce and an Advanced Leadership Programme certificate from Nelson Mandela University.

Mr. Lazarus has credible experience with enterprise development, investment promotion, and development across several organisations, including the local government, provincial government, and other government entities. Prior key roles include, amongst others, a position at the Small Enterprise Development Agency (SEDA), and in an investment promotion role within the local government sphere. Before joining DEDEAT, Mr. Lazarus worked as a Regional Tourism Development Manager and a Commercialisation Manager for the Eastern Cape Parks and Tourism Agency.

ZIYANDA POTELWA

Appointed: May 2023

Ms. Ziyanda Potelwa is a Pan-African Property Finance Professional, with 10 years' experience in executing debt and equity investments from inception to completion. She was appointed to the Coega Development Corporation's Board of Directors, as Non-Executive Director, in 2023.

Ms. Potelwa has extensive experience in executing commercial real estate transactions both nationally and in Africa, as well as exposure to SMEs financing, set in various sectors. Ms. Ziyanda holds a BSc. in Property Studies and a Master of Management in Finance and Investment, from the University of the Witwatersrand.

Prior key roles include, amongst others, serving on the Board of Directors of the Arch Property Fund (Pty) Ltd, as well as the Finance and Risk, and the Social and Ethics Committees. Moreover, she has served as a member of the Management Committee for Kleentech Student Lifestyle (Pty) Ltd, ensuring the implementation of a student accommodation investment in the Limpopo Province, and served as Chairperson from February 2021 to July 2021.

Ms. Potelwa spent her early career as a Lending Analyst and Internal Relationship Manager at Nedbank Property Finance, and Credit Risk Manager at Standard Bank Group Real Estate Finance Division. She expanded her focus to equity investments at the largest asset management house in Africa, i.e., Public Investment Corporation (PIC).

Province of the
EASTERN CAPE
REPUBLIC OF SOUTH AFRICA

EXECUTIVE AUTHORITY

Ms Nonkqubela Pieters
MEC: Economic Development, Environmental Affairs and Tourism

The Coega Development Corporation (CDC) is a 3(d) registered public entity in terms of the Public Finance Management Act (PFMA) of 1999 (Act No.1 of 1999), that is wholly owned by the Eastern Cape Provincial Government in the Republic of South Africa. The Member of the Executive Council (MEC) for Economic Development, Environmental Affairs and Tourism, Honourable Nonkqubela Pieters, 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.

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

During this year, despite challenges such as the aftermath of the COVID-19 Pandemic, natural disasters, energy security, logistics, and geopolitical conflicts, the CDC has made significant progress towards its outcome statements based on the approved Annual Performance Plan (APP). These challenges have impacted the recovery of government entities, leading to a lagging local economy with high unemployment, a high cost of living, a constrained business. This was exacerbated by global slowdown in FDI by 2 percent. Flows into Africa declined by 3 percent in 2023, while FDI in South Africa fell 43 percent to US$5.2bn in 2023, says UNCTAD's World Investment Report 2024. The CDC's achievements, despite these challenges therefore, must be celebrated, particularly given the number and value of investments secured, training and development undertaken, and small business support rendered. The increased number of construction jobs is also crucial in the reduction of unemployment.

The Provincial Government has focused on implementing the Provincial Medium Term Strategic Framework (P-MTSF) to contribute towards addressing socio-economic development. In his State of the Province Address 2024, Honourable Premier Oscar Mabuyane's theme of "Seamless Progress in Building the Eastern Cape We Want" reminded us that, in 2019, we were tasked by the people of the Eastern Cape to execute on seven deliverables, inclusive of growing the provincial economy and advancing industrialisation.

Notwithstanding enormous exogenous factors that confronted our performance as a government, we are excited about the Coega SEZ's progress in industrializing the Eastern Cape. The automotive sector continues to grow, and the province has now added the Stellantis Group to our Original Equipment Manufacturer (OEM) family. The Stellantis Group is injecting a massive R3 billion into the Eastern Cape economy. The impact of that investment will be felt by the 1500 new employees who will be hired to produce cars in a new factory that will be built in Gqeberha this year. We are delighted to note that the operationalization of the R11 billion investment by BIAC SA and the IDC has started. To further develop this sector, we have mandated the AIDC-EC to work closely with Coega Development Corporation and others to attract new OEMs into our province going into the future, especially OEMs that are producing electric vehicles and NEVs if we are to remain a competitive player. The White Paper outlining our strategy to transition towards a broader new energy vehicle production and consumption in South Africa, as well as the introduction of an incentive allowance for new investments in energy vehicles therefore, are steps in the right direction taken by national government. The province is monitoring these developments with keen interest.

Collaboration continues to demonstrate success in project development. Following the MoU signed between the CDC and the Council for Scientific and Industrial Research, we are pleased that these entities have established the Biofibre Hub, which involves the development of viable industrial applications for bast fibre and leaf fibre to support the global competitiveness of the South African automotive sector, promote the greening of manufacturing chains, and foster the creation of sustainable jobs in rural areas. By harnessing the power of biotechnology and sustainable materials, the Biofibre Hub Project has the potential to drive economic growth and position the region as a leader in the global green economy.

Other key projects to stabilise energy security and reignite the economy, include the LNG gas-to-power project, which positions the Coega SEZ as the hub in the province and the country. The US$4.6 billion Green Ammonia Project in the Coega SEZ by Hive Hydrogen is critical to the diversification of our energy sector, as well as to job creation. The CDC's strategic location in the Eastern Cape provides access to diverse energy resources, making it an ideal candidate for various energy-related initiatives, including generation and manufacturing projects. This aligns with the government's vision for a sustainable energy mix, and positions Coega as a key player in the gas and power sector. Coega is actively investing in other renewable energy projects, including wind farms, solar farms, and bioenergy initiatives. These projects are game changers to build the "Province We Want," and they will boost the Coega SEZ's unique value proposition for sustainable investments.

Under the project management of the CDC, we are pleased with the progress made to establish the Wild Coast SEZ in Mthatha. It is currently operating as an Industrial Park as we await feedback from the Department of Trade, Industry and Competition on our application for SEZ designation following the investment pipeline of R1.7 billion that has been secured. We are resolute in establishing this SEZ. It is a progressive decision that our government has taken to deepen and broaden the economic footprint towards the eastern side of the province. During the year, a service provider was appointed to install the bulk infrastructure. The province has allocated R21 million for 2024/25 FY and R55.9 million over the 2024 MTEF to the CDC for the operationalisation of the Wild Coast Industrial Park. We will be monitoring progress to ensure that the socio-economic benefits of this project are realised.

The Coega Aquaculture Development Zone (ADZ) project is benefiting from the provincial government's investment and has embarked on an aggressive investment promotion trajectory to exploit the vast oceans, estuaries, and rivers abundant with marine life. Coega received infrastructure investment support to the value of R206 million from the provincial stimulus fund for the development of Phase 1, which comprises infrastructure development for the first 100 hectares of the ADZ. The province continues to place greater emphasis on the Oceans Economy, in line with the Oceans Economy Master Plan and following pronouncement in the 2021 State of the Province Address, that these projects continue to be supported.

In November 2022, the Coega ADZ infrastructure was unveiled (i.e., roads, electrical, potable and storm water infrastructure, etc.) in Zone 10 of the Coega SEZ following Environmental Authorisation. The infrastructure creates an investment ready platform for aquaculture investors, including abalone and finfish farms. The provincial investment created 500 construction jobs and 900 operational jobs. Furthermore, Coega's R1.8 billion budget allocation for the Coega Return Effluent Scheme is another significant step towards building the Eastern Cape We Want.

The Eastern Cape Province is excited about the opening of Cannabis cultivator, Medigrow, in the Coega SEZ this year, which positions the Eastern Cape as the Cannabis Industrial Hub of South Africa. The investment represents the biggest investment in this subsector in the province. During the opening ceremony, Honourable Premier Mabuyane indicated that thousands of jobs would be created in the sector over the next few years. The initial investment pledge of over R100 million for 2024 – to commence indoor growing, packaging, extraction, and cigarette manufacturing operations – will create 90 direct employment opportunities. It is an investment which will create opportunities for farmers, as well as various research and development programmes to be implemented in the near future. The province is furthermore excited about the resultant impact on youth employment and training opportunities, which will be positive.

COEGA **OWNERSHIP** AND **SHAREHOLDER**

Medigrow's investment is the first step in a wider initiative, paving the way for future economic growth. Establishing such ventures fosters connections with other regions, like the Western Cape, and strengthens the local processing ecosystem.

My department is pleased with the CDC's performance during the financial year. However, more still needs to be done by the organisation in the next financial year. I am especially encouraged by the newly signed investors in key economic sectors that contribute to job creation, skills development, and SMME support and development targeted at women, youth and persons with disabilities.

I wish to thank the CDC Board for providing strategic leadership and accountability in the delivery of the CDC's mandate. We look forward to working with the CDC in the final year of its Strategic Plan 2020-2025, and in the implementation of critical investment and infrastructure development projects. The CDC is making a significant contribution to building the prosperous Eastern Cape We Want.

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, and game-changing services for clients and stakeholders. The CDC leverages 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 six capitals also demonstrate sustainable development and growth as good progress through partnerships. The following are the key Coega Development Corporation's six capitals:

FINANCIAL

- Revenue Generated: R642.184 million
- Cash flow from Operating Activities: R18.877 million
- Stats SA 2023: SEZ Investors Income: R18,9bn (2021:R14bn; 2018: R11bn); and Expenditure: R17,8bn (2021: R12,6bn; 2018: R10,8bn)
- Growth in client portfolio of Non-SEZ services: R15.135 billion
- Value of Investment Pledged: R840.39 million

MANUFACTURED

- 60 Cumulative Operational Investors
- 11 Newly Signed Investors
- 69.41% Procurement Spent on SMMEs
- Contracts Awarded: R1.479 billion (SMME Spend: R1.027 billion)
- Value of Coega SEZ Operational Investors: R12.3 billion
- Coega SEZ Area: 9 003ha
- Coega SEZ Lettable Area: 5 477.1ha (60.8%) is lettable land
- Core Development Area is: 21.36%

HUMAN

- Coega Headcount: 457
- R7 761 637,67 spent on training and development for the 2023/24 FY
- 307 training interventions were implemented in the 2023/24 FY
- 273 employees were trained or took part in training and development programmes in 2023/24 FY
- 168 Females and 105 males were trained in the 2023/24 FY
- 131 employees are studying towards formal qualifications in the 2023/24 FY
- 4 employees have PhD qualification.
- 4 currently studying towards PhD qualification
- Youth Participation on programmes: 26.37% (72 employees who are youth participated in training and development programmes)
- 89 Coega Interns trained for the world of work

SOCIAL & RELATIONSHIP

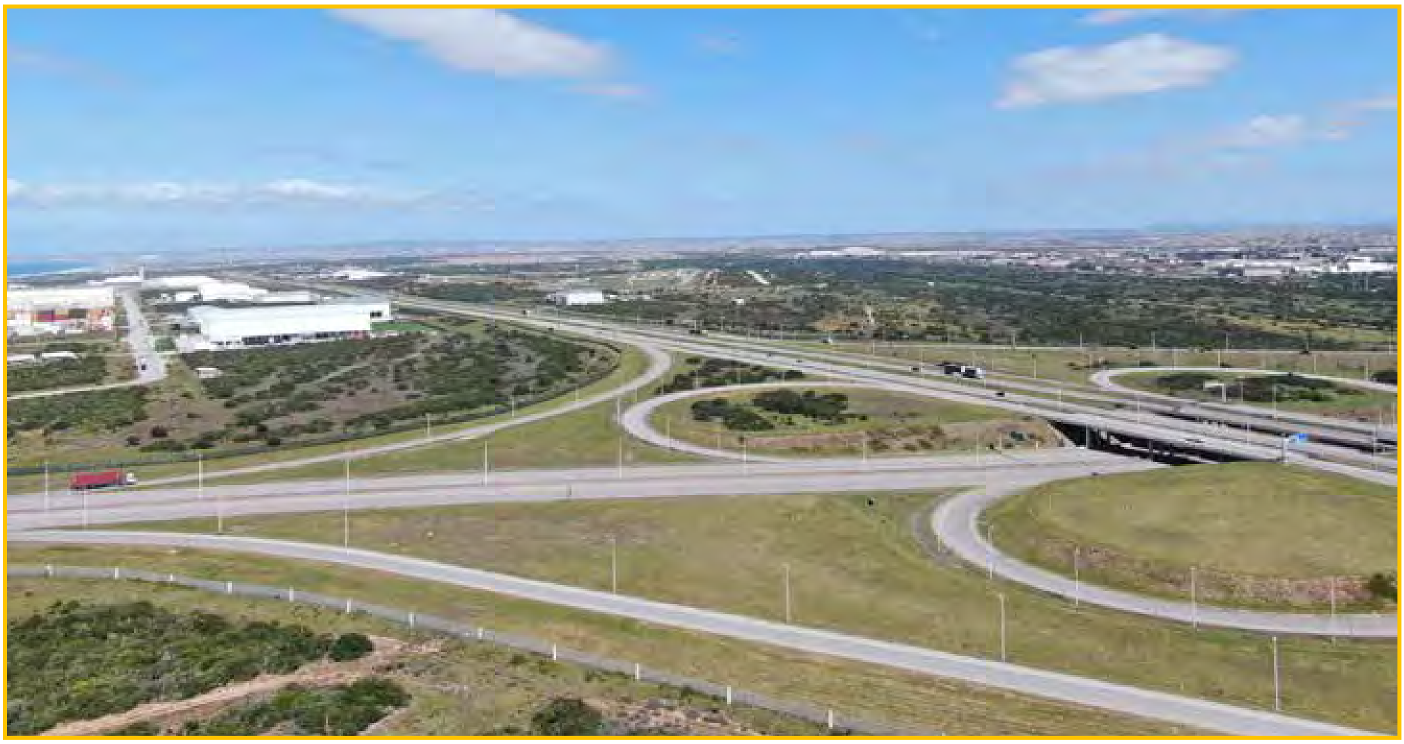
- B-BBEE status level 1
- 78 Internships funded by the CDC
- 29 Learnerships which are externally funded and hosted by the CDC for technical experience
- Maths and Science Programme pass rate of 100% (class of 2023)
- MICT SETA Experiential learning for 50 ICT graduates - Achieved 100% employment
- 135-learners are on a 3 Year Coega apprenticeship across various trades (SDC)
- 200 learners are on the NQF Level 3 Coega's professional driver learnership over 24 months
- 11 Employees Living with Disability, as part of Coega Disability Affirmation Programme (DAP)
- SMME Mentorship and Development: R52,3m
- 18 SMMEs successfully upgraded on CIDB

NATURAL

- ISO Certified:
  - ISO 9 001:2015
  - ISO 14 001:2015
  - ISO 45 001:2018
  - ISO 20 000-1:2018
  - ISO 27 001:2013
- 4 Plant Search & Rescue Projects as part of the Sustainability Programme
- New projects:
  - Regional General and Hazardous Waste Management Facility Feasibility Study
  - Climate Change Resilience and Adaptation
  - Carbon Footprint Analyses projects

INTELLECTUAL

- Awards of Excellence & Recognition:
  - Winner of the Infrastructure and Development Award 2024 for exceptional performance in its role as a trusted Implementing Agent of Choice in South Africa, at the Africa Career Summit and Gala Awards, in Sandton
  - Winner of the Skills Education and Training Award at the African Business Awards in Sandton



The National Road 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 societal impact;
- Creation of an excellent **Performance Ecosystem** (people, systems and technologies); and
- Meet **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. Strong cash reserves, investments, income from operations, and resources from debt and equity make up our financial capital. To secure our financial sustainability, we use a combination of various financial resources in our company operations. Value is furthermore 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 as part of the United Nation's 2030 Agenda through, amongst others, our people, systems and advancement in technologies.

PURPOSE OF THE COEGA DEVELOPMENT CORPORATION

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

In line with its mandate of socio-economic development, the CDC's vision is to be the leading catalyst for the championing of socio-economic development. This it seeks to achieve 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. The CDC will further provide 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 advisory on the development of industrialisation and logistics zones. The CDC's advanced capabilities are effective enablers in the development and management of economic zones, real assets management, infrastructure planning and development, and the integration of technology while realising related socio-economic impact areas like the development of skills and SMMEs. The foundational culture of the CDC's approach, backed by core values, is innovation and continuous improvement.

Fit-for-Purpose Design of the Coega SEZ
The Coega SEZ is purpose-designed following the cluster model, which strategically positions related and synergistic industries and their supply chains near one another 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.

NELSON MANDELA BAY LOGISTICS PARK INVESTORS

COEGA SEZ **FOCUS SECTORS**

Diversification Strategy for Financial Sustainability

To improve financial sustainability, the CDC has 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 Travel Agency (CTA)**, recently repositioned to provide seamless and cost-effective travel management solutions for business, public, and leisure travellers, including auxiliary services and solutions, such as accommodation and car hire. CTA 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 by Coega Technologies and Consulting, accommodation and conferencing facilities at the Coega Vulindlela Accommodation and Conference Centre (VACC), and four-star Bluewater Bay Sunrise Hotel (BWBSH);
- **Project Management Services**, which provides engineering, procurement, construction, 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 invested approximately R4 billion in Phase I of infrastructure development, R15.8 billion by Ford Motor Company; R5.6 billion from the various component manufacturers, and created 3,244 permanent jobs, in line with its vision; and
- **Coega Africa Programme:** On the continental front, as part of its international business consulting and project management, the CDC provided services in Zimbabwe, Cameroon for the Central African Republic (CAR), Senegal, and Nigeria, 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 under the African Continental Free Trade Area (AfCFTA) agreement. Partnerships are being established to advance the Coega's business interest on the continent, including development finance institutions (DFIs).

The Coega Development Corporation offers the following revenue generating products and services aligned to the Diversification Strategy:

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**
  - **OFFICE OF THE CEO**
    - STRATEGY
    - **SEZ INVESTMENT SERVICES**
      - BUSINESS DEVELOPMENT
        - INVESTMENT PROMOTION
        - NEW VENTURES & SPECIALISED PROJECTS
        - PROJECT DEVELOPMENT
        - GLOBAL MARKETS
        - ENABLING PROJECTS
      - OPERATIONS
        - SEZ PROPERTY DEVELOPMENT, ESTATE & MAINTENANCE
        - TRADE FACILITATION
        - SECURITY
        - COMMERCIAL
        - SPATIAL DEVELOPMENT
        - LOGISTICS
        - CRUX MARINE SOLUTIONS
        - VULINDELA ACCOMMODATION & CONFERENCE CENTRE
        - BLUEWATER BAY SUNRISE HOTEL
        - COEGA TRAVEL AGENCY
    - **CENTRAL SUPPORT SERVICES**
      - CORPORATE SERVICES
        - HUMAN RESOURCE
        - HUMAN CAPITAL SOLUTIONS
        - SKILLS DEVELOPMENT CENTRE
        - SHARED SERVICES
        - LEGAL SERVICES
        - SMALL, MICRO & MEDIUM ENTERPRISES

- CHIEF AUDIT EXECUTIVE
- COMPANY SECRETARY
- CEO SUPPORT
- MARKETING, BRAND & COMMUNICATIONS

SUBSIDIARIES

- RAPID INFRASTRUCTURE DEVELOPMENT AGENCY
  - EXECUTIVE MANAGER: CHIEF FINANCIAL OFFICER
- COEGA DEVELOPMENT FOUNDATION
  - EXECUTIVE MANAGER: CORPORATE SERVICES

- FINANCE
  - MANAGEMENT ACCOUNTING
  - FINANCIAL MANAGEMENT
  - CAPITAL RAISING & ALLOCATION
  - SUPPLY CHAIN MANAGEMENT
  - SMALL BUSINESS FINANCE & SUPPORT
  - COMPLIANCE MANAGEMENT
- ICT & RESEARCH
  - INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT)
  - RESEARCH
- SUSTAINABILITY
  - SAFETY, HEALTH, ENVIRONMENT & QUALITY
  - CORPORATE SOCIAL INVESTMENT
  - COEGA DEVELOPMENT FOUNDATION

NON-SEZ SERVICES

- NATIONAL PROGRAMMES
- PROVINCIAL PROGRAMMES
- INTERNATIONAL PROGRAMMES
- BUSINESS DEVELOPMENT (EXTERNAL SERVICES)
- NMB LOGISTICS PARK
- CENTRE OF EXCELLENCE
- PROJECT DEVELOPMENT
- CENTRAL TECHNICAL SERVICES

TOP 12 REASONS TO INVEST AT COEGA

1 Safety and Security

- A safe trading environment is important for industrialisation and boosting investor confidence
- The Coega SEZ is a safe and secure investment destination:
  - Fit-for-purpose buildings and serviced sites
  - Custom controlled areas and access-controlled entryways.
  - A comprehensive physical protection system, incorporating building and perimeter intrusions detection systems, surveillance monitoring, and access control.
  - Static and roaming manned guarding with tactical response team
  - Secure and stable on-site data centre hosting of ICT infrastructure
  - Two-tier 3 Data Centres
  - ISO/IEC 20000-1:2018 for IT Service Management, and ISO IEC 27001:2013 for Information Security Management

2 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
- Utilities infrastructure aligned to UN Sustainable Development Goals thus ensuring an infrastructure that has environmental sustainability at its core
- Ensures energy and water security through building utilities infrastructure such as water desalination, gas to power and renewable energy generation (wind & solar)

3 Environmental and Sustainability

- 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
- ISO 14001:2015 for Evironmental Management
- We are green energy SEZ with solar photovoltaics rooftop solution with architectural guidelines allowing for green buildings thus speaking to sustainability

4 Brand Image and Reputation

- International award-winning organisation
- Positive and high recorded reputational index
- Trusted by current investors, clients and stakeholders
- Formed strategic partnerships internationally

5 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
- Africa continental trade & logistics links relating to opportunities emanating from Africa Continental Free Trade Area (AfCFTA)

6 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 David Stuurman International Airport (PLZ), which is around 20 minutes travelling time away on the N2 Freeway
- It takes just 1 hour 40 minutes to fly from PLZ to OR Tambo International Airport on a route serviced by several airlines
- The distance to the main banking and business precincts in Gqeberha is around 20 km

7 World Class Support Systems

- 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. CCA and Freeport Zones, allows for duty and VAT-Suspension entry of any foreign goods intended for re-export. This means we can ensure ease of operations for zone users and enable them to import, store and manufacture goods (including processing, cleaning and repair) without being bound by various time and economic restrictions. CCA in Coega SEZ (manufacturing): 70% saving on surety bond. Coega's aim over the next 5 years & beyond is to create a vibrant hub of opportunity, job creation, inclusive growth, and sustainable development utilising the Coega SEZ, Legislation and Tax Incentives as a catalyst.
- Customs compliance infrastructure management
- Proven in-house expertise in delivering infrastructure projects of all sizes within budget and on time
- National investor services centre located in the SEZ

12

Governance

- Coega 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

11

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 radius of 20km 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

10

Incentives

- Coega 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

9

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 Nelson Mandela University (NMU) for research and development
- Apprenticeship training centre (construction, manufacturing and MEI)

8

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, 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 License 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 industry (SEZ, Municipal, and Sector Specific Incentives)
- Coega'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)
- Coega's clinic provides services during construction and operational phases

SPECIAL ECONOMIC ZONE **TAX INCENTIVES**

The success of Coega SEZ in attracting investors under the Special Economic Zone (SEZ) Act of 2014 (Act No 16 of 2014) will depend on the effectiveness of the legislation including SEZ incentives to make South Africa a globally competitive and attractive investment destination.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, like 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.

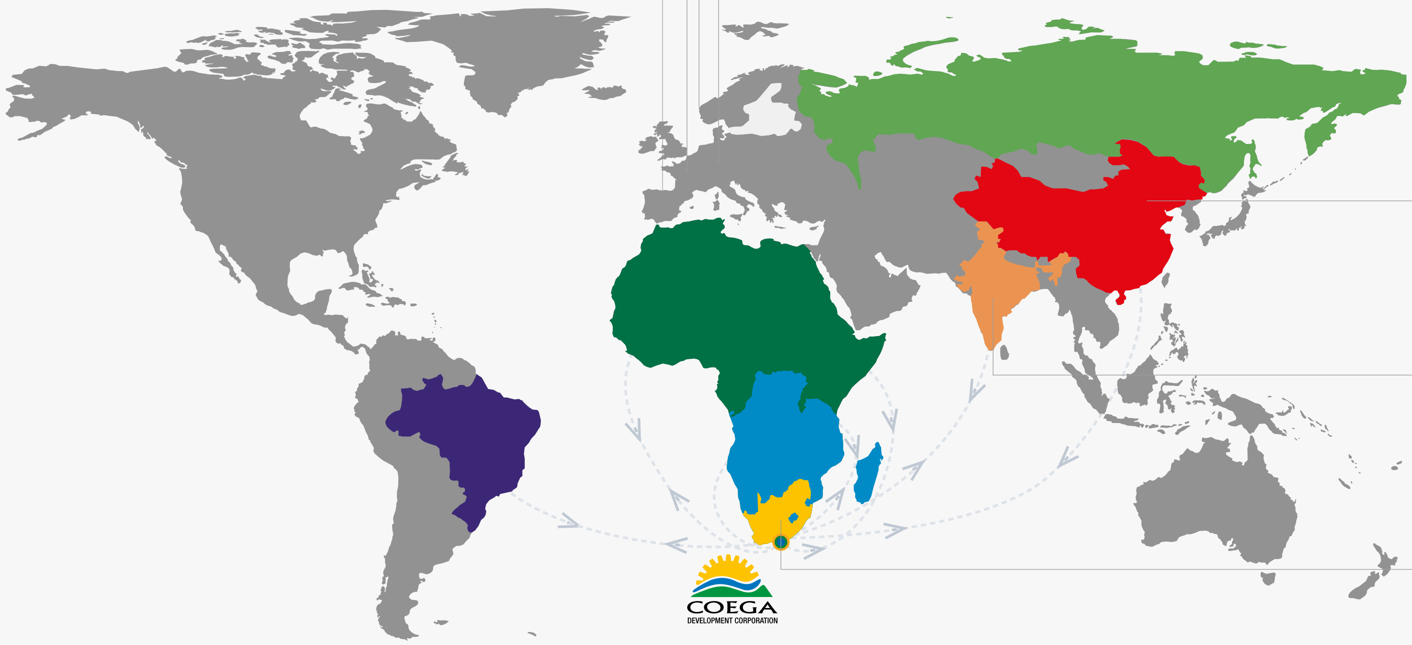
Deepwater Port of Ngqura situated within the Coega SEZ Complex, in the Nelson Mandela Bay Municipality.

Coega CCA, One-Stop-Shop and Customs Depot conveniently situated in Zone 1 of the Coega Special Economic Zone, next to the Deepwater Port of Ngqura.

GLOBAL COMPETITIVENESS

The CDC relentlessly strives to create sustainable value for investors, clients, partners, funders, and other role players through the provision of a competitive investment location supported by value-added business services to enable sustainable socio-economic development. This is evidenced by the major global companies that have invested in the Coega SEZ, which provide transshipment hub facilities within its Complex in the Ngqura Port for international shipping lines destined to other markets in the African continent and the world. This enhances the Coega SEZ's value proposition and competitiveness, thus attracting investors of the future, 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, noting additionally the success of the container Port of Shanghai, China, with 47.28 million TEUs. The Port of Singapore with estimated 37.29 million TEUs is one of the busiest transshipment ports in the world, and accounts for 20% of the globe's transshipment traffic (TECContainerSolutions.com). Interesting to note is that the World Bank's CPPI 2023: Global Ranking of Container Ports, ranks the Yangshan Deep-Water Port as number one in terms of performance. The 2011 Study provided 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) and other State organs 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

INDIA & SE ASIA

Investor Services

FAR EAST

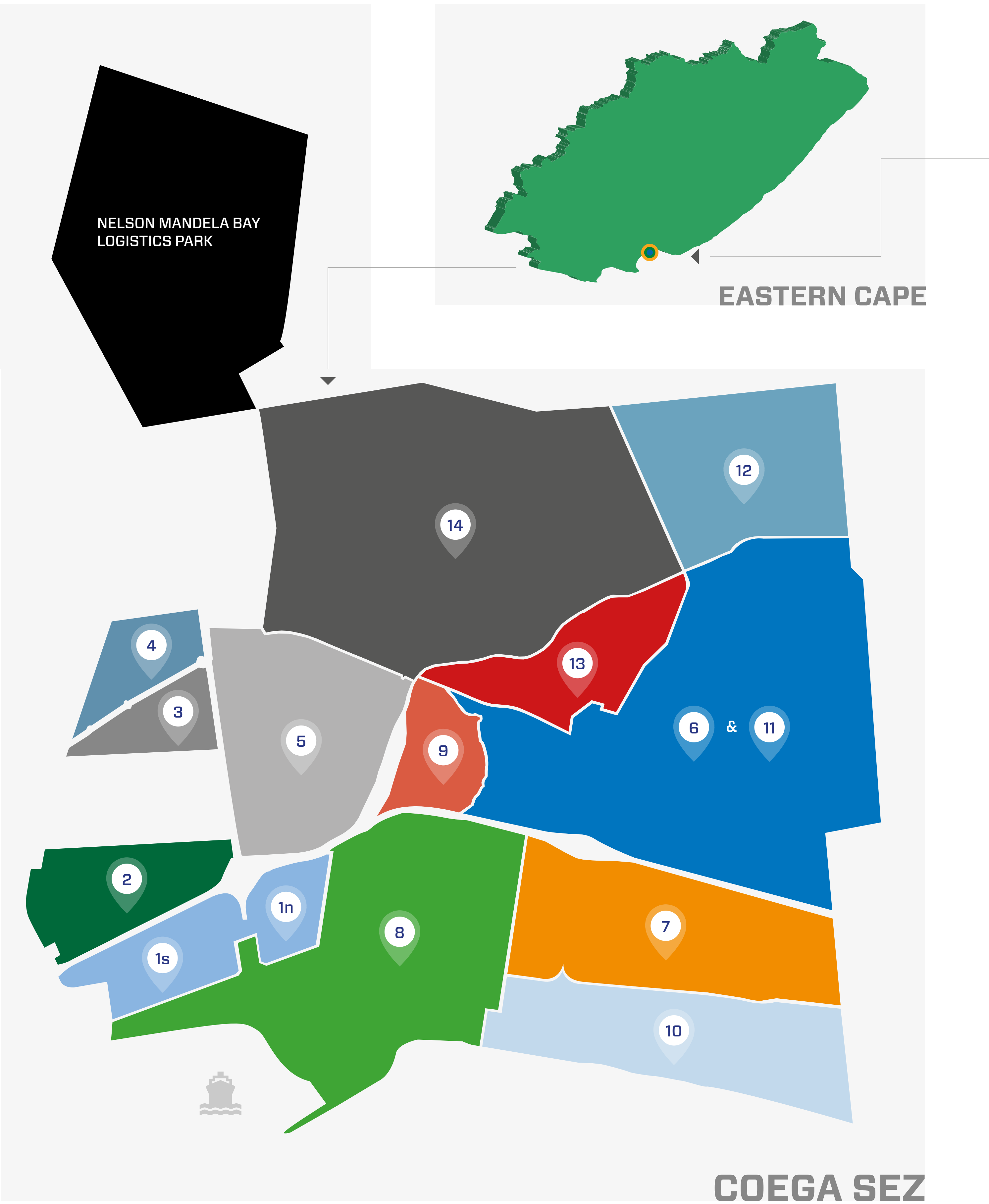
Investor Services

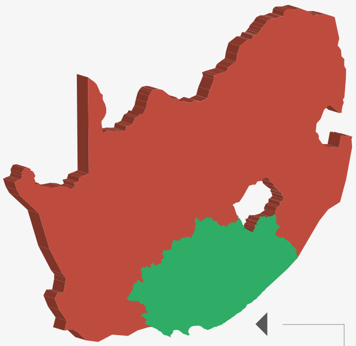
SADC

Export-oriented Manufacturing

Investor Services

AREA PROFILE





SOUTH AFRICA

WORLD

ZONE 1N
Commercial Cluster – Coega Business Centre

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

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

ZONE 3
General Industries Cluster – Afrox, Air Products, DC Foods, Dairy Group, Himoinsa, OLM Engineering, Corruseal, ChemChamp Africa, Coega Biomass, VSL, Avianto Energy, MSC, Loop, Corruseal, AMSOL, Vanguard, Romarck, Flow Cultivation, San Miguel, Grindrod

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

ZONE 5
Metallurgical Cluster – Bosun Brick, Mhlobiso Concrete, Sanitech, CEMZA

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

ZONE 7
Chemicals Cluster – Cerebos, OEC Tank Farm

ZONE 8
Port Area

ZONE 9
Materials Handling Cluster

ZONE 10
Mariculture & Aquaculture Cluster – Ngqura Sand

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, 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	2.45%
1S	Logistics	64.36%
2	Automotive Cluster	27.87%
3	General Industries Cluster	21.48%
4	Training / Academic Cluster	10.17%
5	Metallurgical Cluster	3.6%
	Total CDA	**21.36%**
6 & 11	Metals & Petrochemical	0.3%
7	Chemical Cluster	1.41%
9	Materials Handling Cluster	0.0%
10	Mariculture & Aquaculture Cluster	1.88%
12	Advanced Manufacturing Cluster	0.0%
13	Energy Cluster	43.2%
14	Aeronautical & Aerospace	0.0%
	Total Coega East	**1.52%**

The table above demonstrates the percentage of Coega SEZ lettable land which is operational as of 31 March 2024 per Zone. The Coega SEZ is 9 003 ha in extent of which 5 477.1 ha (60.8%) is lettable land, the remaining land consists of conservation areas, roads and services. Lettable land is apportioned and leased to investors. The land is measured as operational once the greenfields site is developed and an occupancy certificate is issued in terms of the National Building Regulations and Building Standards Act (Act 103 of 1977).

There is considerable variance on the percentage operational land between zones, due to factors such as:

- Some zones having a high percentage of serviced land available and there being 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 activity and is thus 64.36% operational; and
- Zones 12 and 14 however are completely unserviced, and have limited investment demand, thereby explaining the non-

operational nature of the land (0%). This land is earmarked for Renewable Energy projects for short to medium term timeframes. Notably, an area covering an extent of 108.8 ha identified for Manganese operations in Zone 9, has been sold to Transnet National Ports Authority (TNPA), therefore the land does not fall within the SEZ operations.

The overall trend is that the Core Development Area has a higher percentage of operational land (21.36%) due to available services installed up to site boundaries. In contrast, land to the northeast of the Coega River is largely unserviced, as heavier intensity large-scale industrial type projects are planned and therefore has a lower percentage of operational area (1.52%).

Supporting the Just Energy Transition, Coega has a dedicated Laydown Area for imported renewable energy components in Zone 1 of the Coega Special Economic Zone, next to Ngqura Port.

CORPORATE BUSINESS MODEL

BUSINESS MODEL EVOLUTION

Businesses must meet high expectations around value creation, and ensure that their ability to generate 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. In its value creation process, the CDC's core purpose, risks and opportunities, strategy, business model, performance, and sustainable development, are reported as inseparable elements of the value creation.

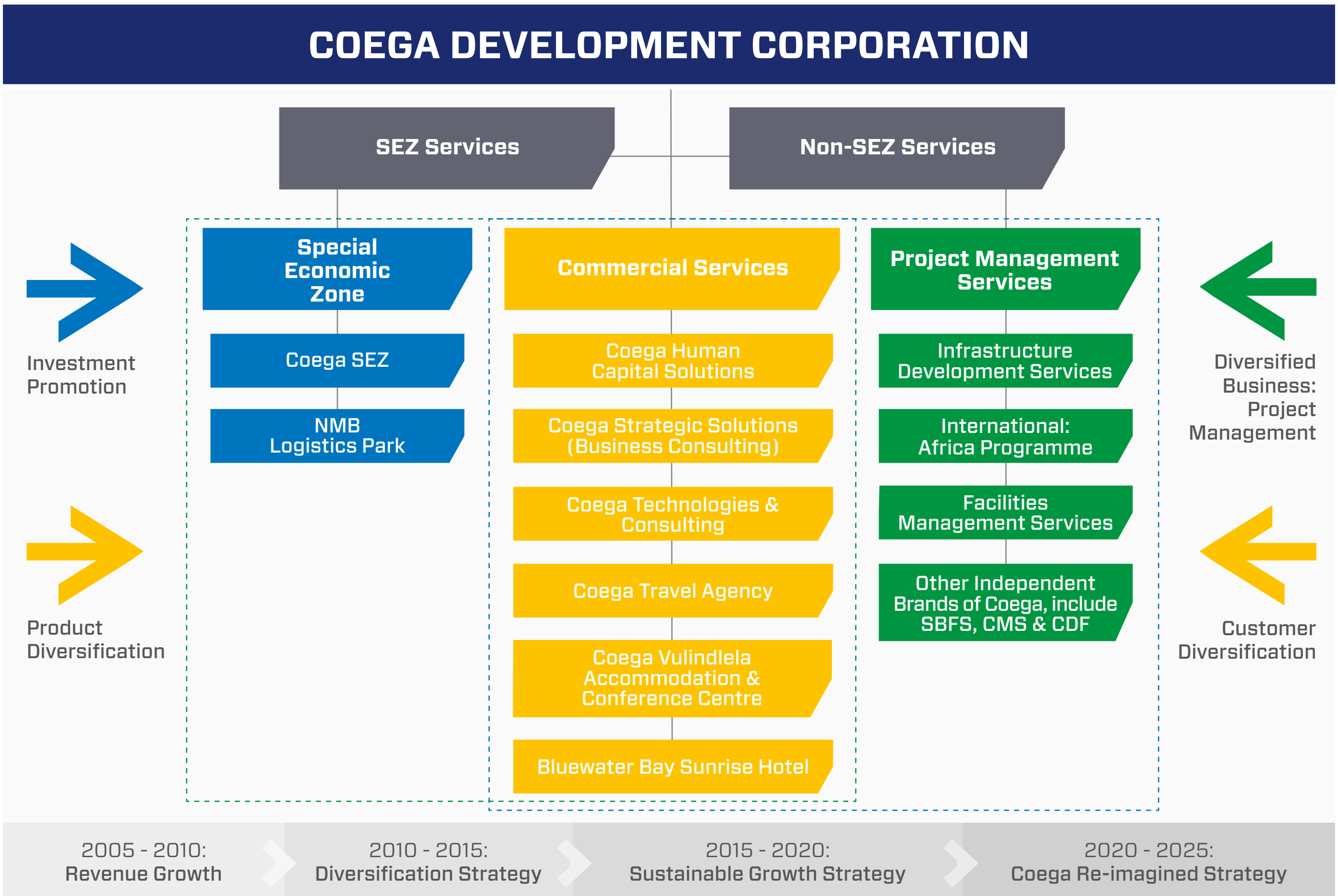
Therefore, the CDC's five-year strategy 2020 – 2025 points to a business model that has evolved over the last decade from solely focusing on investment attraction under the SEZ services to providing infrastructure project management and strategic business consultancy services, under the non-SEZ services,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

This shift in strategy continues to reflect the CDC's strategic intent of maintaining financial sustainability and prudence whilst operating within a developmental state, in order to overcome the hurdle of severe reduction in government grant funding, due to the constrained fiscus, which had greatly challenged the business model of the CDC, including its financial sustainability and growth.

As a result, over the past decade, the CDC proactively developed its non-SEZ services with a focus on project management at local, provincial, national and continental levels.

Some of the clients who have taken advantage of CDC's 25-year experience, innovative and diversified products and services to derive value 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 the Tshwane Automotive Special Economic Zone in the City of Tshwane, Gauteng Province, where the CDC was appointed in 2020 as the developer of the newly established multi-billion rand SEZ - *"Africa's First Automotive City"*.

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



Core Development Area: The Logistics Cluster, Zone 1 of the Coega SEZ, with transport connections via the N2 national highway and the Port of Ngqura.

Tshwane Automotive Special Economic Zone Phase 1 construction, with Coega as the Infrastructure Implementing Agent of Choice: A Case Study for South Africa's Infrastructure Development Excellence. [https://www.tasez.co.za/].

COEGA BRAND ARCHITECTURE

MOTHER BRAND

Monolithic Brand

COEGA

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
- Socially Responsible
- Sustainable/ESG/SDGs

MAIN BRANDS

Special Economic Zone (SEZ)

Non-SEZ – Commercial

SUB-BRANDS

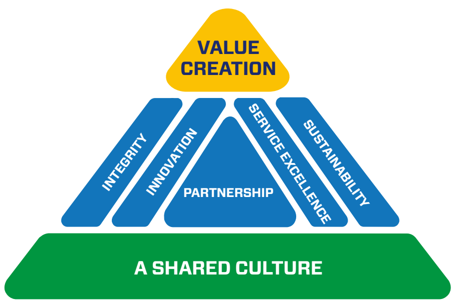
COEGA Special Economic Zone

COEGA Nelson Mandela Bay Logistics Park

COEGA Vulindlela Accommodation & Conference Centre

COEGA Travel Agency

SHARED VALUE



BEING **COEGA**

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

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

ABOUT OUR NAME

Coega is pronounced 'koo-gha' with a guttural sound forming the last syllable. Coega would have originally come from the Nguni adaptation of the Khoekhoen (Khoi) word "Nqurah" which means 'ground water'. isiXhosa forms part of the Nguni language group.

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 Human Capital Solutions

COEGA SMME Development Solutions

COEGA Technologies & Consulting

COEGA Infrastructure Management Services

COEGA AFRICA

COEGA Property Development & Maintenance Services

The Coega brand strategy is based on a monolithic brand approach. The mother brand is Coega and the positioning slogan is right PLACE, right TIME, right CHOICE. There are three main brands, namely: Coega SEZ, Coega Non-SEZ - Commercial Services, and Coega Non-SEZ - Project Management Services (External Services Programmes). The Coega sub-brands are as follows: NMBLP, Coega Vulindlela Accommodation and Conference Centre, Coega Travel Agency, Coega Human Capital Solutions, Coega SMME Development Solutions, Coega Technologies and Consulting, Coega Property Development and Management Services. The International business operates as Coega Africa.

Independent Brands:

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

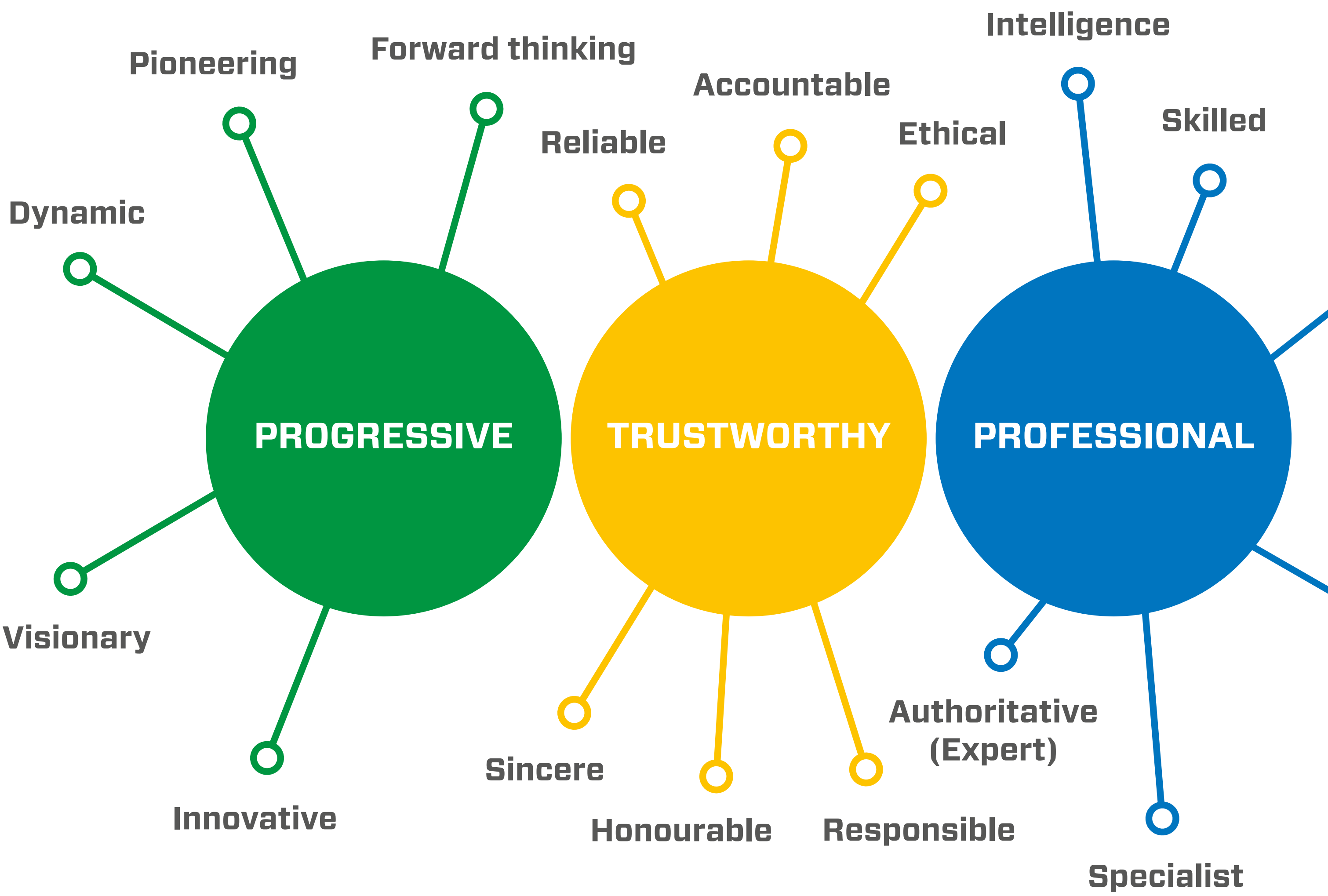
COEGA DEVELOPMENT FOUNDATION Empowering Growth for All

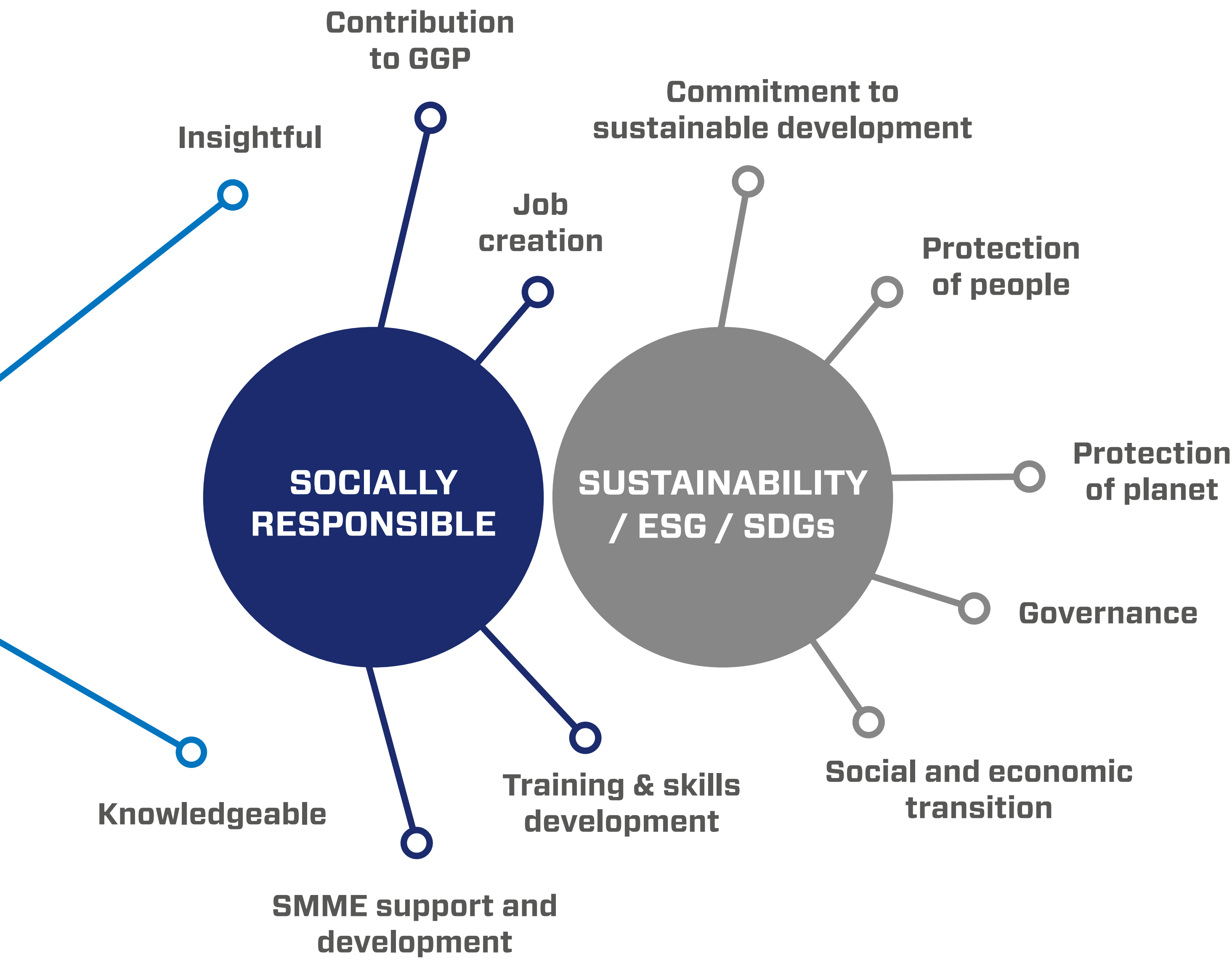
BLUEWATER BAY SUNRISE HOTEL
WWW.SUNRISEHOTEL.CO.ZA

CMS CRUX MARITIME SOLUTIONS
WWW.CRUXMS.CO.ZA

BRAND PERSONALITY

Defining Coega's Brand Personality is essential for its positioning. The brand personality is the brand image or identity which is expressed in terms of a set of human-like characteristics. The brand personality consists of distinctive and recognisable traits that send messages to our clients and stakeholders that are constant, persistent, and predictable. It is largely used to set the Coega Brand apart from competitors in the same category and to capitalise on the symbolic advantages the brand can offer. Coega's Brand Personality is based on studies on customer behaviour and human psychology. The following depicts Coega's Brand Personality:





- Progressive through visionary leadership style, adopting innovative and pioneering business solutions for partners & clients;
- Trustworthy through being sincere and conducting business with integrity and transparency in line with values;
- Intelligent by commanding respect internationally and speaking with authority;
- Socially responsible, dedicated to job creation, SMME support & development, training & skills development, and contribution to Gross Geographic Product (GGP); and
- Sustainability focussed to ensure compliance with ESG and SDGs, to strengthen the Coega SEZ's competitiveness in order to attract investors and partners of the future. The detailed Coega Sustainability Report is also available on the organisation's website, www.coega.co.za.

OPERATING CONTEXT

OPERATING CONTEXT

REVIEW OF THE ACEO

Mr. Themba Koza
Acting Chief Executive Officer

It is my privilege, as the Acting Chief Executive Officer of the Coega Development Corporation (CDC) to present the 2023/24 Integrated Annual Report of an organisation whose mandate is at the heart of the socio-economic development of the Eastern Cape province and our country. This Integrated Report is presented four years after the World Health Organisation (WHO) declared COVID-19 a global health pandemic. The aftermath of the pandemic continues to be felt by society, the economy, and business, and the CDC has not been spared from the resultant global economic shocks.

The Chair of the Coega Development Corporation's Board has reflected on the global and local economic environment that have defined the context of the CDC business activities. The organisation's Executive Management team has had to craft appropriate solutions in the context of these ongoing developments to ensure the fulfilment of the Board-approved strategy, and the outcome statements committed to the shareholder through the Shareholder Compact and the Corporate Plan. The CDC, a Schedule 3D public entity in terms of the Public Finance Management Act (PFMA) of 1999 (Act No.1 of 1999), is the developer and operator of the 9003ha Special Economic Zone (SEZ) and an Implementing Agent of Choice on Infrastructure Development for public and private sector organisations, with a strategic operational footprint in South Africa and beyond the borders on the African continent. The CDC's advanced capabilities are successful enablers in sustainable economic zone development and management, real assets management, infrastructure planning and development, technology integration, while realising related socio-economic impact areas such as job creation, skills and SMME development.

Key to achieving outcome statements, is the urgent need to ramp up the number and value of signed investments in the Coega SEZ. The mobilisation of sufficient financing to close development-related investment gaps—from domestic resources, international assistance, borrowing from multilateral development banks, and foreign private sector investment—continues to be a challenge, notwithstanding some achievements.

Sustainable SEZs and Industrial Parks in South Africa require well-designed policies to attract investment with lasting benefits. These policies should prioritise high-quality investment projects through a multipronged strategy with fiscal and structural measures. This strategy should be tailored to the specific circumstances of the country. Support from the state therefore continues to be critical to development, and advancing investment attraction and infrastructure projects.

The Budget Facility for Infrastructure (BFI) Programme funding of R1.8 billion allocation to the CDC by the Eastern Cape Provincial Government for the Return Effluent Scheme, has enabled the implementation of Coega's Water Strategy. This amount forms part of the R3.1 billion Coega Water Security Programme, that includes the 15ML per day water desalination plant and bulk infrastructure.

In addition, the CDC has sought to respond to the increased focus on infrastructure investment by the state, to partner for such delivery through its implementing agency capabilities. During the financial year, the CDC has thus played a crucial role in advancing key infrastructure projects in South Africa.

These infrastructure projects are mainly for the Department of Education, Department of Health (located in the provinces of the Eastern Cape and KwaZulu-Natal), SANRAL projects, and the Department of Public Works and Infrastructure in the Eastern Cape and nationally. The growth across the various portfolios reflects an achievement of R15.135 billion, against an annual target of R3.5bn (previous year achievement was R5.9 billion). Moreover, the CDC's total contribution to Gross Geographical Product (GGP) amounted to 1.01% of the Eastern Cape GGP.

Some of the key enablers to portfolio growth included aggressive business development, stakeholder management and competent partnerships, to mention a few. The Coega Small Business Finance and Support (SBFS) also played a critical role in providing finance to small businesses, and more will be done next year to strengthen the SBFS value proposition.

Developing technological infrastructure is an important enabler of growth. With this in mind, the CDC implemented a programme to upgrade its outdated ICT infrastructure under the "Coega ICT Infrastructure Refresh Programme", during the financial year. The project aims to refresh the core IT infrastructure with the intention to address the challenges presented by aged infrastructure. Implemented in phases, the main intent of the initiative is to: (a) refresh the core network and storage infrastructure with more efficient artificial intelligence (AI) driven and intelligent equipment which will bring about cost savings, (b) drive the business continuity initiatives, disaster recovery objectives, efficient storage and backup for the CDC and its customers, (c) decentralising the CDC corporate and SEZ tenant network to free up the capacity constraints on all sites. Phase 1 of the project was completed in November 2023, while phases 2 and 3 of the project will be rolled out next year in line with the budget.

Further investment in digital capabilities and the clean energy transition is important to stimulate growth, and this investment should be aggressive and demand driven. South Africa has made progress in establishing a policy framework for renewable energy and energy efficiency. The CDC recently completed the initial phase of the Coega Solar Rooftop Project (CSRP) on its BPO building in Zone 4 of the SEZ. The project forms part of the Coega Energy Strategy, developed in the previous financial year, and has garnered positive media coverage, positioning Coega as a leader in renewable energy among South African SEZs. The project is accelerating Coega's vision of greening the SEZ and NMBLP buildings, with the initial phase involving the 4.5MW PV systems on the rooftops of five buildings.

Roof top solar panels have been installed at the Coega SEZ buildings, starting with Business Process Outsourcing (BPO) Park, where Discovery Health Call Centre is located.

The Coega SEZ Energy Strategy identifies available options to manage the energy supply, energy demand, efficient usage, and investment in current and new energy technologies in a manner that is environmentally friendly, institutionally sound, socially acceptable, and cost effective, utilising the best mix of energy supply and demand options. The Energy Strategy further strengthens the Coega SEZ's unique value proposition, as a leading and preferred investment destination on the continent and a gateway to world markets. Other interventions include a 24-hour load curtailment schedule and the development of a solar farm in the Coega SEZ and the NMBLP. The CDC is taking advantage of land availability, electrical distribution networks, the ability to transmit electricity to external customers via a wheeling agreement, and excellent solar and wind resources.

The forming of partnerships has played an important role in the implementation of the Coega Energy Strategy. Treasury's approval of the first limited recourse capital transaction in support of the CDC's ambitious renewable energy programme to finance the Coega Solar Rooftop Programme, is one of several in a very large renewable energy project pipeline. As a newly registered Schedule 3(d) public entity, the CDC was the first public entity to propose and secure section 54 Treasury concurrence for the use of a limited recourse finance instrument in the public sector, and the first SEZ to establish a Capital Office. By granting approval for limited recourse finance, Treasury has enabled the CDC to pursue large transformative capital investment projects in support of its developmental mandate. The approval of Coega's transaction by Treasury sets a precedent for other public entities to raise capital finance for large projects without a Treasury guarantee. Several state-owned entities have already requested the CDC's assistance in this regard. Now, the CDC awaits concurrence from the National Treasury under Section 66 of the PFMA.

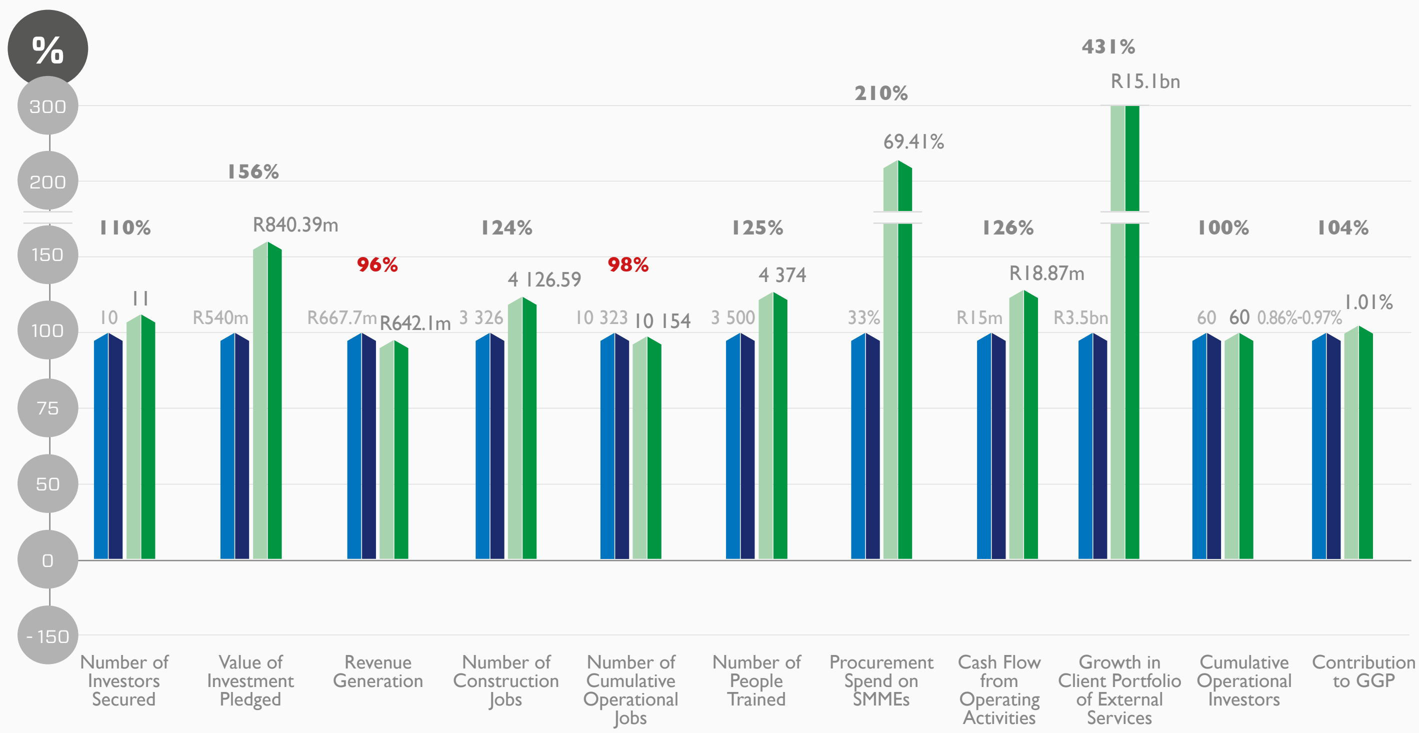
The sheer size of Coega's capital investment portfolio, estimated in excess of US$14 billion, reflects its exceptional ability to develop and implement quality capital investments at scale and its ability to manage its finances to give effect to our vision to be a leading catalyst for the championing of socio-economic development, while honouring our commitment to fiscal prudence. Other projects that will benefit from the first limited recourse finance instrument in the next financial year include the Coega BioFibre Cluster (valued at R1billion), the Coega Digital Infrastructure Project (valued at R5.8billion), and the Coega 100MW solar farm (valued at R1.6billion).

Among CDC's key partners is Statistics South Africa (StatsSA), one of the entities which have continued to measure the economic activity of Coega SEZ investors. StatsSA and CDC have maintained a partnership since 2017 for the statistical agency to measure Coega SEZ investors' economic activities. To date, StatsSA has produced three reports on the Coega SEZ; the latest being the Coega Census 2023 Report. The previous report comprised the assessment of the economic activities of investors in the Coega SEZ for the period 1 July 2020 to 30 June 2021, while the latest was for the period 1 July 2022 to 30 June 2023.

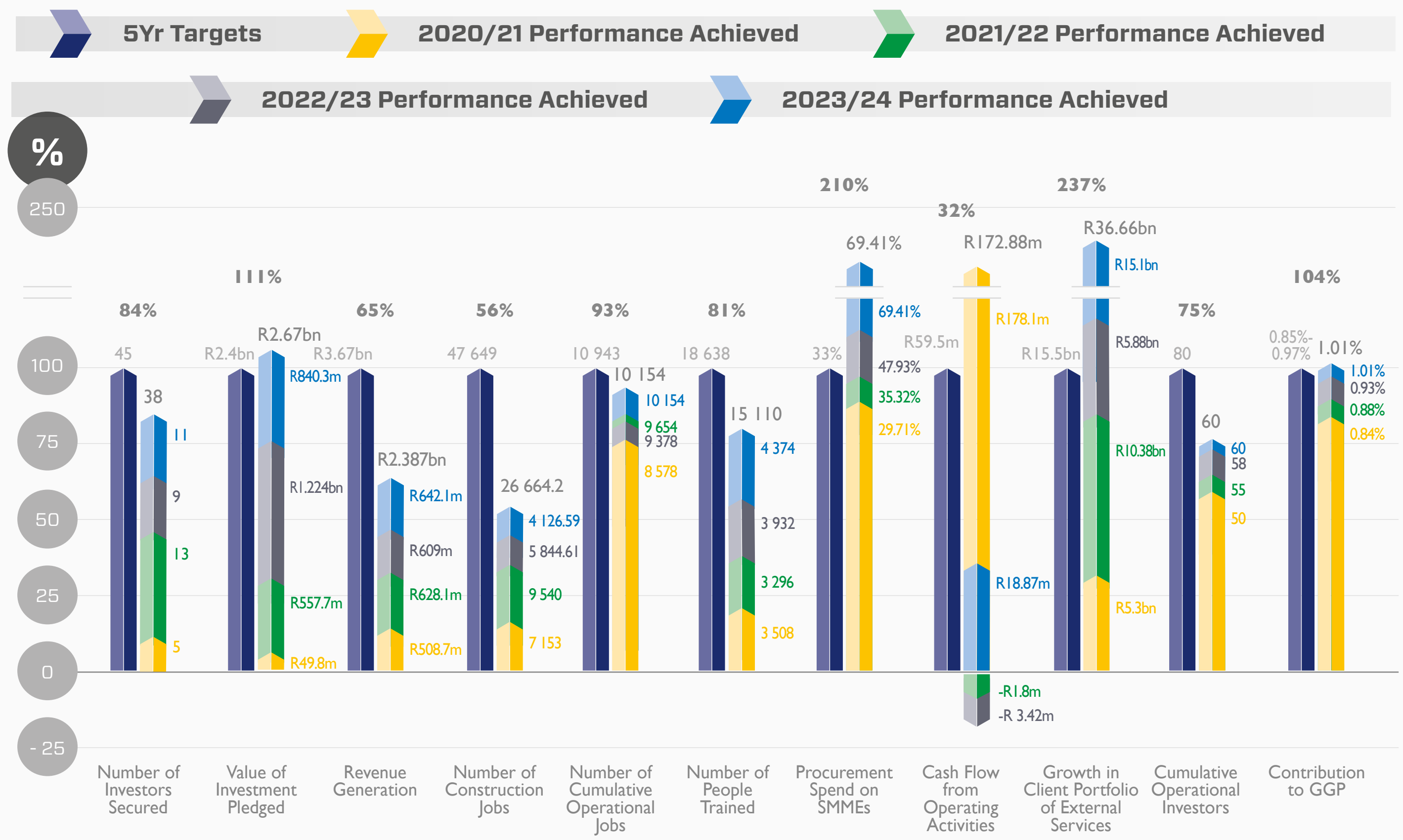
This Coega SEZ report shows consistent growth in both income and capital expenditure. Income from Coega SEZ investors was R18.9 billion (previous period: R14 billion), an annualised increase of 15.9% composed mainly of the sale of goods. Manufacturing was R13,8 billion and non-manufacturing, R5.1 billion. The total expenditure in 2023 was R17.8 billion, composed mainly of purchases, salaries and wages, and depreciation. The value of exports exceeded the value of imports in 2023. StatsSA further reported that between 2018 and 2023, total income grew faster than total expenditure. Employee numbers also increased between 2018 and 2023. The Coega SEZ employs more youth and women, with youth employment constituting 42.7% of the workforce, while female representation stood at 38.4%.

Despite bleak economic forecasts and global challenges, the CDC remained resolute in implementing its five-year Strategic Plan. With unwavering support from its shareholder, Board members, partners and stakeholders, the CDC pressed forward. The focus remained on the achievement of its impact

Annual Performance 2023/24 FY



Performance Achieved Period-to-Date (PTD) Against 5Yr Targets - 2023/24



and outcome statements in relation to financial sustainability, growing the SEZ by increasing developed land, increasing economic impact, job creation, skills development, and increasing SMME participation in economic activities.

I am pleased that during the 2023/24 financial year (FY), the Coega Development Corporation achieved most of its strategic outcome targets, the details of which are provided in the Performance Report of this Integrated Report.

After a period of low new investments signed, and failure to meet this target due to the aftermath of the COVID-19, this financial year, the organisation achieved its target and signed eleven (11) new investors, against a target of ten (10), while last year, nine (9) investors were signed. The corresponding investment value pledged of R840.39 million was achieved, against a target of R540 million, while last year R1.224 billion was achieved. While the revenue target of R667.728 million was not achieved due to a challenging operating and economic environment, management's Recovery Plan to meet this target next year has been developed and will be implemented, as indicated in the Interim Chairperson's Statement.

It is furthermore key to report that some of the previous year's newly signed investors have begun constructing their facilities and will soon contribute to the CDC's financial sustainability in terms of the tenants' rentals. Other investors have completed the construction of their facilities.

Notable project developments amongst investors include, amongst others, the construction of the R267 million Orion Engineered Carbons (OEC) Tank Farm to be launched in August 2024; the 4 000 m^2 Warehouse by ZacPaK; the 4 600m^2 facility for Benteler Extension (NMBLP). Investment projects in the planning phase include, amongst others, US$4.6 billion Green Ammonia Plant by Hive Hydrogen South Africa.

Other major announcements during the financial year included the Medigrow investment in Zone 3, a leading cannabis cultivator, marking a significant milestone for the region. The Medigrow facility was officially opened by the Eastern Cape Premier, Honourable Oscar Mabuyane in early 2024. The 542m^2 expansion of the Discovery Health facility, located in Zone 4 of the Coega SEZ was also a welcomed achievement. The expansion represents the fifth consecutive growth initiative by Discovery Health within the Coega SEZ since inaugurated at the Coega BPO Park in 2011, as the first tenant that benefited from the Coega SEZ plug-and- play strategy. This consistent expansion underscores robust investor confidence in the myriad benefits offered by the Coega SEZ. This development is not only a testament to the increasing business volumes and operational needs of Discovery Health but also to the thriving business environment within the Coega SEZ.

In the automotive sector, the R3 billion investment by the Stellantis Group marks another milestone that will strengthen the Coega SEZ's unique value proposition as a globally competitive SEZ.

Faced with high levels of unemployment in the country and region, the creation of a total of 14,280 jobs by the CDC is welcomed. Small business development and expenditure remain one of Coega's key strategic outcomes. I am pleased that the CDC achieved 69.41% this FY, far exceeding its 33% target. Additionally, a total of R1.027 billion was spent on SMMEs for the FY, of which R964.364 million accrued to black SMMEs (last year: R763.225 million). This includes R364.587 million to black women-owned businesses (last year: R148.824 million) and R97.929 million to youth-owned businesses (last year: R18.258 million). R501.848 million was spent on black men owned businesses (last year: R596.118 million).

ESG is one of Coega's focus areas, and the organisation's 2024 Sustainability Report provides details on its achievements in air quality management, water quality monitoring, rehabilitation and landscaping, alien plant eradication, open space management, and adherence to environmental best practice, to name a few. The Report is available on the website **www.coega.co.za**.

For purposes of organizational capacity building, and to ensure that CDC has a pool of talent equipped to respond to complex global challenges, the Coega Global Scholars Programme (CGSP), launched in 2021, will celebrate its first two black candidates expected to complete their studies in 2024/25 at German institutions. They are Mr. Reitumetse Mosikili who is studying at the Frankfurt University of Applied Sciences completing a Master's degree in Urban Agglomeration. He is a Town Planner with a Bachelor's degree in Town and Regional Planning, and an N6 National Certificate in Building and Civil Engineering. The second candidate is Ms. Sibusisiwe Tau, who is at Karlsruhe Institute of Technology studying towards a Master's degree in Energy Engineering and Management. Ms. Tau is a professional with a robust educational background and extensive experience in engineering and project management. She holds a Bachelor's degree in Electronics Engineering. Both candidates were selected from a pool of over 200 applications received. The organisation looks forward to these professionals contributing to the sustainability of the Coega Development Corporation.

The Coega Africa Programme continued to pursue new markets on the African continent, aligned with the objectives of the African Continental Free Trade Area agreement. Some of the projects pursued by the organisation include a deepwater port off Manica Island at the Port of Douala in Cameroon, the development of the Fatick Industrial Zone in Senegal, and the development of the Kabalega Industrial Zone in partnership with the Ugandan National Oil Company in Uganda. Other projects that Coega will be pursuing include several hyperscale data centres and connectivity to continental land and sub-sea cables, a satellite ground station and related infrastructure that is designed to position the Coega SEZ as a digital port and highway into Sub Saharan Africa and enable the 4IR and digital economy.

To address transformation gaps, the planned employment of women, women leadership development, and succession planning are amongst the interventions the organisation continues to pursue to ensure gender parity.

Coega's performance, investments, infrastructure projects and partnerships formed during the financial year are a good reflection of a stable, efficient and effective organisation supported by effective leadership and a brand trusted by multinational organisations. Coega has remained resilient to economic challenges, energy insecurity and geo-political tension, which have had an enormous impact on the business environment, both locally and internationally.

We welcome the Board's message to keep an eye on good corporate governance, legislative compliance, and financial sustainability as we pursue our organisational outcome targets throughout the FY. I am excited that this work has led the CDC to achieve its fifth consecutive clean audit by the Auditor General of South Africa (AGSA).

In conclusion, I want to express my sincere appreciation to the Coega Development Corporation management and staff for their continued dedication to the organisation. In addition, I wish to thank our Board for their loyalty and guidance. A special welcome to Coega Development Corporation's interim Board Chairperson, Dr. Luvuyo Bono, and sincere gratitude to the outgoing Chairperson, Ms. Batandwa Damoyi who has led this organisation with professionalism, integrity, and industriousness. I wish to convey the organisation's sincere appreciation to DEDEAT, our Executive Authority, for ensuring that the CDC remains accountable and ethical in the pursuit of our impact statements and outcomes.

We look forward to working with the government of national unity for the 7th administration to pursue our mandate. Of equal significance, I additionally wish to thank our investors for choosing the Coega SEZ as their preferred investment destination and gateway to Africa and world markets. To our stakeholders at large, thank you for working closely with us over the past 25 years to move a step closer to realising our vision to deliver socio-economic development in the Nelson Mandela Bay Metro, the Eastern Cape Province, and South Africa.

The Integrated Annual Report 2023/24 was approved for release by the Board and signed on its behalf by:

Dr. Luvuyo Bono
Interim Chairperson
31 August 2024

Themba Koza
ACEO
31 August 2024

Rodger Hill
CFO
31 August 2024

Some of the featured Operational Investors at the Africa's leading Coega SEZ.

The DEDISA Peaking Power Plant in Zone 13, Coega SEZ connected to the Eskom Grid to minimise load shedding challenges, aligned to Coega Energy Strategy.

EXECUTIVE MANAGEMENT

The Executive Management Committee (EXMA) is the CDC's highest operational decision-making body. Convened by the Acting 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 Acting 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.

THEMBA KOZA: ACTING CHIEF EXECUTIVE OFFICER

Areas of expertise: Strategy Development and Execution; Operations and Facilities Management; Sustainable Development Programme; and Project Management.

TELLY CHAUKE (SUSTAINABILITY)

Areas of expertise: Sustainable Development; and Project Management.

RODGER HILL (CHIEF FINANCIAL OFFICER)

Areas of expertise: Finance and Supply Chain Management.

ASANDA XAWUKA (BUSINESS DEVELOPMENT)

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

DR. MPUMI MABULA (INFRASTRUCTURE PLANNING AND DEVELOPMENT)

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

MOKGAETŠI SEBOTHOMA (CORPORATE SERVICES)

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

CHUMA MBANDE (BUSINESS DEVELOPMENT - NON-SEZ PROJECTS)

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

SADICK DAVIDS (ACTING OPERATIONS)

Areas of expertise: Business Management and Development; Engineering Management; Project Management; Operational Management; and Operational Excellence.

DAVID LEFUTSO (WILD COAST: SEZ)

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

MAGAMA MAKGAMATHO (ICT & RESEARCH)

Areas of expertise: IT Software Engineering; Management; and Project Management.

PROGRAMME DIRECTORS AND UNIT HEADS

Programme Directors are responsible for the CDC's infrastructure programmes under the non-SEZ services. The services represent a growing component of the organisation's business model. It brings together expertise in managing complex and mega infrastructure projects to deepen state capacity, fast-track project implementation, and improve government's service delivery. Clients include the National Departments of Public Works and Infrastructure; Health; and Social Development, as well as the Eastern Cape Provincial Departments of Health; Education; Public Works and Infrastructure; Sports, Recreation, Arts and Culture; Rural Development and Land Reform; Economic Development, Environmental Affairs and Tourism; and Human Settlements. Other clients can be found in other provinces, including the KwaZulu-Natal Provincial Department of Education; Northern Cape Provincial Government; and Mpumalanga Provincial Government.

GUGULETHU MOYO

Programme Director:
EC DoH

THANDILE NGXEKANA

Programme Director
(Acting): KZN DoE

ZUKO MQHATHU

Programme Director:
SEZ Property Development and Management

ZAKHELE KUNENE

Programme Director:
Tshwane SEZ Programme

THEMBEKA POSWA

Programme Director:
EC DoE

BEKANI MADYIBI

Programme Director:
EC DoHS

IDRISS MOUCHILI

Programme Director:
Coega Africa Programme

FEZILE NDEMA

Programme Director:
Shared Services Unit

ALBERT CHETSANGA

Programme Director:
National DPWI

DR. SIYABONGA SIMAYI

Programme Director:
Client Solutions

LUMKA PANI

Chief Internal Auditor

ZINE MTANDA

Unit Head: Supply Chain Management

ORGANISATIONAL OVERVIEW

CHIEF EXECUTIVE OFFICER:
MR. THEMBA KOZA (Acting)

INTERNAL AUDIT:
MS. LUMKA PANI

CENTRAL SUPPORT SERVICES

FINANCE (CFO):
MR. RODGER HILL

SUPPLY CHAIN MANAGEMENT:
MS. ZINE MTANDA

CORPORATE SERVICES:
MS. MOKGAETŠI SEBOTHOMA

SHARED SERVICES UNIT:
MR. FEZILE NDEMA

ICT AND RESEARCH:
MS. MAGAMA MAKGAMATHO

SUSTAINABILITY:
MS. TELLY CHAUKE

SEZ INVESTMENT SERVICES

BUSINESS DEVELOPMENT:
MS. ASANDA XAWUKA

OPERATIONS:
MR. SADICK DAVIDS (Acting)

SEZ PROPERTY DEVELOPMENT AND MANAGEMENT:
MR. ZUKO MQHATHU

NON-SEZ SERVICES

- INFRASTRUCTURE PLANNING AND DEVELOPMENT: **DR. MPUMI MABULA**
  - NATIONAL DPWI PROGRAMME: **MR. ALBERT CHETSANGA**
  - EC DoE PROGRAMME: **MS. THEMBEKA POSWA**
  - EC DoH PROGRAMME: **MS. GUGULETHU MOYO**
  - EC DoHS PROGRAMME: **MR. BEKANI MADYIBI**
  - TSHWANE SEZ PROGRAMME: **MR. ZAKHELE KUNENE**
  - KZN DoE PROGRAMME: **MR. TANDILE NGXEKANA** (Acting)
- BUSINESS DEVELOPMENT NON-SEZ PROJECTS: **MR. CHUMA MBANDE**
  - CLIENT SOLUTIONS PROGRAMME: **DR. SIYABONGA SIMAYI**
- WILD COAST SEZ PROGRAMME: **MR. DAVID LEFUTSO**
- COEGA AFRICA PROGRAMME: **MR. IDRISS MOUCHILI**

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 25 years since its establishment in 1999, the CDC, as a beacon of hope and a story of good progress, has proved to be one of the biggest drivers of job creation and development in the Eastern Cape economy, seeking to address 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 focus is investment promotion, attracting Foreign Direct Investment (FDI), and promoting the exporting of value-added commodities. Despite the then IDZs' significant accomplishments, there were weaknesses that led to the policy review and the current SEZ policy. The SEZ Policy additionally provides a clear framework for the development, operations and management of SEZs.

The aligned 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.

The accomplishments of the CDC in relation to each strategy outcome are described in the performance session of this Integrated Annual Report. To ensure financial sustainability, it is critical that the CDC seek alternative funding, and the Capital Raising Office was established to drive solutions towards capital attraction and investment. Good progress has been recorded, as indicated in the outlook section of this Report.

Notwithstanding the endogenous and exogenous factors, the CDC has remained resilient to grow the number and value of investors in the Coega SEZ, and to increase its portfolio of non-SEZ services throughout South Africa.

The opportunities on the African continent are additionally encouraging; and the CDC will continue to pursue these opportunities, within Coega's risk appetite, in line with the goals of the African Continental Free Trade Area (AfCFTA) to create a single continental market for goods and services, with free movement of businesspersons and investments.

Continental projects demonstrate the CDC's competence to form successful partnerships and in implementing complex projects beyond South Africa's borders, working with multiple partners and stakeholders who have confidence and trust in Coega's innovative and sustainable ISO certified processes. Coega is confident that it is set to become a prominent role player in Continental markets as an Implementing Agent of Choice.

To pursue its vision, Coega maintains its responsible corporate citizenry to promote economic development of the youth, women, and persons living with disabilities. Coega's transformative programmes will thus continue, e.g., Maths and Science; Internship; Driver Training; and other commercialised Programmes. Additionally, leadership development and the Coega Global Scholars Programme, launched in 2021, will continue to be rolled out in the next corporate strategic cycle to attract talent to strengthen the capacity of the CDC with a bias towards Science, Technology, Engineering, Arts & Mathematics (STEAM).

2023/24 IMPACT STATEMENT

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

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

FINANCIAL SUSTAINABILITY

- OUTCOME: **ACHIEVED FINANCIAL SUSTAINABILITY**
  - CASH FLOW FROM OPERATING ACTIVITIES
  - REVENUE GENERATED
- OUTCOME: **INCREASED MARKET SHARE**
  - GROWTH IN CLIENT PORTFOLIO OF EXTERNAL SERVICES

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 MARGINALISED

- 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

RISK MANAGEMENT

As a public entity, Coega Development Corporation (CDC) is obliged to comply with the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) ('PFMA') by establishing and maintaining effective, efficient, and transparent risk management systems.

The CDC has adopted the Public Sector Risk Management Framework and has an approved Risk Management Policy for the organisation, used as a statement of commitment into risk management processes. The organisation has furthermore developed Risk Management Processes and Procedures that incorporate are based on the ISO3100 international standard for risk management. As part of the requirements of the Risk Management Policy, a strategic risk register for CDC is developed and submitted to Audit and Risk Committee (ARC) and the Board for approval at the beginning of the financial year.

BOARD RISK OVERSIGHT

The Board is the governance structure accountable for ensuring that significant risks to the business are adequately identified and effectively managed. In carrying out this responsibility, the Board has delegated this oversight responsibility to the ARC. The ARC provided oversight over the risk management function through its support of the development of the 2023/24 Strategic Risk Register, which is aligned to the 2023/24 Corporate Plan. ARC also reviews quarterly risk management reports and provides feedback to the Board on the adequacy of management risks in the organisation.

MANAGEMENT RISK OVERSIGHT

During the year under review, the CDC conducted strategic and fraud risk assessments and produced risk management plans that are based on carefully crafted risk response plans. Risks identified in each category of risks were tracked monthly to ensure that each risk is managed to an acceptable level. This requires the management of risk to reduce the residual risk rating and keep it within the CDC risk appetite and tolerance as defined in the CDC risk appetite statement. The risk identification was not a once-off event, bi-annual portfolio risk reviews were also conducted, undertaking risk identification at a section-by-section level within the Business Units with the objective of identifying new emerging risks and identifying risks that cut across Business Units (systemic risks), and risks that are exacerbated by risks that emanate from other Business Units (cascading risks).

KEY STRATEGIC RISKS

To ensure a comprehensive and systematic identification of strategic risks, risk categories that compartmentalise CDC's overall business environment were used. This allowed the risk identification process to cover all areas of CDC's business strategy.

Risk response strategies were developed and implemented to prevent these risks from materialising and/or minimising their impact, should they occur. The exercise endeavours to optimally control and limit risk exposure to an acceptable level, or ensure that such exposures are not realised. The implementation of the risk response strategies was monitored quarterly, and progress reported to ARC and the Board.

To ensure that all risks are adequately managed and mitigated to an acceptable level, the Board approved the Risk Appetite and Tolerance Statement for the organisation. Risk Appetite thresholds define the amount and extent of risk exposure that CDC is willing and/or capable to take in pursuit of its mandate and business strategies. The statement was used to report quarterly to ARC and the Board on the risks that are above levels of appetite and tolerance, as well as the required action to be implemented to bring those risks to acceptable levels.

CDC Strategic Risk Register 2023/24 FY:

Strategic Indicators	Strategic Risk Identified	Inherent Risk Rating	Residual Risk Rating
Investment Attraction and Revenue Generation	Slowdown in investment attraction and retention.	16	9
Multiple Outcomes	Disruption of SEZ Operations.	20	12
	Inability to realise increased portfolio of projects from clients (government & private) that deal with critical mass of infrastructure development and facilities management.	16	8

CDC Strategic Risk Register 2023/24 FY continued:

Strategic Indicators	Strategic Risk Identified	Inherent Risk Rating	Residual Risk Rating
Multiple Outcomes *continued*	Limited ability to execute on CDC strategy and achieving the set targets due to insufficient OPEX Funding for the SEZ.	15	9
	Severe business losses due to material non-compliance to relevant legislations, regulations, and other requirements.	20	12
	Loss of information due to exploitation of information security vulnerabilities or breaches.	25	16
Achieved Financial Sustainability	Inability to secure new clients (Government and private) and retain existing CDC clients.	25	6
	Failure to implement revenue generating projects due to unavailability of capital finance.	15	8
	Poor Financial Health of CDC due to delayed payments by client departments.	16	8
Achieved Financial Sustainability and Increased Market Share	Failure to expand CDC business and achieve the targeted revenue in the rest of Africa's operations due to not being successful on tenders, client readiness, regulatory requirements, and inability to reach financial close.	16	9

Note: All the identified risk mitigations were implemented during the year and all risks managed to an acceptable level.

Strategic Risks against Appetite and Tolerance:

Risk / Risk Appetite	Averse	Minimalist	Cautious	Open	Hungry	Status
	5	10	15	20	25	
Strategic		1, 3, 4, 7, & 8				Risk 1, 3, 4, 7 and 8 are below appetite and tolerance
Operations Performance			2			Risk 2 is below appetite and tolerance
Environment and Community						
Reputation and Public Image						
Information Technology				9		Risk 9 is above appetite, but within tolerance
Human Capital						
Financial		5 & 6				Risk 5 and 6 are below appetite and tolerance
Regulatory Compliance		10				Risk 10 is above appetite, but within tolerance

Risk Appetite Threshold | Within CDC Risk | Risk Tolerance | Above CDC Risk Appetite

ADDRESSING STAKEHOLDER INTERESTS

STAKEHOLDERS

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

The CDC believes that successful stakeholder management requires a commitment to actively engage with stakeholders, listening to them, and responding to their specific concerns or meet their needs in a mutually beneficial way. Stakeholder engagement is however not an end, but a means to build better relationships with societies, which ultimately results in improved business performance.

Objectives of CDC's Stakeholder Relationship Management

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 to meet and, where possible, exceed their expectations;
- Involved all relevant stakeholders in the communication process to build trust and cooperation;
- Pro-active communication with key decision-makers and stakeholders to facilitate buy-in and support of the CDC's activities;
- Kept decision-makers, role-players and other stakeholders constantly informed of the CDC's projects, milestones 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 timeframes; and
- Empowered stakeholders by providing a central point of contact for all enquiries about the CDC projects.

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 communication ensured that all stakeholders share a single consistent message, and that fake news and speculation are eliminated. In addition, the reputation and credibility of all parties was protected.

- **Face to Face**
  Changes that directly impact a particular group of stakeholders were communicated face-to-face. This gave the stakeholders the opportunity to provide immediate feedback. Listening to stakeholders' needs is an important skill for effective communication.

- **Clear, Concise and Consistent**
  It is important to ensure that there is no confusion or misunderstanding in the messages received. Therefore, information shared focused on facts and not on emotions or personalities.

- **Timely**
  As it happens, when it happens. Information was provided as soon as it became available. Reducing delays to a minimum decreased the risk of uncertainty, rumours and unauthorised leaks - recognising challenges during the financial year. Stakeholders were informed of what it is that we know, when it became known to us; and as a principle, will tell them what we don't know and when we expect to know it.

- **Frequent**
  Stakeholdes were kept informed of developments and milestones through regular engagements using various communication channels or touchpoints.

- **Use Established Communication Channels**
  Tried and tested communication channels were used to avoid the risk of ineffective message transfer through unfamiliar channels. As is the norm. social media is not utilised to disseminate important proprietary information, unless the message is generic - targeting a large diverse audience. It is also in line with social media policy and other related organisational policies.

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 responsibility for the governance of stakeholder relationships, by setting the direction of the standard in ways to approach and conduct stakeholder relationships within 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 the Republic of South Africa (including the Bill of Rights), law, leading standards, and adherence to own code of conduct and policies.

The CDC's instrumental value approach-based stakeholder management strategy continued to be implemented during the year under review. Executive Managers, Programme Directors and Business Unit Heads continued to manage their stakeholders, as part of a decentralised stakeholder management strategy, given the size and complexity of the CDC business, albeit aligned to organisational strategy. As a result, the partnerships that CDC established have continued to improve, as compared to the previous years, due to the effective management of stakeholder engagement, and response to stakeholders' needs, as crucial to success and performance. During the current financial year, the CDC achieved overall score of 4.0 out of 5.0 on its External Stakeholder Satisfaction Survey 2023/24, as indicated below. Scores for previous years are also indicated: 2022/23: 3.8 out of 5; and 2021/22: 3.7 out of 5.

2023/24 Financial Year (summary of scores):

Categories	Total Invites Sent	Total Completed	Response Rate	Overall Score
External Stakeholders	911	337	37%	4.0

2022/23 Financial Year (summary of scores):

Categories	Total Invites Sent	Total Completed	Response Rate	Overall Score
External Stakeholders	977	322	33%	3.8

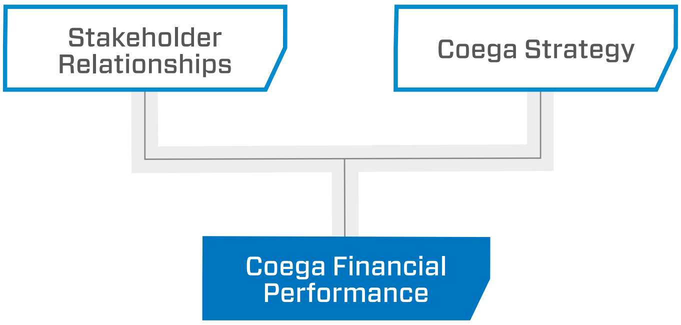
2021/22 Financial Year (summary of scores):

Categories	Total Invites Sent	Total Completed	Response Rate	Overall Score
External Stakeholders	886	351	40%	3.7

Acceptable level of engagements with the shareholder and client government departments were achieved during the financial year to ensure appreciation of CDC challenges, support, and/ or interventions required. Stakeholder engagements remained effective due to efficient and transparent two-way asynchronous and synchronous communication, which continued to build trust and confidence in the CDC. More than 119 stakeholder engagement activities were achieved during the 2023/24 financial year (previous financial year: 109). During the engagements, complete, timely, relevant, accurate, and reliable information was provided to stakeholders. These including clients, partners, Coega SEZ investors, and service providers, to name but a few.

Some of the notable engagements included the following, some of which involved the tour of the Coega SEZ Core Development Areas:

(a) MoU with the Council for Scientific and Industrial Research (CSIR) on the establishment of the Coega Fibre Project;
(b) Annual Construction Summit 2024 that was held at the East London celebrating "30 years of Democracy and Building the Future in construction";
(c) Sustainable Infrastructure Development Symposium South Africa (SIDSSA) 2024, focusing on "fireside" discussion in relation to the South African Special Economic Zones (SEZs);
(d) Africa Union Commission to engage on various Coega project developments and socio-economic activities and to form partnerships;
(d) OpenText Public Sector Imbizo in KwaZulu-Natal, focusing on "the role of artificial intelligence (AI) in government";
(e) Several conferences including Africa Energy Indaba, Manufacturing Indaba, Africa Oil Week (Including Oil and Gas Forum), SA Auto Week, South Africa Green Hydrogen Summit 2023, and Ports and Customs Week and Exhibition Africa 2023;
(f) Several opening of school infrastructure throughout South African Provinces, especially in KwaZulu-Natal and Eastern Cape;
(g) 25th Edition of the Annual Working World Exhibition (WWE), in which Coega uses the platform to engage with Grade 12 learners and educators from the region's leading schools to explore various career opportunities and gain valuable insights into the working world;
(h) Several celebrations during the year with regards to the Maths and Science programme, including hosting high achievers of the Matric Class of 2022 and Class of 2023;
(i) The inaugural NMB Climate Smart 2055 Public Process Launch, led by the Presidential Climate Commission;
(j) Inaugural graduation ceremony to celebrate its Hospitality Graduates for persons living with disabilities, together with the National Institute for Development (NID) and Training (NPC) and the Hospitality Academy;
(k) Nelson Mandela University and International Council for Research and Innovation in Building and Construction, led by Prof. Marshall Sheldon, Executive Dean of the Faculty of Engineering, the Built Environment and Technology;
(l) South African Construction Law Seminar;
(m) Youth in Trade and Export Summit;
(n) National Rural Youth Services Corporation (NARYSEC) to form partnerships for the benefit of youth empowerment with a focus on skills development and job placements; and
(o) GCIS Youth Empowerment Expo to share information about youth development initiatives and opportunities.



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.

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 Coega SEZ 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	International Investment Community (including African Continental Partners)	Civil Societies and Non-Governmental Organisations (NGOs)	CDC Board of Directors and Committees
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 & Development Institutions, 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, etcetera), SMME Forums, Local Business Agencies, Business Associations and Business Chambers, such as NMB Business Chamber, Border-Kei Business Chamber, and EC Maritime Business Chamber	Youth Organisations in the NMBM, EC Province, and throughout the country in areas where the CDC operates	
Public Sector Organisations: Transnet, TNPA, SANSA, CSIR, Eskom, IDC, PIC, Central Energy Fund, DBSA, ADB, Targeted DFIs for funding	Service Providers (SEZ and non-SEZ)		
Various oversight committees of government, nationally and provincially	General Service Providers		

OUR PERFORMANCE & OUTLOOK

RESPONSIBILITY STATEMENT OF THE CEO AND CFO

For the year ending 31 March 2024

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

(a) the Annual Financial Statements set out on pages 142 to 195, 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.

Themba Koza
Acting CEO

31 August 2024

Rodger Hill
CFO

31 August 2024

CERTIFIED BY COMPANY SECRETARY

For the year ending 31 March 2024

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.

Celeste Prince
Acting Company Secretary

Automotive Sector - HELLA in Zone 2 of the Coega SEZ, leading supplier of innovative, quality products to the world's leading vehicle OEMs (Original Equipment Manufacturers).

2023/24 CORPORATE PERFORMANCE

CORPORATE PERFORMANCE OVERVIEW

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

The CDC's 2015/16 – 2019/20 Sustainable Growth Strategy was premised on three pillars i.e., *Financial Sustainability, Business Intelligence, and Strategic Partnerships*. During that strategic 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 show that the CDC would still require government funding to achieve its five-year objectives. This, as it relates to capital expenditure for bulk infrastructure and top structures.

The Strategic Plan 2021 – 2025 and the Corporate Plan that are being reported against, seek 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, retention of operational investors and customer satisfaction, and growth in the Non-SEZ Programmes' portfolio, thus continuing to deliver customer and shareholder value.

Investment attraction remains one of the strategic priorities of the CDC as mandated by the SEZ Act No.16 of 2014, and such as the CDC will continue to increase strategic economic advantage for targeted industries. The focus of the strategy in the current five-year period 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 the SMME 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 the socio-economic factors which are mandatory deliverables and are therefore included as part of the objectives of the CDC. The SEZ Act of 2014 defines the purpose of the SEZs, and the strategy aligns itself to achieve on the objectives of the Act.

Strategic Priorities

The CDC's core business is best articulated as a Services and Asset Management Company.

(a) The Services business of the CDC has four pillars namely:
- Coega SEZ Operator, per the SEZ Act of 2014;
- Utilities provider and management function within the Coega SEZ;
- Infrastructure delivery and facilities management services, within and outside the SEZ; and
- Organisational management systems, processes, procedures, and spatial plans, as part of non-SEZ services.

(b) Under the Asset Management function, the CDC manages the overall delivery process of both economic and social built environment infrastructure.

(c) The strategic priorities for the remainder of the five (5) years are as follows:
- Increased revenue and financial sustainability of the entity;
- Improved cash reserves;
- Enhanced and increased benefits to customers and society:
  - *Customer experience and increase in market share per client.*
  - *Attraction of investments (Value and Number); and*
  - *Employment creation (Number of Jobs and SMME development);* and
- Creation of an excellent performance ecosystem (people, systems, and technologies).

The Head Office of the Coega Development Corporation, with the Port of Ngqura and TNPA Office in the background.

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 Non-SEZ Services

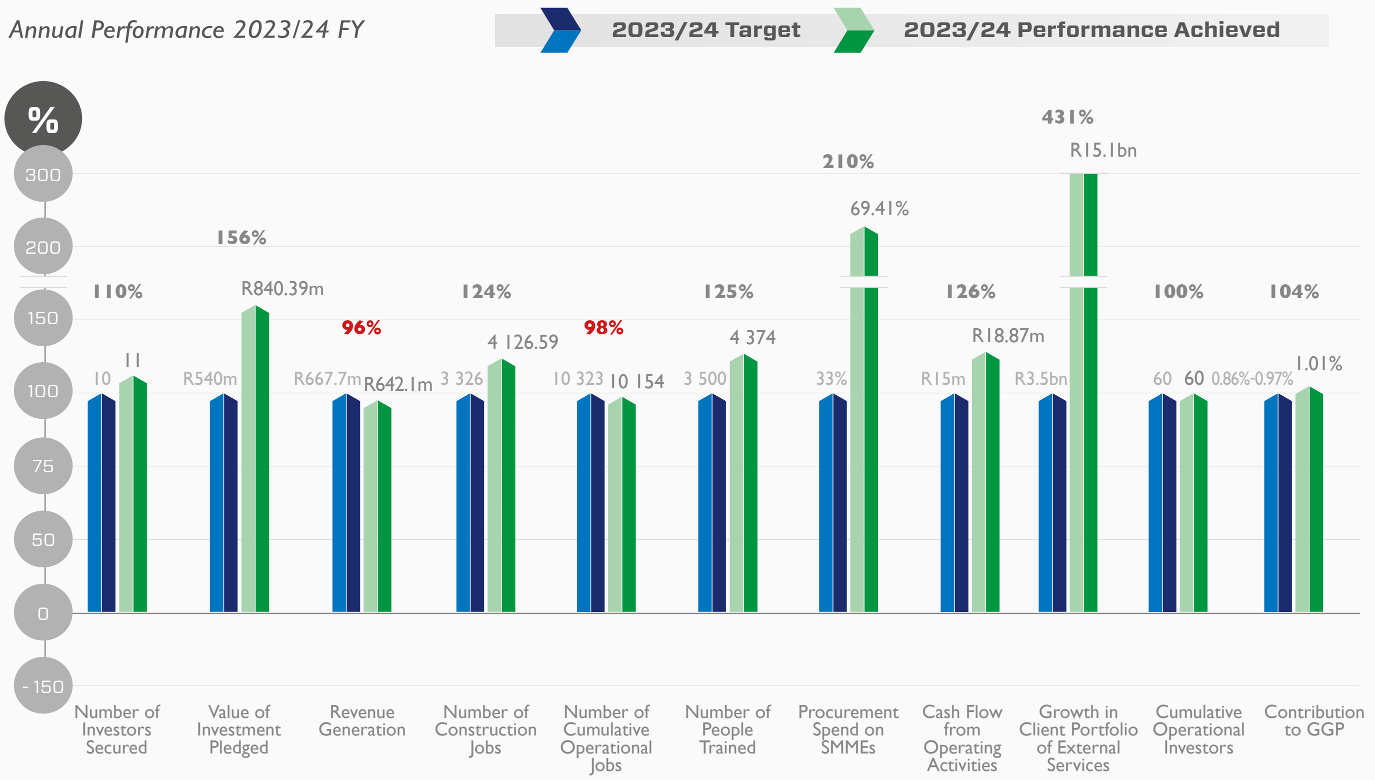
IMPACT STATEMENT	INCREASED STRATEGIC ECONOMIC ADVANTAGE FOR TARGETED INDUSTRIES
Outcome	Outcome Indicator
Grow the SEZ by increasing developed land	Number of Investors Signed
	Cumulative Operational Investors
Increased Economic Impact	Contribution to GGP
	Investment Value

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 2023/24

The CDC has met **9** against **11** Key Performance indicators for the annual target achievements. The audited annual performance is summarised in the graph below and detailed in the table overleaf.

Annual Performance 2023/24 FY



OVERALL ORGANISATIONAL PERFORMANCE 2023/24

The following provides the Overall Organisational Performance for the 2023/24 FY:

Impact Statements	Descriptors						
	Outcome	Outcome Indicator	Measured	Baseline 2022/23	Target 2023/24	Audited Achieved Performance 2023/24	Variance %
Financial Sustainability	Achieved Financial Sustainability	Revenue Generated	Quarterly	R609.3m	R667.728m	**R642.184m**	**-4%**
		Cash Flow from Operating Activities	Annually	-R3.4m	R15m	**R18.877m**	**+26%**
		Growth in Client Portfolio of Non-SEZ Services	Annually	R5.9bn	R3.5bn	**R15.135bn**	**+100%**
Increased Strategic Economic Advantage for Targeted Industries	Grow the SEZ by Increasing Developed Land	Number of Investors Signed	Quarterly	9	10	**11**	**+10%**
		Cumulative Operational Investors	Annually	58	60	**60**	**+0%**
	Increased Economic Impact	Contribution to GGP	Annually	0.93%	0.86%- 0.97%	**1.01%**	**+4%**
		Investment Value	Quarterly	R1224.7m	R540m	**R840.39m**	**+56%**
Increased Economic Opportunities for the Marginalised	Job Creation	Number of Construction Jobs	Quarterly	5 844	3 326	**4 126**	**+24%**
		Cumulative Operational Jobs	Quarterly	9 378	10 323	**10 154**	**-2%**
	Skills Development	Number of People Trained	Quarterly	3 932	3 500	**4 374**	**+25%**
	Increased SMME Participation in Economic Activities	Procurement Spend on SMMEs	Quarterly	47.9%	33%	**69.41%**	**+100%**
				Average variance %			**+31%**

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%	**49%**
Youth	40%	**54%**
People with Disabilities	1%	**0.39%**

Cumulative Operational Jobs

DEMOGRAPHIC	TARGET	ACTUAL
Women	50%	**49%**
Youth	50%	**54%**
People with Disabilities	5%	**0%**

Number of People Trained (SDC & HCS)

DEMOGRAPHIC	TARGET	ACTUAL
Women	50%	**85%**
Youth	50%	**45%**
People with Disabilities	10%	**0%**

Procurement Spend on SMMEs

A disaggregated target was not set for this category; the Corporate Plan refers to the limitations in reporting on all categories. As at 31 March 2024, a total of R1.479bn contracts were awarded by the CDC and R964.3m of benefited black owned SMMEs. The spend distribution on the disaggregated targets are as follows.

DEMOGRAPHIC	RAND SPEND	% SPEND
Black Owned	R 964 366 255.39	93.89%
Black Women Owned	R 364 587 832.13	35.5%
Black Youth Owned	R 97 929 771,49	9.53%

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 contributes to a Key Performance Indicator (KPI). This approach enhances drivers across the organisation in pursuance 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 Non-SEZ Services.

The absence of full funding for OPEX and CAPEX has impacted on the complete achievement of all targets.

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 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 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 Services, 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 2023/24	Audited Annual Performance 2023/24	Variance %
Impact Statement: FINANCIAL SUSTAINABILITY	*Outcome: Achieved Financial Sustainability*		
Revenue Generated	R274.3m	R296.614m	+8%
Impact Statement: INCREASE STRATEGIC ECONOMIC ADVANTAGE FOR TARGETED INDUSTRIES	*Outcome: Grow the SEZ by Increasing the Developed Land*		
Number of Investors Signed	10	11	+10%
Cumulative Operational Investors	60	60	+0%
Impact Statement: INCREASE STRATEGIC ECONOMIC ADVANTAGE FOR TARGETED INDUSTRIES	*Outcome: Increased Economic Impact*		
Contribution to GGP	0.86%-0.97%	1.01%	+4%
Investment Value	R540m	R840.39m	+56%
Impact Statement: INCREASED ECONOMIC OPPORTUNITIES FOR THE MARGINALISED	*Outcome: Job Creation*		
Number of Construction Jobs	913	438	-52%
Number of Cumulative Operational Jobs	10 323	10 154	-2%
		Average variance %	+3%

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

EXPLANATION OF PERFORMANCE VARIANCES

a) *Number of Investments Signed*

For the 2023/24 FY the CDC has secured 11 investors against a target of **10**. The CDC achieved 110% of the target on the number of new investors signed in a financial year and target achieved by 10%.

The Overachievement can be attributed to the below:
- Company benefiting from the Coega SEZ Multi-user facility which allows investors to move in immediately and shave off months of preparation they would have to require elsewhere.
- Expansion by an existing investor. Dynamic commodities has signed a lease for the construction of process, freezer, utilities, and warehouse building expansion in the SEZ.
- Client lease extension. Himoinsa has extended their current lease in the Coega SEZ Multiuser facility.
- Project(s) progressing quickly in the pipeline as promoters brought forward their time to market date.
- Projects carried over to new financial year were able to be converted quickly, due to have advanced in terms of project development work needed to be done, e.g., going through approval structures.

(b) *Investment Value*

The CDC is pleased to report an overachievement in the investment value and having exceeded the target by 56%. The organisation has managed to realise an investment value of **R840.39 million** against a target of **R540 million**, and this results in +56% achievement of the annual target. The over performance on investment value pledged can be attributed to the MEC Trailers of (R370 million) and Dynamic Commodities (R350 million) investment projects signed.

The table below reflects the number of investors signed in the FY 2023/24 and the value of investment.

No.	Project Name	Project Description	Investment Value	Country of Origin
1.	CNSA Investment	Storage of Solar Panels	-	China
2.	Atlantic Glass	Manufacturing of Aluminium Glass Products	R13 million	South Africa
3.	Romarck Logistics	Storage and distribution of FMCG goods	R2.258 million	South Africa
4.	MEC Trailers	Manufacturing of commercial trailers	R370 million	South Africa
5.	Discovery Central Services (expansion)	Call Centre Services	R3.466 million	South Africa
6.	Grindrod Logistics	Logistics service provider and stacking of containers	R50.4 million	South Africa
7.	Jedidiah General Trading	Garment sewing	R1.524 million	South Africa
8.	East Cape Mushrooms	Mushrooms plan growing facility	R50 million	South Africa
9.	Stellantis	Project Office and Headquarters	-	Netherlands
10.	Dynamic Commodities (expansion)	Fruit processing	R350 million	South Africa
11.	Himoinsa	Warehousing and Servicing of Generators	-	South Africa

(c) *Number of Cumulative Operational Investors*

The Cumulative Operational Investors KPI is measured annually. The CDC has achieved **60** cumulative operational investors against a target of **60**. The CDC has achieved the target for the 2023/24 financial year. The CDC has a total of 71 leases signed where 5 investors are not yet operational and 6 investors have terminated their leases.

(d) *Contribution to GGP*

The total revenue generated within the Coega SEZ 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 will be added to have the aggregate contribution. Consequently, the sum of the companies' total profits, the total employee costs and depreciations will be benchmarked against the ECGGP to assess its performance. The rationale behind the suggestion of the ECGGP as the point of reference is because the ECGGP represents the aggregate performance the EC economy. The Organisation has achieved 1.01% against a target range of 0.86%-0.97% which is 4% above the upper end of the targeted range.

(e) *Revenue Generated*

The overall favourable variance of 8% or R22.3m is primarily due to overachievement on municipal rebates, recoveries on utilities and receipt of a lease premium. This overachievement was partially offset by underperformance in rental income due to two (2) vacant buildings which were not occupied during the year.

(f) *Number of Construction Jobs*

SEZ Construction, consists of jobs that are created under the applicable reporting period on construction projects within the SEZ Infrastructure Programme which are CDC funded projects and Investor funded jobs. The programme's achievement for the 4th quarter is 438 (48% of target) which consists of **195** new jobs and **243** jobs created in the previous FY. CDC has recognised an under achievement on this programme mainly due to non-achievement of jobs that were targeted for the investor driven construction and the following reasons:

The jobs target was based on the approved budget, which included the projects planned for the FY. The jobs targeted could not be achieved due to various changes.

In addition, the achievements on construction jobs indicator are directly impacted by any rejection by ***the dtic*** of funding for the planned investor projects.

(g) Number of Cumulative Operational Jobs

The overall achievements on the SEZ Tenant Operational jobs are at 98% in the year end performance. The underachievement of 2% is owing to a few investors that are signed and not yet operational.

(h) Variances: Financial Information

SEZ Investment Programme Budget vs Expenditure

2023/24 Budget vs Actual Expenditure				
Programme Name	**Annual Budget for 2023/24 (R'000)**	**Unaudited Actuals for 2023/24 (R'000)**	**Variance (R'000)**	**Variance %**
SEZ Investment Services	**233 068**	**239 126**	**(6 058)**	**-3%**
Cost of Employment	72 701	67 086	5 615	+8%
Goods and Services	160 367	172 040	(11 673)	-7%

The operating expenditure for the SEZ Investment Services programme reflects an overall unfavourable variance of 3% or R6.1m.

Cost of employment reflects a favourable variance of 8% or R5.6m. This under expenditure is due to posts not being filled as they became vacant (vacancies not filled for non-critical posts).

Goods and Services reflect an unfavourable variance of 7% or R11.7m. In terms of economic classification, the areas where significant unfavourable variances are recorded are Repairs and Maintenance and Municipal expenses which relates to costs that are recovered in part from tenants.

Challenges

Some of the challenges, which the SEZ faces, include:

(a) **CAPEX and OPEX Funding:** CDC faces challenges related to demising capital funding support from the Department of Trade, Industry and Competition (DTIC). This is expected to be more constrained in 2024/25 due to competition for the available SEZ funds nationally. The Capital budget pertaining to CDC own assets (replacement, improvement major maintenance) is also underfunded.

(b) **Energy:** CDC is conducting EIAs for the gas import infrastructure and 3x1000 MW power generation facilities. For the Gas Infrastructure EIA TNPA refused new landowner consent. Constraint was communicated to SFF who is progressing the landowner consent with TNPA. Due to electrical grid constraints the grid must be expanded. IPPO indicted that feedback from Eskom is that the earliest this can be done in 2030.

Programme 2: Central Support Services

Central Support Services (CSS) is considered as 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 accountability of the programme. The SMME targets driven from the CSS programme but are contributed by both SEZ Investment Services and Non-SEZ Services.

Some of the featured Operational Investors at the Coega SEZ.

Central Support Services Programme Performance

Key Performance Area	Annual Target 2023/24	Annual Performance 2023/24	Variance %
Impact Statement: FINANCIAL SUSTAINABILITY	*Outcome: Achieved Financial Sustainability*		
Revenue Generated	R17.3m	R15.174m	-13%
Cash Flow from Operating Activities	R15m	R18.877m	+26%
Impact Statement: INCREASED ECONOMIC OPPORTUNITIES FOR THE MARGINALISED	*Outcome: Increased SMME Participation is in Economic Activities*		
Procurement Spend on SMMEs	33%	69.41%	+100%
Impact Statement: INCREASED ECONOMIC OPPORTUNITIES FOR THE MARGINALISED	*Outcome: Skills Development*		
Number of People Trained	3 500	4 374	+25%
	Average variance %		+35%

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

EXPLANATION OF PERFORMANCE VARIANCES

(a) Revenue Generation

This programme reflects an overall unfavourable variance of 13% or R2.17m due to underperformance on Telecommunications revenue which was partially offset by overperformance on Interest Received from debtors.

(b) Procurement Spend on SMMEs

The CDC has overachieved for the 2023/24 FY and has achieved **69.41%** against a target of **33%** for the period under review. The over achievement is attributed to the CDC ensuring that SMME involvement is a requirement in all its projects, including ICT related projects and compliance and timely submission of supporting documents has positively contributed to the achievement of the target.

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

BBBEE Disaggregated

Black Owned	R 964 366 255,39	93,89%
Black Women Owned	R 364 587 832,13	35,5%
Black Youth Owned	R 97 929 771,49	9,53%

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

The Broad Based Black Economic Empowerment (BBBEE) Act incorporates Enterprise and Supplier Development (ESD) as a critical pillar meant to transform, accelerate growth and development of SMMEs. Enterprise and Supplier development involves initiatives intended to assist and accelerate development and 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 certificate under the amended codes; and
- Promote 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), Skills Development Centre (SDC), and Driver Training Programme (DTP).

The CDC realised positive performance for the number of people trained. The annual target for training was **3 500** and total achieved was **4 374**.

(d) Financial Information

Central Support Services Programme Budget vs Expenditure

2023/24 Budget vs Actual Expenditure				
Programme Name	Annual Budget for 2023/24 (R'000)	Unaudited Actuals for 2023/24 (R'000)	Variances (R'000)	Variance %
Central Support Services	**244 268**	**223 256**	**21 012**	+21%
Cost of Employment	139 635	133 612	6 023	+5%
Goods and Services	104 633	89 645	14 989	+17%

Central Support Services recorded an overall favourable variance of 21% or R21m.

The Cost of Employment category reflects a favourable variance of 5% or R6.0m. This under expenditure is due to posts not being filled as they became vacant, or vacancies not filled as planned.

The Goods and Services category reflects a favourable variance of 17% or R15.0m. Significant contributors include Health and safety expenses of R7.8m, and System Licences of R7.0m.

(e) Cash Flow from Operating Activities

The entity has overperformed on this measure due to the once off receipt of a land lease premium during the period. The organisation has achieved **R18.8m** against a target of **R15m** which is an overachievement +25%.

Challenges

(a) **Number of People Trained:** The main challenge 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.

Programme 3: Non-SEZ Services

The Non-SEZ 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.

Non-SEZ Services Programme Performance

Key Performance Area	Annual Target 2023/24	Annual Performance 2023/24	Variance %
Impact Statement: FINANCIAL SUSTAINABILITY	*Outcome: Achieved Financial Sustainability*		
Revenue Generation	R376.1m	**R330.396m**	**-12%**
Impact Statement: FINANCIAL SUSTAINABILITY	*Outcome: Increased Market Share*		
Growth in Client Portfolio of External Services	R3.5bn	**R15.135bn**	**+100%**
Impact Statement: INCREASED ECONOMIC OPPORTUNITIES FOR THE MARGINALISED	*Outcome: Job Creation*		
Number of Construction Jobs	2 413	**3 688**	**+53%**
		Average variance %	**+47%**

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

EXPLANATION OF PERFORMANCE 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. Non SEZ Services and some units of Central Support Services contribute to this income stream.

Non-SEZ revenue reflects an overall unfavourable variance of 12% or R45.7m. This unfavourable variance is due primarily to underperformance by the Department of Human Settlements (DoHS) Programme of R19.6m, the Transnet National Ports Authority (TNPA) Programme of R9.6m and the DoH Programme of R7.3m. The overall underachievement is partially offset by overperformance by Coega Corporate Travel (CCT) and additional revenues generated for Nelson Mandela Bay Municipality (NMBM) Water Programme for services rendered.

(b) Number of Construction Jobs

Non-SEZ Services/Programmes construction jobs consists of jobs that are created under the applicable reporting period and sustained number of jobs on construction projects that are being implemented by the CDC on behalf of client departments beyond the boarder of the Coega SEZ.

The CDC has achieved 3 688 against a target of 2 413. The overperformance is a positive variance of 53% and attributable to the TASEZ project as well as jobs sustained over the previous financial year.

(c) Growth in Client Portfolio of External Services

The indicator measures the additional awards made to the CDC as an Implementing Agent. The Non-SEZ Business Programme Unit whose aim is largely to solicit more Clients and conduct Stakeholder Management. For the next five years, Coega must increase the Portfolio by about R500m every year to meet the sustainability objectives of the organisation. The CDC has managed to sign at least three new clients that has increased its profile and diversified in terms of geographic location and sector specific as detailed in the table overleaf. These clients are listed below as:

1) National Department of Public Works and Infrastructure (NDPWI) - This is an Implementing Agent Agreement to implement 26 Turnkey Projects across six (6) Provinces that are Eastern Cape, Western Cape, Gauteng, Northwest, Northern Cape, and Mpumalanga;
2) South African Roads Agency (SANRAL) – This is an Agreement to procure 17 Projects across the country;
3) KZN Department of Education on New Schools;
4) EC Department of Health for Project Implementation of Upgrading of Security Programme; 72hr Psychiatric Observation Programme and Bedford Orthopaedic Hospital; and
5) TASEZ Bulk Civil Infrastructure and Top Structures.

Growth Client Portfolio Detail

Client Name	Scope of Work	Estimated Value	Type of Work
National Department of Public Works (DPWI)	26 Turnkey Infrastructure Projects	R1.333bn	A Implementing Agent for Turnkey Projects
SANRAL	17 South African Road Agency Procurement Projects	R7.162bn	Procurement of Projects
KZN DoE	School Building Programme	R275m	Implementing Agent for School Infrastructure
EC DoH Programme	Project Implementation of Livingstone Hospital	a) R127m b) R94m c) R78m	Hospital Revitalisation
TASEZ	a) Bulk Civil Infrastructure b) Top Structures	a) R229m b) R5.835bn	a) Bulk Infrastructure for TASEZ b) Top Structures

(d) Financial information

Non-SEZ Services Programme Budget vs Actual Expenditure

2023/24 Budget vs Actual Expenditure				
Programme Name	**Annual Budget for 2023/24 (R'000)**	**Unaudited Actuals for 2023/24 (R'000)**	**Variances (R'000)**	**Variance %**
Non-SEZ Services	**259 304**	**276 820**	**(17 516)**	-15%
Cost of Employment	161 603	160 994	610	+0.4%
Goods and Services	97 700	115 826	(18 126))	-16%

Non SEZ Services recorded an overall unfavourable variance of 15% or R17.5m.

The Cost of Employment category reflects an insignificant variance of 0.4% or R0.6m.

The Goods and Services category reflects an unfavourable variance of 16% or R18.1m. This is primarily due to over expenditure on Third Party Travel and Accommodation by Coega Corporate Travel. This over expenditure is offset by the additional revenue earned as a result.

Challenges

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

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

A developing trend is that government departments wish to reduce their dependence and use of Implementing Agents and have articulated a desire to implement their own programmes by employing their own qualified professionals in the Built Environment. This in many cases is expected to have limited success and the CDC Non-SEZ Services is proactively and actively marketing itself as a value adding service.

PFMA COMPLIANCE REPORT

IRREGULAR EXPENDITURE

Reconciliation of irregular expenditure

Description	2023/24 (R'000)	2022/23 (R'000)
Opening balance	37 963	29 545
Add: Irregular expenditure confirmed	-	8 418
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	**37 963**	**37 963**

Reconciling notes:

(a) *Details of current and previous year irregular expenditure not yet condoned*

Description	(R'000)
(i) Modifications exceeding allowed amounts	34 447
(ii) Continuation of contract without proper extension	2 537
(iii) Less than 3 quotes - insufficient delegation of authority	917
(iv) Local content and production thresholds	61
Total	**37 963**

(b) *Details of Irregular Under assessment, determination and investigation*

Description	(R'000)
(i) Irregular under assessment	-
(ii) Irregular under determination	-
(iii) Irregular under investigation	65
Total	**65**

DEVIATION REGISTER

Procurement by other means (Non-SEZ)

Contract Number	Project Description	Supplier Name	Type of Procurement	Value (R'000)
CDC/252/23	Emergency process followed for the appointment of a Service Provider for installation of fence to secure the construction site for the CAR Logistics Base Project.	Arche Construction Cameroun Sarl	Limited bidding	3 786
CDC/366/23	Emergency procurement process to secure the replacement contractor for Luzie Drift JSS.	Mbokotho Investment T/A ZM Construction	Limited bidding	26 449

Expansion and variation of contracts

Project Description	Name of Supplier	Contract Modification Type (Expansion or Variation)	Contract Number	Original Contract Value (R'000)	Value of Previous Contract Expansions or Variations (R'000)	Value of Current Contract Expansion or Variation (R'000)
Provision of a Technology Based Security Services for Coega Development Services	Busibyte T/a Falcon Security Group Pty Ltd	Variation	CDC/368/19	84 120	7 250	24 150
Acacia/ Seraphim Warehouse	WBHO	Variation	CDC/169/18	175 810 (Re-baselined with Treasury Approval)	17 870	15 030

Inter-Institutional Variations (non-SEZ Programmes implemented on behalf of budget holders)

Project Description	Name of Supplier	Contract Number	Modification Type (Expansion or Variation)	Original Contract Value (R'000)	Value of Current Contract Expansions or Variations (R'000)	Value of Previous Contract Expansion or Variation (R'000)
EC Department of Health: Upgrading of Nessie Knight Hospital in Qumbu Area: Phase 3 - Staff Accommodation Units	Amanz' Abantu Services (Pty) Ltd	CDC-591-15	Variation	95 730	26 716	-

Project Description	Name of Supplier	Contract Number	Modification Type (Expansion or Variation)	Original Contract Value (R'000)	Value of Current Contract Expansions or Variations (R'000)	Value of Previous Contract Expansion or Variation (R'000)
Construction of Flagstaff CHC Phase 2: New Community Health Centre Main Building	Motheo Construction Group	CDC/478/17	Variation	119 716	22 990	-
TASEZ Cluster 02 Ford Frame Line: Construction of Factory, Access Roads and Related Engineering Services	WBHO	CDC/628/20	Variation	807 595	32 973	-
Professional Consulting Services for Smart Revitalisation of Dihlabeng Regional Hospital in Bethlehem	A-M Consulting Engineers	CDC/742/15C	Variation	28 286	23 758	-

BBBEE PERFORMANCE REPORT

Reporting Compliance on BBBEE Commission

Has the Sphere of Government / Public Entity / Organ of State applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Answer**	**Attachment**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law.	N/A	
Developing and implementing a preferential procurement policy.	Yes	The CDC's Procurement Policy has been developed in alignment with the Preferential Procurement Regulations of 2022. A preference points system is applied for all acquisition of goods and services with a Rand value of above the Petty cash Threshold of R2000. Points are awarded for Price and Specific goals and the organisation's specific goals are based on the B-BBEE Contributor Level of a service provider.
Determining qualification criteria for the sale of state-owned enterprises.	N/A	
Developing criteria for entering into partnerships with the private sector.	N/A	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment.	N/A	

KING IV ASSESSMENT

King IV Principles "Apply and Explain"

Principle 1: "The Governing Body (GB) 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 a Delegation of Authority Document in place that has been approved by the Board and is periodically reviewed to ensure that the document is current and addresses the issues that need to be dealt with by the Board as well as those that the Board has delegated to either its 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 subcommittees 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.
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

King IV Principles "Apply and Explain" continued...

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 for ensuring compliance by monitoring compliance through the reports presented for approval. • Each functional unit within the organisation ensures compliance and is thereafter subjected to an independent audit; all findings emanating from an audit are diligently addressed 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.	

OPERATIONAL OVERVIEW


FAW

INVESTMENT PROMOTION

Foreign Direct Investment (FDI) and Domestic Direct Investment (DDI) have become critical for the Coega Special Economic Zone (SEZ). They bring in capital, revenue, technology, and scarce expertise and management skills through continuously cultivating a multi-dimensional investment and project development pipeline. Moreover, FDI is essential to mobilising private investment into sustainable development sectors through effective investment promotion to grow the Coega SEZ.

Investment promotion provides solutions that are designed to attract investors across a range of key industry sectors, matching them to the most complementary product combination of serviced land in the zone and/or customised buildings according to their needs. Investors benefit from scalability of operations, innovation, business ecosystems, and strategic collaboration with various stakeholders, in line with the Invest SA (One-Stop-Shop) programme to build symbiotic synthesis and enhance competitiveness. Local and international investors are assisted seamlessly in progressing investment projects from an idea or concept to construction and operations.

Despite a subdued global growth and investment climate following the COVID-19 Pandemic, Russia-Ukraine's war, global supply chain disruptions, the global energy crisis coupled with elevated inflation, as well as geopolitical tensions, investment promotion activities were reinforced to identify and pursue opportunities.

During the past two decades, investment growth was associated with strong real output growth, robust real credit growth in capital inflows, and investment environment reform spirits. The trend indicates a downward spiral of these variables. Moreover, a weak investment growth has continued to be a concern, as it dampens growth and trade.

According to the United Nations on Trade and Investment Report, 2024, last year, FDI fell by more than 10 per cent globally, and by 7 per cent in the developing world. International project finance, crucial for infrastructure development, was particularly hard hit, falling by 26 per cent. Prospects for 2024 remain challenging, with weakening growth prospects and continuing trade and geopolitical tensions. Furthermore, the World Investment Report (WIR) reveals a crisis in SDG investment, with a more than 10 per cent decrease in 2023, indicating tighter financing conditions and a slowdown in sustainable finance markets. There is an emphasis on the need for concerted action to steer investments towards projects that genuinely contribute to a sustainable future. The WIR underscores the importance of investment facilitation and digital government as tools to attract and retain investment.

According to the WIR 2024, Global FDI investment in 2023 decreased marginally, by 2 per cent, to US$1.3 trillion. Greenfield investment project announcements increased by 2 per cent, with the growth concentrated in manufacturing. FDI inflows to Africa declined by 3 per cent in 2023 to US$53 billion.

However, despite the geoeconomic and geopolitical challenges, below indicates that the CDC's resilience, even in the most challenging of times, achieving 11 new signed investments against a target of 10 (9 investments were signed last year). The corresponding investment value achieved during the financial year is R840.39 million, against a target of R540 million.

Coega SEZ – Number of Investments Signed during the 2023/24 FY

No.	Project Name	Description	Investment Value	Sector	Country of Origin
1	CNSA Investment	Storage and assembly of Solar Panels	-	Energy	China
2	Atlantic Glass	Manufacturing of Aluminium Glass Products	R13 million	Manufacturing	South Africa
3	Romarck Logistics	Storage and distribution of FMCG goods	R2.258 million	Logistics	South Africa
4	MEC Trailers	Manufacturing of commercial trailers	R370 million	Manufacturing	South Africa
5	Discovery Central Services (expansion)	Business Process Outsourcing	R3.466 million	BPO	South Africa
6	Grindrod Logistics	Logistics service provider and stacking of containers	R50.4 million	Logistics	South Africa

Coega SEZ – Number of Investments Signed during the 2023/24 FY continued...

No.	Project Name	Description	Investment Value	Sector	Country of Origin
7	Jedidiah General Trading	Clothing and Textile	R1.524 million	Textile	South Africa
8	East Cape Mushrooms	Mushrooms plan growing facility	R50 million	Agroprocessing	South Africa
9	Stellantis	Project Office and Headquarters	-	Automotive	Netherlands
10	Dynamic Commodities (expansion)	Fruit processing	R350 million	Agroprocessing	South Africa
11	Himoinsa	Warehousing and Servicing of Generators	-	Energy	South Africa

The following projects are considered as critical and will have a positive impact on the CDC's overall success and socio-economic development of the region.

Solar Rooftop Project

Coega plays a central role in advancing readiness for the realisation of various transformational energy-related initiatives, which include generation and manufacturing orientated projects for the energy sector. With the load shedding in the country, Coega has been intentional in trying to provide alternative power supply solution for tenants within the SEZ and the NMBLP, and this aligns to the drive to increase power generated from renewable sources. Coega approved its SEZ energy strategy which provides a tactical means by which the SEZ would respond to current power crisis and further look at security of supply for the SEZ.

The Coega Solar Rooftop Project, in its first phase, will fit five buildings within Coega SEZ and the Nelson Mandela Bay Logistics Park with cumulatively 4.5MW solar PV panels, with the second phase including 20 buildings. The following are the targeted buildings.

During the financial year, Coega completed the installation of the solar panels at the BPO Park building in Zone 4 of the Coega Special Economic Zone, where several clients are located, including Discovery Health. In the next financial year, as funding becomes available, the solar panels will be installed at the remaining identified buildings.

The Coega Solar PV Rooftop project is complemented by energy efficiency audits on buildings including other renewable energy projects in the pipeline. Once fully implemented it will allow energy flexibility and ensure energy security for Coega tenants, especially energy intensive users. Moreover, a bigger view as an organisation is to develop several strategies to implement in order to decrease energy consumption and ultimately, to contribute to the reduction of carbon footprint and to mitigate climate change. This is in line with the United Nations Sustainability Development Goals initiatives, and the Government's recently approved Nationally Determined Contribution (NDC), which seeks to lower SA's carbon emissions.

Automotive Hub

The Coega Special Economic Zone (SEZ) has continued to mark significant strides in establishing an Automotive Hub. The automotive industry is a cornerstone of the Eastern Cape's economy, contributing substantially to employment and economic growth.

The Coega SEZ has emerged as the most preferred location for automotive OEMs in the region. This strategic positioning is underscored by its success in attracting three multinational OEMs: FAW, BAIC, and Stellantis. The presence of these global players highlights the SEZ's capability to provide an optimal environment for automotive manufacturing and related activities. Coega SEZ's location is further enhanced by its proximity to the operations of other significant automotive companies, namely Isuzu and Volkswagen South Africa (VWSA). This geographic advantage facilitates synergies between these companies, fostering a collaborative ecosystem that benefits the entire automotive value chain.

The SEZ is not resting on its laurels with its current roster of OEMs. The parties involved in the Coega SEZ are actively engaging with other prospective OEMs to attract additional investments, including new energy vehicles (NEVs). These engagements are aimed at expanding the automotive hub and solidifying its position as a leading destination for automotive manufacturing in Africa.

A noteworthy development during the financial year supporting the growth of the Coega SEZ is the R3 billion investment by Stellantis. This investment further reinforces Coega SEZ's attractiveness to other potential investors. The Stellantis investment signifies confidence in the SEZ's infrastructure, capabilities, and strategic vision for the future of the automotive industry in the Eastern Cape.

The establishment of an Automotive Hub within the Coega SEZ is poised to have a profound impact on the regional economy. The influx of OEMs and associated investments will drive job creation, enhance skills development, and stimulate local businesses. The SEZ's development aligns with broader economic goals of industrialisation, export growth, and economic diversification in the Eastern Cape.

Discovery Expansion

During the financial year, the CDC announced the 542m^2 expansion of the Discovery Health facility, located in Zone 4 of the Coega Special Economic Zone. The expansion represents the fifth consecutive growth initiative by Discovery Health within the Coega SEZ since it located at the Coega BPO Park in 2011 as the first tenant that benefited from the plug-and-play strategy of the CDC. This consistent expansion underscores robust investor confidence in the myriad benefits offered by the Coega SEZ.

The current expansion, valued at R3.4 million, will see an extension of the Discovery Health Call Centre. This development is not only a testament to the increasing business volumes and operational needs of Discovery Health but also to the thriving business environment within the Coega SEZ. The expansion is expected to generate 118 new jobs, further contributing to the local economy and supporting the socio-economic growth objectives of the region. Discovery's expansion further positions the Coega SEZ as a trusted location for businesses operating in South Africa's ever-evolving BPO sector and is also an indication of investor confidence in the Coega SEZ as a preferred location for business expansion.

Benteler Expansion

Benteler SA is a subsidiary of Benteler AG, a family-owned company that specialises in metal processing. The company is a global tier supplier in all relevant markets with around 100 locations in 28 countries including in the South African Uitenhage plant in the NMBLP. It is a leading producer of metal processed components such as steel coils, steel components, automotive components, catalytic converters, and catalytic subassemblies.

The company completed expansion of the existing facility at the NMBLP by 9,000m^2. The current size of the Benteler facility is 21,480m^2, this being an expansion of production space for new business as well as warehouse space for raw materials. The expansion project was done in two phases.

Benteler SA was awarded a 7-year contract by BMW SA for the new models which is the primary reason for expansion. The additional business from BMW SA will additionally bring their offsite warehouse all under one roof within the NMBLP. Benteler SA's major customers include BMW SA, MBSA and VWSA, only 40% of its products is for the export market. The company has invested R168 million and employ an additional 120 people in its own production facilities. It already has a warehouse offsite around Uitenhage that supports the production plant in the NMBLP.

Hive Hydrogen

Hive Energy in Partnership with Linde Plc, plan to develop large scale green hydrogen and ammonia project in the Coega SEZ. The development of the global hydrogen economy is well underway and is currently driven by the multiple applications of hydrogen as an energy carrier, as well as by its extremely useful chemical nature, especially within organic chemistry.

The Coega Green Ammonia Project is expected to be a +US$4.6 billion investment, producing an anticipated 950 000 tons of green hydrogen and ammonia per annum when fully operational by the end of 2028. A further 3 stages of equal size can be added to the project, should enough transmission capacity be made available – with a total overall investment value in excess of US$20 billion. The developers anticipate the project will create in excess of 20 000 direct and indirect jobs and play a meaningful role in the Just Energy Transition.

Project development work continues, and engagements with key stakeholders including the regulatory bodies and Eskom Transmission for solutions to unlock the project, while the client advances engagements with potential off-takers and financiers following the signing of the Memorandum of Understanding (MoU) with Japan's Itochu.

Medigrow

In April, the Coega Special Economic Zone proudly welcomed Medigrow, a leading cannabis cultivator, marking a significant milestone for the region. The official ceremony saw the presence of notable dignitaries, including the former MEC for Finance, Economic Development, Environmental Affairs and Tourism, Honorable Mlungisi Mvoko, and the MEC for Health, Honorable Nomakhosazana Meth, alongside the Eastern Cape Premier, Honourable Oscar Lubabalo Mabuyane.

Medigrow has rapidly expanded its footprint, now boasting 14 medicinal cannabis farms across South Africa. The newest addition, located in Zone 3 of the Coega SEZ, is poised to establish the Eastern Cape as the cannabis industrial hub of the nation. This investment, amounting to R84.7 million, is the largest in this subsector within the province.

The Medigrow facility at Coega SEZ will encompass indoor growing, packaging, extraction, and cigarette manufacturing operations. These activities are projected to create approximately 90 direct employment opportunities, significantly contributing to the local economy. The facility will focus on cultivating indoor medicinal cannabis strains and will include processing and packaging for both domestic and export markets.

Medigrow's presence enhances Coega SEZ's growing agroprocessing sector, joining established entities such as Dynamic Commodities, the Natural Fibre Hub, and Coega Biomass. This development not only diversifies the SEZ's industrial base but also positions it as a key player in the burgeoning cannabis industry, further driving economic growth and development in the Eastern Cape.

LOOKING AHEAD

The CDC is making good progress in operationalising projects signed last year, which will contribute to the organisation's financial sustainability.

Notwithstanding economic challenges in global markets, it is encouraging to see that Coega has continued to meet its investment numbers and value. Going forward, the operationalisation of the signed investments, and further attraction of catalytic FDI projects will be crucial to job creation and other socio-economic variables, like job creation, training and small business development.

Furthermore, the energy projects will continue to be attractive for the CDC due to the continued energy supply challenges faced by the country.

The CDC will pursue stakeholder collaboration in the province, particularly between various role players in the automotive sector, such as the Automotive Industry Development Centre (AIDC) Eastern Cape and Eastern Cape Development Corporation (ECDC) to attract new Original Equipment Manufacturers, especially OEMs that are producing electric vehicles (NEVs).

FAW Trucks SA's three decades of excellence official celebration at the Coega Special Economic Zone Assembly Plant in Zone 2 of the Coega SEZ, Gqeberha.

COEGA SEZ OPERATIONS

The Coega SEZ Operations is a key contributor to the vision and mission of the Coega Development Corporation. On an annual basis, the Operations Business Unit reviews its strategy and the capacity to implement projects. The following sections contribute to operational excellence:

- Coega Property Development and Maintenance (Facilities Management);
- Coega Trade Facilitation, which include Investor Services and Customs & Logistics;
- Coega Commercial Solutions;
- Coega Security Services;
- Coega Spatial Development Solutions;
- Coega Vulindlela Accommodation and Conferencing Centre;
- Bluewater Bay Sunrise Hotel; and
- Crux Marine Solution.

Each operational section works according to their annual Business Implementation Plans which provide a detailed work schedule, aligned to impact and strategic outcome statements of the organisation. Each section is furthermore managed according to best practice and international standards, which have been affirmed by auditing processes conducted on an annual basis in terms of the International Standards Organisation (ISO) quality standards, details of which are provided elsewhere in this section.

PROPERTY DEVELOPMENT AND MAINTENANCE (PDM)

PDM Unit within Operations Business Unit is responsible to conceptualise, plan, design and execute all infrastructure and top structure requirements as required by investors and Coega, and as a result fulfilling the objectives of the Coega Special Economic Zone (SEZ) Project.

The unit is responsible for the master planning of the Coega SEZ which outlines the vision, objectives, goals, and strategies for the long-term development of infrastructure projects. It provides a roadmap for the systematic development of infrastructure projects and ensures that the projects are designed and built in a sustainable and integrated manner.

After completion of infrastructure built, the buildings are operated and maintained to the highest standards to ensure that the investors operate in a safe and secure environment.

Infrastructure Overview for 2023/24 FY

Planning	Under Construction	Now Completed
SEZ Return Effluent Distribution and Reservoir	Construction of OEC Tank Farm in Zone 7	Construction of Zone 10 enabling infrastructure to enable ADZ development
CDC WWTW and Connection Pipe Work	Construction of Bulk Sewer Services East of the Coega River	BAIC Electrical infrastructure in Zone 1 & 2
RE Pipeline from Fish Water Flats WWTW to Coega SEZ	Construction of Water and Sewer Infrastructure in Zone 3 & 4 of the Coega SEZ	
Water and Sewer infrastructure in Zone 5 and redundancy		
Construction of a 53,000m^2 warehouse distribution facility in Zone 2		

Work also include the master planning for bulk services and PDM is working closely with the Nelson Mandela Bay Municipality (NMBM) to plan for portable water and sanitation mega projects, of which water is currently a big concern in the NMBM.

Projects completed in the 2023/24 FY

Camp establishment in January 2024

Completion of BAIC Zone 2 HV Electric Upgrades

Completion of Zone 10 Aquaculture Infill Infrastructure

Projects still under construction in the 2023/24 FY

Progress on Construction of Water and Sewer Infrastructure in Zone 3 & 4 of the Coega SEZ

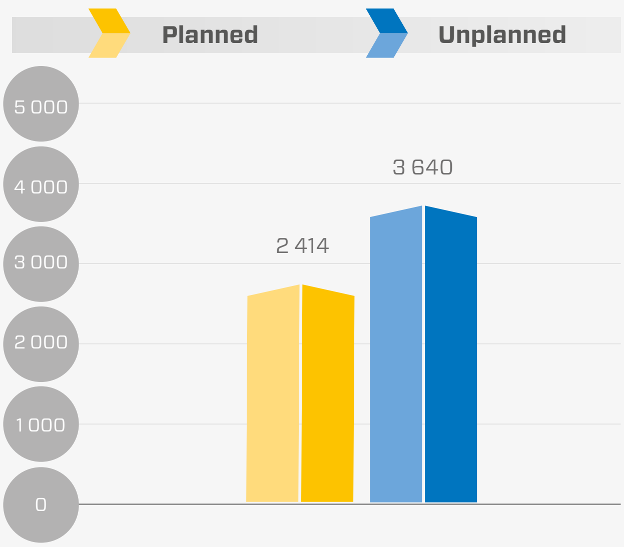
Progress on Construction of OEC Tank Farm in Zone 7

Maintenance Overview

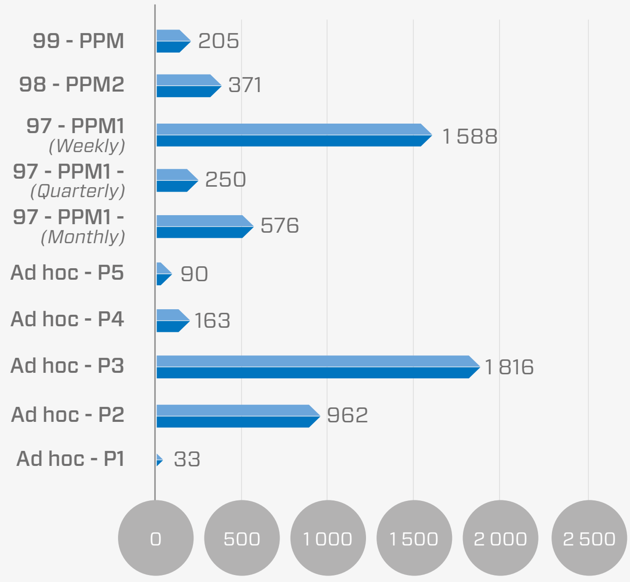
The PDM operates a Call Centre and has procured its own Computerized Maintenance Management Software (CMMS) to support maintenance of all existing infrastructure and top structures. The programme runs planned and unplanned maintenance to improve asset life and swiftly respond to all asset failures. The following performance for 2023/24 FY was reported with a total of 6, 054 calls between April 2023 and end February 2024:

The detail split between ad-hoc and planned maintenance can be shown in graph below.Ad-hoc maintenance is categorized based on urgency and importance from Priority (P1 to P5). Whilst preventive planned maintenance is categories PPM, PPM1 and PPM2 and these are automatically generated job cards issued to respond to the preventative maintenance programme. The CDC has a fully dedicated inhouse maintenance team providing facilities management services to the organisation and tenants in Coega SEZ and other operating areas.

CMMS All Calls - Planned vs Unplanned



Total Calls - Maintenance Categories



In summary, the planning and development of SEZ infrastructure progressed well in the 2023/24 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 the Coega SEZ's project pipeline. Therefore, planning and sourcing of funding is 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 Nelson Mandela Bay Metro.

TRADE FACILITATION

The Trade Facilitation Unit (TFU) optimises the functions of Investor Support Services, Customs Compliance Services, and Logistics and warehousing into a holistic trade facilitation focal area for the Coega Special Economic Zone and Nelson Mandela Bay Logistics Park. Trade facilitation measures are particularly beneficial in supporting the growth of import and export enterprises through creating environments where there is good information flows, collaboration and coordination between all stakeholders and services that support economic activities. Coega's Trade Facilitation Unit continues to endeavor to improve business activities through "the simplification, standardisation, and harmonisation of processes and procedures" through coordination of services that result in long term investments in Coega.

The Trade Facilitation Unit is located in the One-Stop-Shop facility within Zone 1 of the Coega SEZ. This facility was designed to house various government satellite services and demonstrates government's recognition of the importance of trade facilitation and that of the Coega SEZ, as a preferred investment destination, a gateway to Africa and world markets.

During the 2023/24 financial year, the Trade Facilitation Unit is proud to have made positive strides in increasing investor satisfaction (measured through the annual Coega customer satisfaction survey). It additionally facilitated collaboration with government entities, and created opportunities for logistics revenue services. The organisation looks forward to the continued success of the various projects championed by Trade Facilitation Unit.

Investor Services

The Coega SEZ investor services provides aftercare services to tenants located in the SEZ. This includes coordination of the One-Stop-Service (OSS) facility, internal and external investor communication and coordination, investor training and workshops, investor research services and other investor support projects. This section of the Trade Facilitation Unit remains a key and critical area for Coega's investor sustainability and ensures investor pain points are managed for long-term investor success.

Investor Services conducts an annual survey to assess the satisfaction levels amongst SEZ tenants and to identify potential areas of concern raised by respondents. The Investor Services satisfaction performance remained high during the 2022/23 reporting period, with a weighted average score of 3,15 out of 5. The 2023/24 survey is currently underway and is envisioned to be completed by April 2024.

Some key successes to highlight during the current financial year is the conclusion and acceptance of the 2025 – 2030 SEZ Zone Rules as well as the conclusion of the Stats SA SEZ Census Report for 2023, as already mentioned elsewhere in this Integrated Report.

Customs

The Customs service's section provides support to investors and other customers on queries or other services related to customs matters. This includes compliance support, training and workshop services, coordination of Customs controlled Areas (CCA) and, investigation and consulting services. This is aligned to Coega's strategy and ensures the Coega SEZ as the investment destination of choice. During the 2023/24 financial year, the Customs service's section successfully achieved the **Authorised Economic Operator Level 2 status (AEO)** from the South African Revenue Services (SARS) for Coega SEZ. Last year, Coega enjoyed several benefits from the AEO programme which is built and based on Customs-Private partnership under the international principle (SAFE Framework of Standards) to secure and facilitate global trade. The Coega strategy is aligned with the AEO principles which aims to enhance international supply chain security and facilitate the movement of legitimate goods.

The Customs Controlled Area Enterprise's (CCAE's) has furthermore continued to show growth during the 2023/24 financial year, as the section secured the registration of two (2) additional CCAE'S, thereby ensuring compliance within the Customs Controlled Area. The Customs Service Section in collaboration with the consultancy team at Coega consulted with some of the upcoming SEZ to implement the Customs and Excise Act and Regulatory compliance to ensure consistency and understanding of the SEZ obligations.

Logistics and Warehousing

Logistics services within the Trade Facilitation Unit include the management of various bonded storage areas and facilities, which are inclusive of a laydown area that has continued to gain increased demand from investors importing and exporting abnormal cargo. The on-going collaboration between the TFU team and Transnet has resulted in an increase in customers serviced in this area.

A key focus area of the TFU team under logistics services in the 2024/25 financial year is the expansion of the service offering and customer base for logistics services, including re-evaluating the logistics strategy to include the broader context of a back-of-port SEZ operations and repackaging the additional requirements needed for hinterland connectivity.

SECURITY SERVICES

Coega SEZ, Safe and Secure Location for Investors

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 Coega Security Risk Framework is aligned with international best practice of Physical Security Standards Guidelines and Management of Information Security Standards guidelines. Coega's approach to reducing crime or security incidents 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 Coega's Physical Asset Protection (PAP) programme encompasses a systematic approach to identify threats and vulnerabilities the organisation faces so that physical security threats against personnel and all property & assets, investors, contractors, and visitor in the SEZ are appropriately addressed.

During 2021/22 FY, with the provisions of DTIC funding, the Integrated Security Systems were upgraded in terms of various technical security projects with a great anticipation of creating a safe and secure environment. Coega's objective to create the new Command & Control Centre has been achieved and is operational 24/7. This has enhanced Coega's security controls around SEZ and other related operations, enabling a more proactive and reactive approach when dealing with security and other related emergency incidents. In December 2022, Coega appointed a Technical Security Service Provider for a period of (3) three years for the installation of further security enhancements. These upgrades have been made possible through the DTIC approval of further funds for phase 2 security upgrades. This in essence indicates that Coega and the DTIC are committed to the Physical Asset Protection Programme.

Coega has furthermore concluded its procurement process for a Security Manned Guarding Services in 2023, and the security company was appointment in the fourth quarter of 2023. The security company has strength in technology, and therefore will improve security technology in the SEZ. This service is critical in the safety and security of the SEZ, which entails protection of access controls, perimeter patrols and overall protection of people, property, and assets within the SEZ.

The Coega security has continued to successfully conduct security risk assessments for all high profile planned and unplanned events within the SEZ, supported by other law enforcement agencies and external security stakeholders. In 2023, Coega security acquired the services of the independent risk assessor to conduct risk assessment for the SEZ and Nelson Mandela Bay Logistic Park. Coega security looks forward to continuing to support all business activities within the SEZ in the year ahead.

Furthermore, the Coega security has embarked in discussions with the SAPS National Key Point (NKP) Secretariat, Provincial Office, and National Office to pursue the declaration of Coega SEZ becoming a National Key Point. This will assist in bringing more enforcement resources in, to enable Coega security to protect the SEZ effectively and efficiently, thereby advancing the Coega SEZ's unique value proposition, as an investment destination of choice for current and future investors. This will also change and improve how Coega provides physical security.

As part of Coega's security service offering, the organisation has extended support to various non-SEZ programmes to ensure physical security designs and implementation remain security risks appropriate. New software technology and upgrades on access control systems have been successfully completed with full systems integration into the command-and-control centre, located at the Coega Business Centre, Zone 1.

Coega has appointed a Zone Traffic Officer (ZTO), to assist in traffic management and enforcement of the zone rules together with other traffic impact assessments.

The Phase 2 critical infrastructure upgrade project was initiated in 2023. Although there have been issues of environmental compliance from sustainability to comply with, the project has commenced. An additional 124 CCTV cameras with thermal imaging to cover Coega SEZ perimeter have been procured. Approximately sixty (60) have been connected but not yet handed over to Coega Security. There are also additional six (6) long range radar CCTV cameras that have also being plotted to cover the bush densely populated areas. The license Plate Recognition (LPR) linked to NAVIC has been installed and activated. Any vehicle entering the SEZ that has been flagged anywhere in the country, the Command-and-Control Centre gets the notification to activate the South African Police Services (SAPS).

Given that Zones 3 and 4 were identified as hot spot areas for criminal activity, an electric fence for purposes of heightening the security in Zone 3 has been installed.

Introducing the speed monitoring cameras will also assist with identifying motorists that do not adhere to the rules of the road; and the awareness campaign will be intensified by the Zone Traffic Officer.

The installation of future fibre technology on the Coega SEZ fence line around Zone 1 and 2 is expected to be completed in the 2nd Quarter of 2023/24 FY and will enhance security intrusion detection mechanism once completed. Further security hardening measures of electric fencing are also being considered for certain zones in the Coega SEZ.

The introduction of online intelligence software tool into operations enables an effective and efficient reporting mechanism that informs Coega's approach to security risk management and review.

The Coega's agility and flexibility to innovation and continuous improvements are key in ensuring the security and safety of all who operate within the SEZ, as well as rest of the Coega operations throughout the country and on the continent.

Lastly, the Coega Security Forum with the Tenant community representatives and various law enforcement agencies have forged good relations, and a more meaningful approach in collaboration of people and asset protection, thereby creating a positive security environment.

Awards of excellence: Coega honoured and celebrated the invaluable contributions of its security personnel and the South African Police Service (SAPS) to business continuity and public safety in and around the Coega SEZ. The celebration was marked by an awards ceremony at the Coega Vulindlela Accommodation and Conference Centre (VACC) in Gqeberha, to recognise SAPS officials, security personnel, and the Coega Command and Control Centre team for collaborating on successful crime prevention strategies. The awards ceremony follows signing of the Memorandum of Understanding (MoU) between the CDC and the SAPS Swartkops Precinct in July 2023, to promote partnership in ensuring a safe trading and business environment for investors and tenants of the Coega SEZ. The CDC will continue to strengthen the partnership between the SAPS, security structures, and the Coega Command and Control Centre, to create a security-positive environment for all investors, tenants, employees and visitors. It will also celebrate the successes of crime prevention strategies.

SECURITY SERVICES: SAPS and Falcon Recognition Celebration in November 2023.

COMMERCIAL UNIT

The Coega Commercial Unit is integral to the organisation's strategic and operational outcomes, as it facilitates the conversion of investment attraction initiatives to revenue-generating transactions to achieve financial sustainability for the CDC. The Unit's core functions include, inter alia, analysing the commercial viability of all CDC transactions, negotiating and structuring commercial transactions, providing transaction risk monitoring, and contributing to the revenue-generating process. The 2023/24 financial year has had positive outcomes which included the successful signing of eleven (11) new investment projects into the Coega SEZ. The South African economic performance, energy uncertainty, and competitive landscape of industrial leases remain a material risk to futuristic investment attraction and revenue generation measures.

The Commercial Unit continues to engage in negotiations for projects in strategic sectors including but not limited to, Automotive, Hydrogen, Energy, Agro-processing, and Logistics sectors to secure new investors both locally and across the African continent. The Unit will further be reviewing its operating model, to provide innovative commercial pricing and the necessary support to Coega's capital raising initiatives, rest of Africa programs, and strategic collaborations.

SPATIAL PLANNING AND DEVELOPMENT

The Coega Spatial Development Unit (SDU) has three broad work areas, namely: Spatial Planning; Spatial Technologies and Drawing Management.

Spatial Development Unit Components

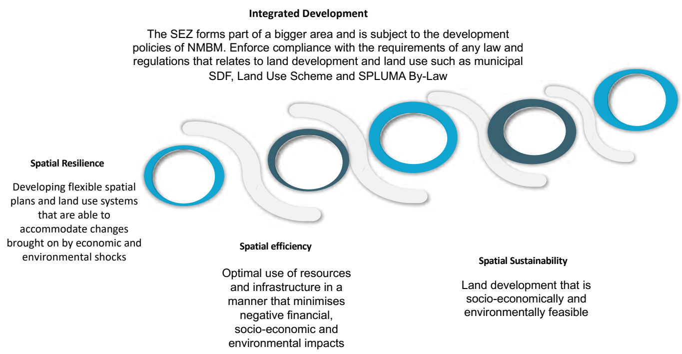
Spatial Planning: is a comprehensive approach directed towards achieving balanced regional development and the physical organisation of space according to the overall strategy of the Coega Development Corporation, Province, and National policies.

Spatial Technologies: comprise drone technology, innovative initiatives and new technologies geared for 4IR integration to Geographic Information System (GIS). GIS gives geographical expression to the economic, social, cultural, and ecological policies which influence land development.

Drawing Management: entails the management of a drawing register for all "As Built" drawings issued by appointed consultants. Electronic versions of "as built" drawings are uploaded against registered drawings by consultants, ensuring that the "as built" CAD drawings are available to the organisation and appointed consultants. The drawings form a critical element for the development and maintenance of current and future developments.

Integrated Development

The Coega SEZ is subjected to the development policies of the Nelson Mandela Bay Metro, and therefore the Metro enforces compliance with the law and regulations that relate to land development and land use.



Spatial Development Objectives

Spatial Planning

The SDU facilitates the implementation of all land development processes, as described hereunder:

- **Land Management Process:** Encompasses the facilitation of economic, social, and environmental sustainability by implementing the underpinning town planning principles, sound land use management, and environmental regulations. The land management process within the SEZ administers a cluster-based approach, which considers locational requirements for different industrial activities, thereby enforcing compatibility of land uses through the Development Framework Plan, Environmental Authorisation, as well as Architectural and Landscaping Guidelines for site specific developments within the SEZ boundary. This is to ensure the sustainable management and control of land use, natural resources, and the environment, attributed to the building of new physical infrastructure and implementation of construction processes through granting planning permission and permits.

- **Site Allocation Process:** The process of assessing suitability of sites for various investment developments, taking cognisance of compatibility of the proposed development to existing industrial activities, SEZ master planning, open space management system, environmental authorisation, access roads, visual impact, and availability of infrastructure as well as timeframes of the proposed development.

- **Site Reservation Agreement Process:** Sites are reserved for investors to conduct feasibility studies and environmental impact studies. To a certain extent, and dependent on the magnitude of the proposed development, there are occurrences where a site reservation fee is applicable.

- **Lease Agreement Process**: Lease Agreements are signed between Coega and an investor once the project has developed, reached financial closure, and a decision has been granted to commence operations within the SEZ.

- **Lodging Long-Term Lease Process:** Coega and the investors sign a Long-Term Lease for a period ranging between 10 and 99 years. A long-term lease incorporates a Survey Diagram, approved by the Surveyor General, and all the specified terms of the agreement are registered at the Deeds Registry. An endorsement is made against the property's title deed.

  There has been an increase in the demand for land and buildings in the agro-processing, automotive, logistics, energy, and chemical sectors. Site reservations agreements have been entered into for land east of the Coega River and new lease agreements have been signed in Zones 1, 2 and 3.

- **Site Development Process:** Site Development Plans (SDP) within the Coega SEZ are reviewed and assessed by the Design Review Committee, a structure facilitated by Spatial Development. SDPs are considered in relation to compliance to the Development Framework Plan Rev 1 (2006), Architectural and Landscape Guidelines, Engineering Masterplans, Zone Rules and applicable environmental Authorisations. Once assessed and accepted, the plans are recommended to Nelson Mandela Bay Metropolitan for approval.

The table below lists the SDPs reviewed and approved during the 2023/24 FY.

Grindrod (old MM Engineering Building)	Zone 3
Dynamic Commodities Expansion	Zone 3
EC Snowcap Mushroom SDP	Zone 10

Additional SDPs that were assessed by the Design Review Committee and awaiting revision from the investor include the following:

Cemza Expansion	Zone 5
Mulilo Total Coega	Zone 13
Coega Steel Phase 3	Zone 6
MSC Phase 3	Zone 1S

- **Building Plans Approval Process:** The SDU facilitates the submission of building plans to NMBM. Once assessed and accepted, a cover letter is provided in support of the building plan submission. The table below lists the approved building plans for the 2023/24 FY.

Grindrod (old MM Engineering Building)	Zone 3
Dynamic Commodities Expansion	Zone 3

- **Occupation Certificate:** Spatial Development facilitates the Occupation certificate process with the municipality.

Adherence to National Building Regulations and building Standards Act 103 of 1977, conditions of the SDP and environmental authorisation, where applicable, are considered prior to issuing an Occupation Certificate. The table below summarises the Occupation Certificates issued during the period 2023/24 FY.

ZacPak Warehouse Facility	Zone 2
BAIC Paint Shop	Zone 2

SPLUMA Applications

A Rezoning Application for Erf 8709, Wells Estate was approved on 19 April 2023. A Removal of Restrictive Conditions Application for Erf 318, Coega, was approved by NMBM on 18 August 2023 and lodged with the Deeds office. The original Certificate for consolidated tittle was received on 18 December 2023.

Spatial Technologies

With the focus being on streamlining and improving efficiencies, SDU embarked on several initiatives, including the review and update of land management and site development processes. Commencing a pilot project for testing Internet of Things (IoT) integration with Coega's GIS system and extending usage of Drones.

GIS Migration

Database architecture and innovation are becoming increasingly important to an ever-evolving industry. Over the past year, SDU has worked closely with software experts to ensure the layout and architecture of the GIS database structure can adapt to continuous changes in technology, process flows and opportunities for database integration aligned to big data processing. This innovative solution gears Coega towards 4IR and assists in becoming more data-centric and customer-focused.

The GIS Enterprise licence includes a range of desktop user licences, a suite of software applications and development hours. Geographic information is distributed to users by means of Internet based Map Services. A particular emphasis is placed on building the necessary logical and physical data structures required for a comprehensive Spatial Data Infrastructure (SDI). Key layers, such as Investors, Cadastral, Tenants, civil services and other Base Data layers are updated and maintained on an ongoing basis.

The Road to Smart City

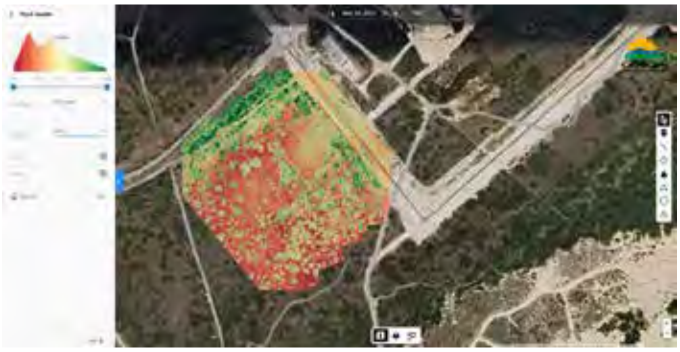
By monitoring and analysing utility meters, SDU has spearheaded efforts to enhance daily efficiencies. A successful Proof of Concept was approved and executed, albeit not without its challenges, which have, in turn, enabled Coega to refine the scope for the subsequent phase targeting the VACC, with the support of PDM.

The accompanying dashboard visualises the data gathered, highlighting key trends identified. Collaborating with PDM, pertinent adjustments have been made based on these insights.

Drones

The implementation of the use of drones has taken project and programme reporting to another level. It allows clients to stay up to date on project progress, ensure buildings are constructed per approved plans, and post-build can assist with reviewing as-built drawings.

The SDU acquired the Phantom4 RTK. The use of multi-band integration has greatly enhanced environmental monitoring and data gathering, and thus assisting SDU with decision-making through imagery.



Coega Programme Support

The SDU supports Programmes such as the Wild Coast SEZ, Tshwane Automotive SEZ, Transnet, Human Settlements and provides planning and implementation services for the Department of Tourism and other new/ existing industrial park applicants. Below is an update on SDU responsibilities and progress for 2023/24 FY.

Wild Coast Industrial Park

- The application for Subdivision and Rezoning of Farm Portion 4 and 75 Umtata was approved, with conditions, on 26 August 2019 by the King Sabata Dalindyebo Municipality (KSD). The Wild Coast Industrial Park Spatial Layout Plan was submitted on 20 January 2022 for review and approval by KSD. An overall Site Development Plan (SDP) was submitted as a Development Framework Plan (DFP) to KSD Municipality on 17 May 2023 for review.
- The submission was undertaken concurrently with the application for the Water Use License Application (WULA)
- Post the DFP submission, a site visit was conducted with the Department of Water and Sanitation (DWS) on 26 July 2023 to assess the site and determine the extent of identified wetlands.

- The DWS confirmed that a new wetland study should be undertaken and the WCIP Master Plan must incorporate the wetland delineation emanating from the revised wetland study.
- A Draft Site Layout Plan was completed on 16 August 2023, upon receipt of the revised wetland study.
- Engineers were also instructed to revise the civil, electrical and telecoms drawings based on the revised layout plan.
- A meeting was conducted with the KSD Town Planning Department on 24 August 2023 to present the amended layout.
- The municipality confirmed that a Rezoning Addendum must be submitted to the Municipal Planning Tribunal (MPT) for review and endorsement.
- Once the engineering drawings and reports have been finalised, a rezoning addendum will be submitted to the municipality for approval.

Once construction of infrastructure is completed, SDPs and Building Plans will be submitted to KSD Municipality per investor on allocated sites as the information becomes available.

Tshwane Automotive SEZ

SDU continues to support the Tshwane Automotive SEZ (TASEZ) Programme with the town planning approvals for Phase 1 & 1A. Some of the achievements of the past financial year include obtaining the Extension of time approval for Phase 1A Conditions of Establishment, obtaining approval for the revised flood line delineation, and concluding the land transfer. For Phase 1, several challenges have delayed a smooth process; however, through constant interactions with municipal officials the planning approvals are imminent. The following achievements have been recorded.

Phase 1

- Extension of Time Approval Letter was received on the 28 March 2023 giving extension to the validity of the township establishment application until 25 May 2025.
- Section 16/7 (compliance to Roads of Water Conditions of Establishment) was issued on 04 August 2023.
- The Revised General Plan and Conditions of Establishment were resubmitted to the City of Tshwane on 15 February 2024.

Phase 1A

- Extension of Time Approval Letter was received on 14 December 2023 giving extension to the validity of the township establishment application until 21 January 2025.
- The revised Conditions of Establishment and Township layout Plan was approved on 05 March 2024.
- The Land Surveyor is currently preparing the revised General Plan to be submitted to the office of the Surveyor General.

For both Phases

- Department of Water & Sanitation advised S16(7) will not be issued until the second Reservoir is constructed. TASEZ/CDC are engaging with the COT to resolve the shortfall.
- Once all conditions of establishment have been complied with, the pre-proclamation-Section 16 (10) will be issued.
- Proclamation Notice will be gazetted to convert the status of the property to a registered township.
- Appointed Conveyancers will prepare documentations to be submitted at the Deeds Office for the Opening of the Township Register.
- Once the Township is proclaimed, the land use rights will be issued (Zoning Certificate), as a precursor condition for SDP & building plan approval.

TASEZ has appointed Coega Development Corporation to assist with the planning of Phase 2 of the Automotive SEZ. However, SDU is only required to assist as and when the need arises.

Human Settlements

SDU supports the Eastern Cape Department of Human Settlements Programme for pre-planning and implementation projects. The programme consists of Greenfields (Full scope town planning processes: rezoning, subdivision, and township establishment) and Brownfields developments (rectification projects: demolish and rebuild) in both rural and urban landscape.

Department of Tourism (NDT)

In March 2018, a Memorandum of Agreement (MOA) was signed between NDT and the Coega Development Corporation. Coega was appointed to assist NDT in achieving its current and future strategic direction which entails various aspects of tourism destination development in collaboration or in support of provincial tourism authorities, inter alia:

- Short to long-term planning;
- Concept development;
- Architectural design;
- Implementation of infrastructure delivery; and
- Project management.

During 2022/23 FY, SDU managed to close out the bulk of awarded projects inclusive of interpretive signage, Tourism Masterplans and providing Universal Access at Dwesa & Hluhluwe Nature Reserves. There is only one Universal Access project remaining in Mpumalanga for the 2023/24 FY. Due to insufficient capacity, SDU has been advised to hand over the project to the Tshwane Office by virtue of proximity to the site.

Interpretive Signage – Mkambati Nature Reserve

Universal Access – Dwesa Nature Reserve

A Tourism Precinct Plan was also prepared for the Port St. Johns Waterfront.

Waterfront Precinct Concept Design - Port St. Johns

Waterfront Precinct Concept Design - Port St. Johns

PSJ Waterfront Precinct Plan

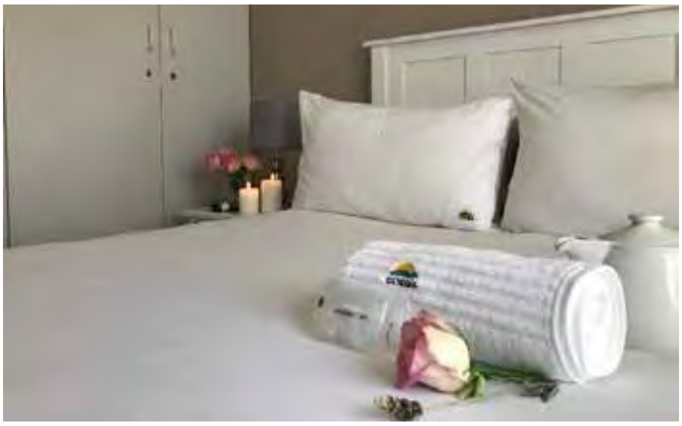
COEGA VULINDLELA ACCOMMODATION AND CONFERENCE CENTRE (VACC)

In the financial year 2023-2024, the VACC has made significant strides in its recovery journey from the impacts of the Covid-19 Pandemic. Notably, the VACC capitalised on the revival of the Rig business, previously inactive during the Pandemic period. During this time, the VACC provided accommodation and meals for workers, who were contracted to work on the Rig. This endeavour yielded significant revenue, totalling R5.1 million over a three-month period.

The VACC has furthermore secured a lucrative contract with the Department of Agriculture, Land Reform, and Rural Development. Under this agreement, learners underwent training at the Coega Skills Center, with accommodation and meals provided by the VACC for a duration of three months. This partnership generated additional revenue amounting to R2.6 million.

Despite the myriad challenges encountered, the VACC not only met but exceeded projected revenue targets by the second month of quarter four. Total revenue achieved during the financial year 2023/24 was R40,198,159, while expenditure amounted to R24,761,247, resulting in a net profit of R15,436,913, and achieved a 38% profit margin.

The achievements underscore the VACC's unwavering resilience and steadfast determination in navigating adversities. By effectively seizing opportunities and leveraging its strengths, the VACC has not only overcome the most challenges posed by the Covid-19 Pandemic, it has also emerged stronger and more resilient.



Moreover, these accomplishments signify the VACC's commitment to its mission of fostering economic growth and development. By successfully revitalising the Rig business and forging strategic partnerships with governmental institutions, such as the Department of Agriculture, Land Reform, and Rural Development, the VACC has demonstrated its capability to adapt and thrive in dynamic environments.

BLUEWATER BAY SUNRISE HOTEL

The Bluewater Bay Sunrise Hotel, operating as the subsidiary of the Coega Development Corporation has garnered acclaim for its breathtaking ocean views, crisp coastal-inspired décor, opulent interiors, decadent food, a unique 4-start luxury experience and impeccable customer service since its launch in March 2021. The hotel offers corporate rates as seasonal promotions, making a 4-star experience more accessible to those longing for an unforgettable hospitality experience.

Since its inception, the hotel has been visited by international delegates, royal families, and celebrities, alike. The hotel has moreover successfully hosted numerous corporate and private events including conferences and weddings as well as more intimate luncheons and baby showers. Despite its inauguration amidst the challenges posed by the COVID-19 Pandemic, which severely impacted the hospitality industry, the hotel continues to evolve as a premium provider of 4-star hospitality services in the Eastern Cape region.

During the 2023/24 financial year, the Bluewater Bay Sunrise Hotel hosted the isiXhosa Music Festival Musical Workshop in partnership with isiXhosa Music Festival and Umhlobo Wenene FM. This is initiative was aimed at empowering up-and-coming artists and educating them on the ins and outs of the music industry. Amongst those leading the programme were the musical giant, Mr. Ringo Mandlingozi and renowned media personality Mr. Putco Mafani. As the event was in collaboration with Umhlobo Wenene FM, two of the station's shows broadcasts were live from the Hotel, namely Khanya Kukhanye Mhlobo by Blaq Maci from 09:00 – 12:00 and 123 Pholaz from 13:00 – 15:00 by Mr. Amaza Ntshanga and Ms. Lusanda Mbane. Mr. Ringo Mandlingozi not only led the workshop but performed from the BWBHS live on Umhlobo Wenene.

IsiXhosa Music Festival Workshop with UWFM and Ringo Madlingozi.

To further accentuate the relationship between Umhlobo Wenene FM and the BWBSH, Umhlobo Wenene FM hosted a three-day broadcasting summit at the BWBSH, and all their presenters broadcast live from 06:00 – 18:00. Some interesting activations were conducted included "breakfast in bed" for the breakfast show - Breakfast Eyondlayo Ekuseni (BEE) hosted by Pastor the Dj, Mafa Bavuma and Mluleki "Coach" Ntsabo, which had a Facebook post by Mafa Bavuma of the presenters in bed trending. The post gained 20 000 reactions and 3 300 comments in one day. The BWBSH also hosted a Drama Workshop with Umhlobo Wenene FM led by the renowned actor Mr. Dumisani Mbebe. Another workshop in the form of a fashion workshop was hosted in partnership with the Ebubeleni Music Festival Fashion show at the BWBSH.

Mhlobo Wenene's Dj's doing breakfast in bed

TruFM also hosted their broadcasting summit at the BWBSH, i.e., breakfast in bed. A post by the breakfast show presenter Mr. Boyz Mpumzi wearing a nightie trended while on air. The preparation of a lunch box or "skaftin" on the Lunchtime Shadis show by Silulami "Slujah' Bunu, also trended.

TruFM's Lunchtime Shandis presenter Slujah making a burger with Chef Amanda Magqaza.

To provide the BWBSH further exposure and enable a wider audience reach, various promotions and interviews were held with the local radio stations such as King Fischer FM and Nkqubela FM, in addition to the live broadcasts and interviews on Umhlobo Wenene and TruFM. One of the Nkuqubela FM interviews featured Ms. Gloria Kulati, the retired BWBSH housekeeper who received a Tourism Ambassador Award from the Hospitality Awards by Exclusive Hospitality Concepts. The BWBSH was also featured in the third quarter edition of the Black Business Quarterly (BBQ) Magazine. A competition was also run on the Weddings and Functions Magazine, and the BWBSH additionally received a write-up in the magazine. Several Travel Management Companies were hosted for Educational activities. The BWBSH General Manager also attended the Travel Indaba, Tourism Business Council of South Africa Workshop and a speed networking session by The Marketing Experts.

Annual events such as the "Pretty in Pink" Mothers' Day Lunch, Women's Day Hats and Heels Ladies High Tea, Christmas Lunch and Valentine's Dinner were all sold out. For Mothers' Day, a four-course lunch was served. For Women's Day, Ms. Kay Bikitsha from the popular Telenovela "The Empire" was the guest speaker. The Christmas Lunch saw the international designer Mr. Laduma Ngxokolo, of MaXhosa Fashions in attendance. Other famous faces who stayed at the BWBSH included Ms. Masasa Mbangeni, the musical group 047, Nathi Mankayi, ZukoSA, Ntsika from the Soil, Thela and Qwabe Twins.

BWBSH GM Sisonke Mapuma, Kay Bikitsha & Tania Piers-Prinsloo.

Annual Women's Day High Tea

To launch Women's Month, the Eastern Cape Premier, Oscar Mabuyane, hosted a Women in Media Breakfast. The Telenovela "The Empire" crew shot parts of their season one episodes for the end of season event at the BWBSH. The event being a Mimosa Sunday, hosted in collaboration with Robertson Wines and the Voice of a Widow's Voice of Women in Business and Leadership networking event.

Women's Day Speaker - Ms Kay Bikitsha

Women in Media Breakfast by EC Premier - Oscar Mabuyane

Friday After Work Affair (FAWA) Sunday Sessions – the Bluewater Bay Sunrise Hotel Edition was launched in November 2023; it is where guests can listen to Deep House DJs playing live music. Bubbly Breakfast Weekends where guests can enjoy bottomless bubbly with their breakfast were also launched.

To end of the year, the BWBSH celebrated their third year of existence through the hosting of prize giveaways on social media, as well as on radio stations Umhlobo Wenene FM and TruFM. Breakfast and lunch vouchers were given away on the respective breakfast and lunchtime shows, and a main prize of two nights' accommodation, meals, massages and a boat cruise were also given away on both stations. This was a gesture by BWBSH, to thank all its guests for their support over the past three years. Many of the guests which had stayed at the BWBSH sent videos wishing the BWBSH a happy third birthday, and their videos were posted on the BWBSH social media pages.

2023 NYE Party

CRUX MARITIME SOLUTIONS – VESSEL

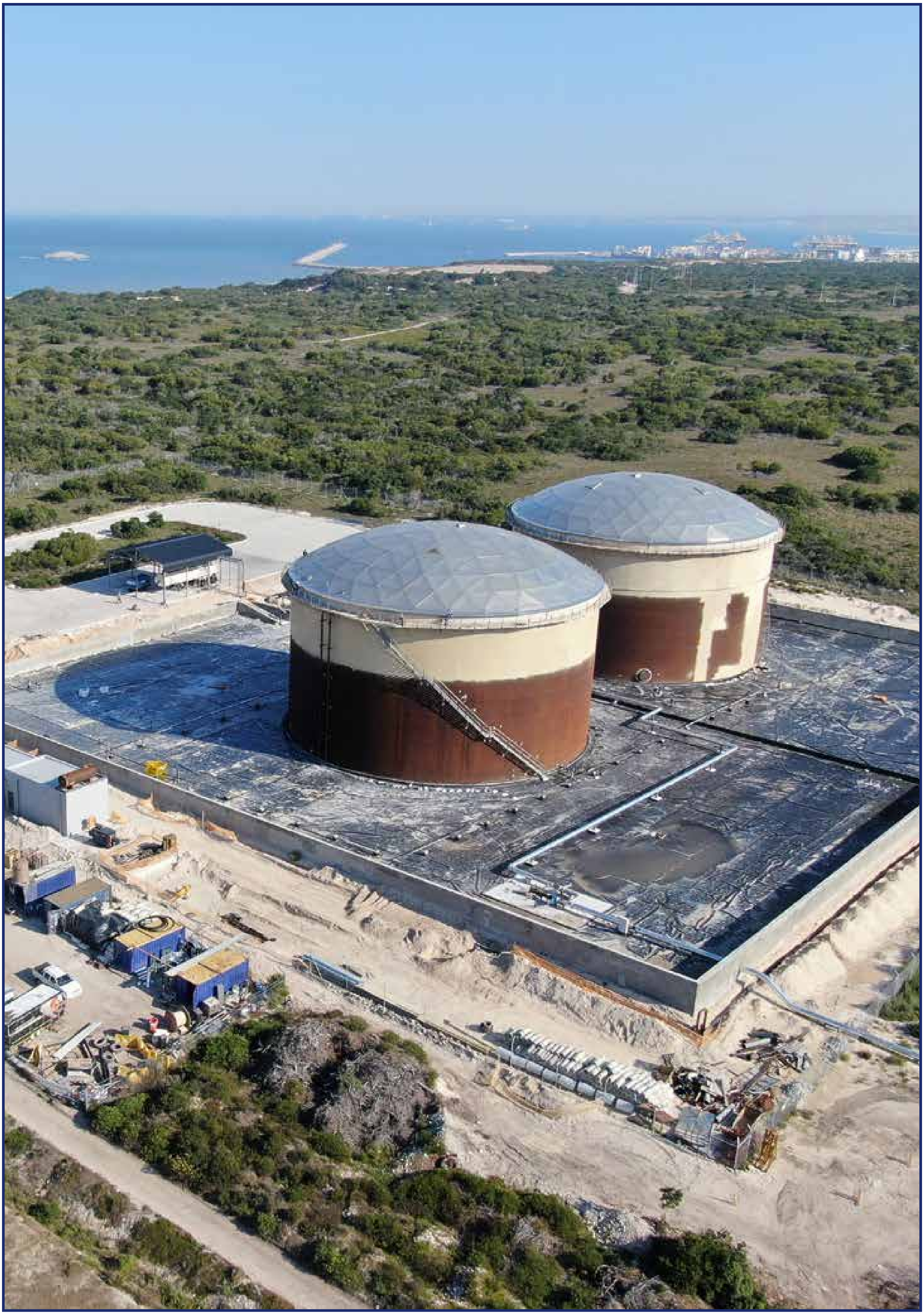
The Crux Maritime Solutions (CMS) Business Unit has received positive feedback from both internal and external stakeholders, such as the South African Marine Safety Authority (SAMSA) and Transnet National Port Authority (TNPA) regarding the Tourism charter service offering for hotel clients and the public, to visit the St. Croix Islands and cruises around the Algoa bay region.

On 27 July 2023, SAMSA inspected the vessel and concluded that the vessel complies with Regulations for Tourism Charters, and issued CMS with a Local General Safety Certificate (LGSC) for Tourism charters which is renewable in 2024. Meanwhile, the South African National Parks approved the permit to approach the islands within 300m, as a result, the marketing strategy to expand the service offering for the Tourism charters is being drafted.

The National Sea Rescue Institute (NSRI) remains a strategic partner for Medi-vac operations in the Algoa bay. CMS however remains restricted in terms of transporting lube oils to visiting vessels as CMS currently does not comply with the new marine notice governing OPL vessels construction criteria for lube oils transport. The business is in the process of investigating the possibility of modifying the vessel to cater for the transportation of lube oils.

CMS is further certified, and thus benefits from crew changes, general cargo, other personnel transfers such as surveyors, technicians and cash to master.

A bird's-eye view of the CMS Vessel in Algoa Bay.



Orion Engineered Carbons Black Oil Tank Project in Zone 7 of the Coega SEZ.

LABOUR STABILITY AND SOCIO-ECONOMIC DEVELOPMENT

Coega Human Capital Solutions (Coega HCS) is responsible for providing an integrated human capital and labour management solution to the Coega Special Economic Zone (SEZ).

Coega HCS has an excellent track record over the past 21 years in facilitating success on a full range of mega and complex construction projects, including harbours, municipal infrastructure, factories, warehouses, roads, hospitals, clinics, and schools.

The uniqueness of the Coega HCS team is largely due to the Coega SEZ, with a 50+ years' construction horizon, leading to the evolution of unique and effective solutions through continuous improvement. This is contrary to the common or conventional approach of establishing a new team for every mega/ complex project.

International Best Practice

Coega HCS's socio-economic and risk management protocols are aligned with "EQUATOR" and "IFC Financing standards," which are some of the best practices in the world.

The Equator Principles, on the one hand, is a financial industry benchmark for determining, assessing, and managing environment and social risk in projects. These Principles are designed to guarantee a minimum standard and relevant monitoring of a project. On the other hand, the International Finance Corporation (IFC) is the largest global development institution focused on the private sector in developing countries. IFC, a member of the World Bank Group, advances economic development and improves the lives of people by encouraging the growth of the private sector in developing countries.

The IFC Performance Standards are an international benchmark for identifying and managing environmental and social risks, and have been adopted by many organisations as a key component of their environmental and social risk management.

IFC's Performance Standards on Environmental and Social Sustainability have become globally recognised good practice in dealing with environmental and social risk management.

Coega HCS has two core mandates:

(a) ***The provision of a stable labour environment for SEZ investors*** – During the 2023/24 FY, Coega HCS was central to minimising lost time through labour conflict on the Coega SEZ, and to the maintenance of the construction statistic of 99.9% uptime over the past 21 years, where less than 0.1% of construction days had been lost through labour and community conflict, since construction commencement late 2002. This extremely low strike statistic not only significantly outperforms the South African average, it rivals international best practice. Unsurprisingly, the Coega SEZ is regarded as a best practice site by the International Labour Organisation's (ILO) Fair Labour Standards Working Group following a comparative evaluation of more than 3 500 SEZs, worldwide.

(b) ***Ensuring that investors and construction contractors have access to appropriately skilled local workforces*** – During the 2023/24 FY, 4,374 people benefitted from training initiatives undertaken by Coega HCS in the Eastern Cape, while an average local labour absorption rate of 88.5% was achieved on all Eastern Cape projects supported by Coega HCS.

In keeping with the Coega Development Corporation's corporate objective of achieving financial sustainability, Coega HCS added a range of bespoke consulting services to its portfolio, and currently supports the non-SEZ services (external services) infrastructure portfolios through the provision of labour management and social facilitation services. Revenue earned through the consulting activities contributed to lowering the cost of servicing the Coega SEZ, despite a challenging economic environment. Relentless cost-containment and continual improvement programmes improved the profitability outcome of the Coega HCS.

Regarding Coega HCS's strategic orientation, continued focus over the next few years will be to further develop the Coega HCS business model through several initiatives:

The first objective will be to extend the range and depth of labour management support, social facilitation, and conflict resolution offerings to Coega's current clients. This project includes the enhancement of Coega HCS labour management and risk mitigation systems, harnessing significant technological improvements for greater efficiencies and speed to market. Included in this initiative is the packaging and deployment of these systems to third parties on a software-as-a-service model. 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 Coega HCS projects, thereby unlocking many projects currently beset by community and labour conflicts.

A second initiative is to actively pursue partnerships and collaborations as a meaningful contribution to attempt the addressing of socio-economic challenges relating to unemployment and poverty alleviation.

The extent of these socio-economic challenges requires concerted efforts to break down silos, and through aligned partnerships and collaborations achieve economies of scale to meaningfully multiply the results of otherwise individual efforts.

In the 2023/24 FY, Coega HCS partnered with the National Institute for the Deaf (NID) and the National Skills Fund (NSF) to afford 74 persons living with disabilities the opportunity to participate in hospitality occupationally directed learning programmes.

COEGA HCS: Providing integrated human capital and business management solutions to the Coega SEZ, Partners, and Clients - visit www.coega.co.za for service brochure.

This collaboration focused on the delivery of two programmes, namely:

a) An Assistant Chef programme - a 6 months NQF skills programme; and
b) Professional Cookery - a 12 months NQF Learnership.

Beneficiaries, sourced from communities within the Nelson Mandela Bay Metro (NMBM), received classroom based theoretical learning and were placed in workplaces across the Metro for practical application. Upon completion of the Programme in October 2023, the successful learners all received gainful employment.

These initiatives have paved the way for Coega HCS to build on these successes and further expand its partnership drive in the new financial year.

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; and
(b) The Coega HCS social facilitation service has been consistently offered in a wide range of cost-effective permutations, as it is flexible and adaptive, and competitively priced.

The ongoing system developments and packaging of the model for third party use, combined with the advanced analytics and predictive capability will further enhance Coega HCS's capability to extend its reach, scale and deliver an enhanced offering at less cost. The value created by the model will translate in enhancement of operating profit and client diversification, improving the resilience of the business.

Coega HCS is still the main contributor to the organisation's corporate training target in supporting economic transformation in the country. Over the past 21 years, more than 88,000 individuals have benefited from training interventions provided by the Coega HCS. Achieving the annual target however, has not always proven to be easy. Coega HCS does not receive a training budget allocation with which to meet the training target, it additionally does not have training facilities and does not employ training facilitators. Instead, with a network of external funders, Coega HCS meets the challenge of raising required funds and, working with a diverse range of best-in-class South African training institutions, continues to deliver occupationally relevant training in support of investor requirements and labour market demand. In doing so, Coega HCS contributes to providing a meaningful response to youth unemployment.

The decision to not get directly involved in training provision was informed by several factors:

(a) Partnering with best-in-class providers who have achieved excellence in their respective fields allows Coega to deliver the absolute best for investors. Coega's approach is to support, amplify, and leverage excellence where it is found, and continue partnering with training providers and higher education institutions, supporting their development.

b) A key challenge in the South African training system is workplace integration and relevance. With Coega's large recruitment centre and diverse client base, the organisation is uniquely positioned to assist a network of excellent skills development providers to access relevant workplace experience under the appropriate supervision and mentorship. Similarly, the ability to work alongside Coega's investors and partners, allows for the organisation to position itself at the forefront of ground-breaking projects. In this regard, Coega's focus is to afford the best and brightest young graduates an opportunity to work alongside their global peers on new technology and on 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, universities and TVET Colleges to foster industry partnerships with Coega's 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. Coega continues to work with the BRICS Skills Council in facilitating the broad adoption of the BRICS foresight methodology to position people to participate in the 4IR economy, and to respond to the massive displacement the lower skilled segments of the workforce will likely face. Likewise, Coega continues to support the Eastern Cape HRD Council and SETAs by leveraging in-house extensive labour market intelligence and forecasting capabilities in support of their skills planning efforts.

The focus going forward is to promote ongoing partnership development work aimed at facilitating the exposure and participation of Coega in several developing economic sectors. These include new energy such as green ammonia, offshore oil and gas, 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, the business outlook for the coming financial year is indeed promising, and Coega consulting portfolio revenues continue to support developmental work. Opportunities on the African Continent are indeed exciting, and going forward, Coega's dedicated multi-disciplinary team will continue to expand their reach and capacity to respond to emerging market requirements and remain at the cutting edge of social design, facilitation and development. In addition, Coega HCS will target engagement platforms to form partnerships for business development and growth.

Follow the link to access job opportunities in the Coega SEZ - **www.g2o.co.za**

LABOUR STABILITY AND SOCIO-ECONOMIC DEVELOPMENT: Coega HCS provides a stable labour environment for SEZ investors, partners, and clients.

HCS

COEGA

right PLACE • right TIME • right CHOICE

LABOUR STABILITY AND SOCIO-ECONOMIC DEVELOPMENT: Coega HCS provides bespoke and best practice solutions to ensure a stable labour environment for SEZ investors, partners, and clients.

CORPORATE SOCIAL INVESTMENT

As a responsible corporate citizen, Coega Development Corporation recognises the need to invest in the development of communities to facilitate deep impactful solutions to persistent societal challenges. The Coega Development Corporation's social investment programmes focus on education, human capital development, and the socio-economic development of disadvantaged communities with a targeted focus towards youth, women, and persons living with disabilities. The programmes are designed to meet the needs identified in the Eastern Cape and within areas where the organisation implements its programmes.

Coega believes that Corporate Social Investment (CSI) needs to have a demonstrable and positive developmental impact on society. In keeping with its vision and in compliance with the King IV code on corporate governance (Principles 3 and 16), Environmental, Social and Governance (ESG), and international best practice, the Coega Development Corporation aims to create value and make long-term sustainable investment in communities. CSI forms part of the Coega's sustainability initiative to respond, amongst others, to the Sustainable Development Goals (SDGs), as part of the United Nation's 2030 Agenda.

Furthermore, Coega aims to make long-term and sustainable investments in communities throughout the province, with a focus on education and skills development, rural development, health, job creation and empowerment, and arts and culture.

The Coega's CSI policy and strategy outlines the organisation's CSI objectives, as well as 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.

Maths & Science Programme

The Coega Development Corporation established the Maths and Science Programme (MSP) as a transformational programme twelve years ago, targeting second opportunity grade 12 learners from disadvantaged communities. The MSP is presented at the Coega Skills Development Centre located at the Coega Human Capital Solutions premises in Zone 4 of the Coega SEZ, in Gqeberha. Since its inception, the programme has benefited over 1100 learners who, upon completion have been able to further their studies in disciplines requiring Mathematics and Physical Science. MSP seeks to make a meaningful contribution to addressing the shortage of STEM professionals in South Africa by creating a second opportunity to pursue a STEM related qualification.

The success of the Class of 2023 is indicative of hard work, dedication, and partnership. In 2023, the MSP enrolled 100 learners from different areas within the Eastern Cape Province, of which 83% of which were female, and 17% male. Out of the 100 learners initially enrolled in the programme, 90 rewrote their final matric examination in Mathematics and Physical Science. The MSP Class of 2023 achieved a 100% pass rate for the second consecutive year, with an impressive 10 distinctions in Mathematics.

The programme looks forward to growing its intake next year, while leveraging technology to increase its reach in the Eastern Cape and beyond. This programme has tremendous potential, and with the right partnerships and resources, it can transform the landscape of STEM opportunities for young South Africans.

MATHEMATICS	FINANCIAL YEAR	PHYSICAL SCIENCE
88%	Class of 2020 93 Learners	92%
97%	Class of 2021 97 Learners	97%
100%	Class of 2022 93 Learners	100%
100%	Class of 2023 90 Learners	100%

2023/24 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	16	38	26	6	4	0	0
Exit Results	0	4	7	19	27	23	10

2023/24 Learner's Performance in Physical Science

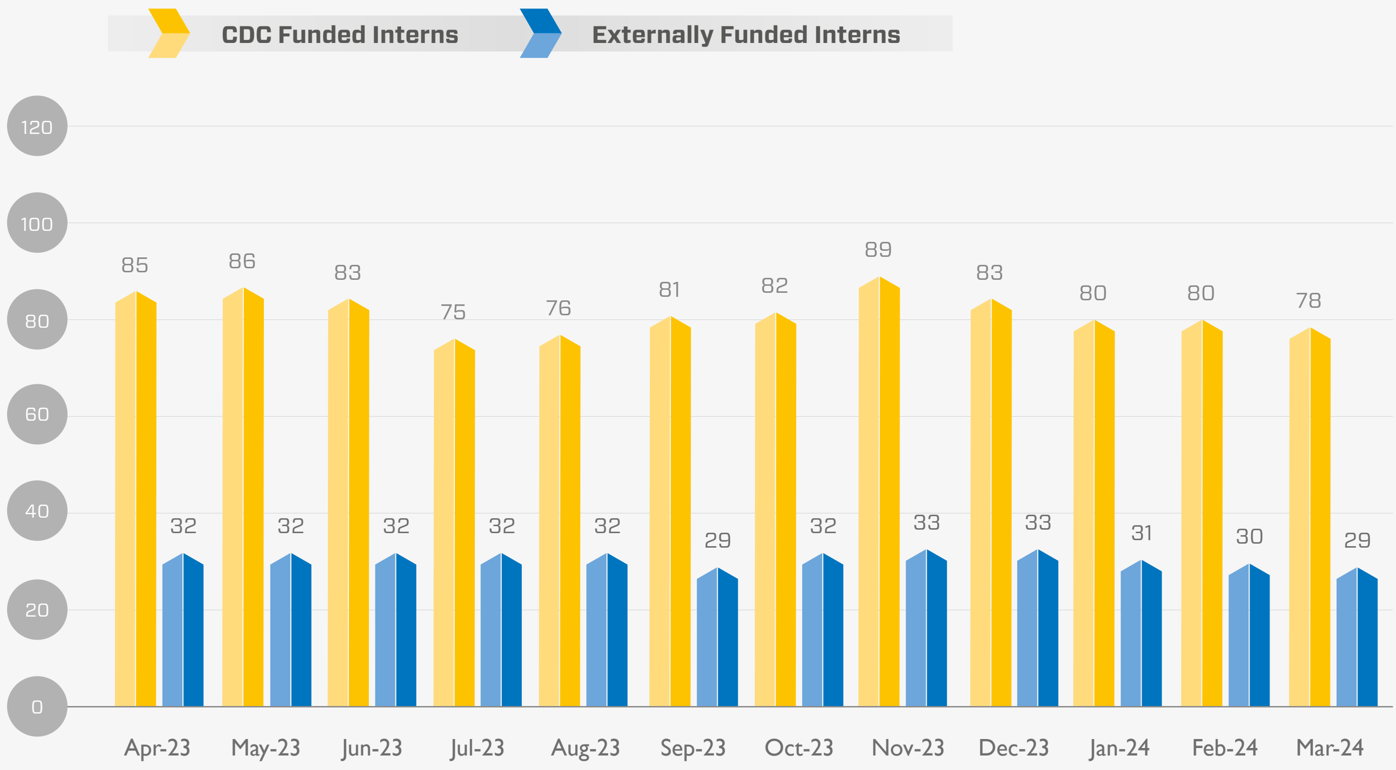
Physical Science							
Level	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Level 7
Percentage	0 - 29	30 - 39	40 - 49	50 - 59	60 - 69	70 - 79	80 - 100
Entry Results	2	28	38	15	7	0	0
Exit Results	0	2	9	27	40	11	0

Internship Programme

The CDC remains committed to providing youth the opportunity to acquire on-the-job experience, thus equipping them with a competitive advantage in the labour market. The increasing rate of youth unemployment, particularly in the Eastern Cape, necessitates such interventions to bridge the gap between experience and employability. Over the past years, beneficiaries of this 18 months internship programme have secured employment in various economic sectors across the country, with some of the best performers retained by the CDC.

The purpose of the Internship Programme is to provide unemployed graduates with an opportunity for experiential learning to acquire work experience that increases their chances of employability. The CDC continues to provide opportunities for placement and development of interns and learners in various Business Units and Programmes across the organisation. The table below indicates internship and learnership headcount. The Coega website: **www.coega.co.za** provides more information.

Internship and Learnership Headcount as of 31 March 2024



Disability Affirmation Programme

The Disability Affirmation Programme (DAP) is directed at the restoration of the dignity of persons living with disabilities by providing them with skills that can enhance their opportunities to secure employment. The Programme is intended to facilitate their integration into the mainstream economy, enabling them to earn a living with less dependence on Government grants or welfare interventions.

The Programme is geared towards assisting persons living with disabilities with the tools to ensure that they can function optimally, both at work and at home. These include motorised wheelchairs, crutches and footwear, to name a few.

The CDC Employment Equity Plan has an annual target of employing 5% of persons living with disabilities. As of 31 December 2023, the CDC had twelve (12) employees living with disabilities in its employ, which equates to an achievement of 2.7% and they are placed within the various Business Units and Programmes. The CDC is intentional and targets specific vacancies for persons living with disabilities.

Most employees living with disabilities are provided daily transport by the CDC for ease of access to and from their places of work.

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

Coega Development Foundation

The Coega Development Corporation established the Coega Development Foundation (CDF) to contribute towards the alleviation of socio-economic challenges through skills development and ancillary services. The CDF provides needs driven, holistic education and skills development solutions which 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 within local communities.

During the financial year, the CDF underwent a review to meet organisational objectives. This includes the identification of leadership at the Board level. The CDF Strategy was further approved, though ongoing review will be undertaken, and necessary interventions taken by management to comply with its mandate and meet its outcome targets.

Coega Skills Development Centre

The Coega Skills Development Centre (SDC) was established to contribute to the alleviation of socio-economic challenges through skills development. Established by the CDC, the SDC is built on the organisation's 24 years' experience in the provision of unique and tailor-made socio-economic development solutions in the region and throughout the country, and leverages on the strength of the Coega brand.

The Coega Skills Development Centre is solely dependent on funding from various sector education and training authorities (SETAs) and partners to execute its training mandate. In 2023, the Coega Skills Development Centre secured funding from various funders for 216 beneficiaries, to enable the delivery of a range of vocational and technical training programmes to selected beneficiaries. Some of the funding sources for the training programmes include, amongst others, the Department of Employment and Labour as well as the Department of Agriculture, Land Reform and Rural Development (DALRRD).

During the financial year, the SDC announced the commencement of the National Rural Youth Service Corps (NARYSEC) Training Programme, inducting 40 learners from the Eastern Cape's Chris Hani and OR Tambo Districts to qualify as maintenance and repair workers.

The 14-week training programme offered 82 credits in terms of the National Qualification Framework, and is funded by the DALRRD. The programme comprises a 60-day theoretical and practical workshop training phase, followed by a 42-day placement in various mega infrastructure projects to provide learners with practical exposure across diverse settings.

Another intervention by the SDC includes hosting 17 students from Butterworth's King Hintsa Technical and Vocational Education and Training (TVET) College for work-based training. The main aim of the training was to provide the students with firsthand experience in a professional workshop environment, enabling them to put the theory learned in the classroom into practice.

Working World Exhibition

The Coega Development Corporation took part in the 25th Edition of the Annual Working World Exhibition (WWE) at the Feathermarket Centre in Gqeberha, in February 2024. The event provided a platform for Grade 12 learners and educators from the region's leading schools to explore various career opportunities, and gain valuable insights into the working world.

As part of its contribution to this initiative, Coega participated in an insightful panel discussion for 300 Grade 12 learners and educators. The discussion aimed to provide guidance to school-leavers as they enter the workforce or pursue further education.

Coega, continues to support the annual publication of the World of Work Exhibition (WWE) Workbook – a career guidance instrument and teaching tool fully aligned with the Department of Education's CATS curriculum statement. Some 20,000 copies are consistently distributed to rural schools annually, where Coega works with teachers, community-based organisations, and NGOs to assist scholars in making informed decision as they engage in their future career planning.

Scan QR code to watch WWE Coega Career Planning video

LOOKING AHEAD

The legacy of deep-rooted structural inequality persists within our communities, this being illustrated by high rates of poverty and unemployment. Recognising the need for social transformation, Coega remains committed to being a leading catalyst in championing socio-economic development. The year ahead will focus on realigning the strategic outlook for Coega's CSI offering, while building strong partnerships and collaboration that will deepen Coega's impact.

The MSP remains a transformational programme and the intention is to grow this offering to deepen impact and create STEM related opportunities within local communities. The CDC will leverage technology to increase reach and seek partnerships and collaborations to grow the programme.

Food security continues to be a national challenge as the cost-of-living increases and employment opportunities dwindle, many are left wondering how they are going to feed their families. The establishment of a food security programme will enable the CDC and its partners to be responsive to current socio-economic challenges.

As a responsible corporate citizen, Coega believes that part of its role is to activate and support the agency of grassroots community organisations to address pressing social issues. The CDC CSI will continue to serve as a catalyst to support the efforts of members of the community to improve the lives of South Africans.

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

SMALL, MEDIUM AND MICRO-SIZED ENTERPRISES

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

BBBEE PROGRAMME

The Coega Development Corporation's BEE Programme is guided by the revised Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice; and as a public entity, Coega'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.

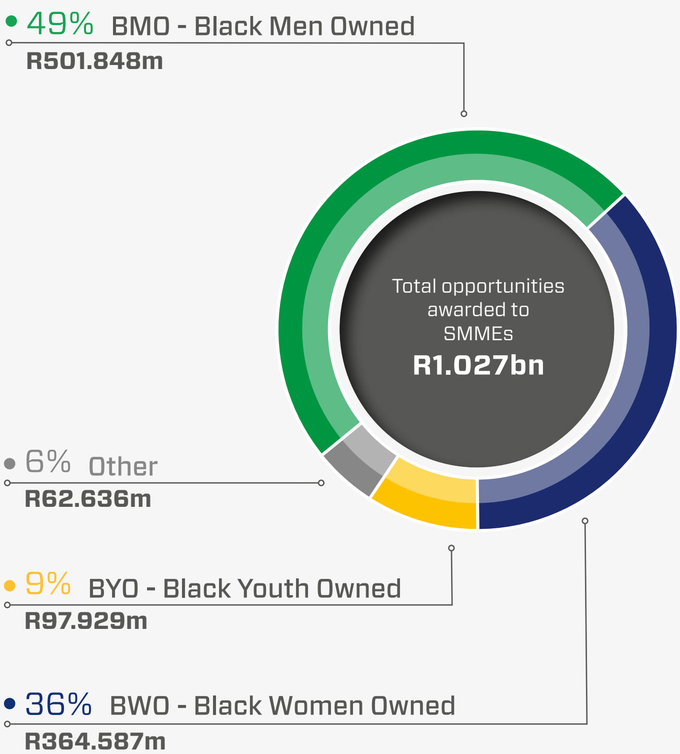
The CDC is further committed to B-BBEE through initiatives implemented to promote economic empowerment and compliance. The organisation continues to embrace transformation, and to ensure economic participation of the disadvantaged communities it serves.

Living by example, the CDC conducts an annual B-BBEE audit through accredited institutions. During the 2022/23 FY, the CDC achieved a B-BBEE Level 3. This year, 2023/24 FY, Level 1 was achieved due to an improvement in B-BBEE points on the Skills Development element.

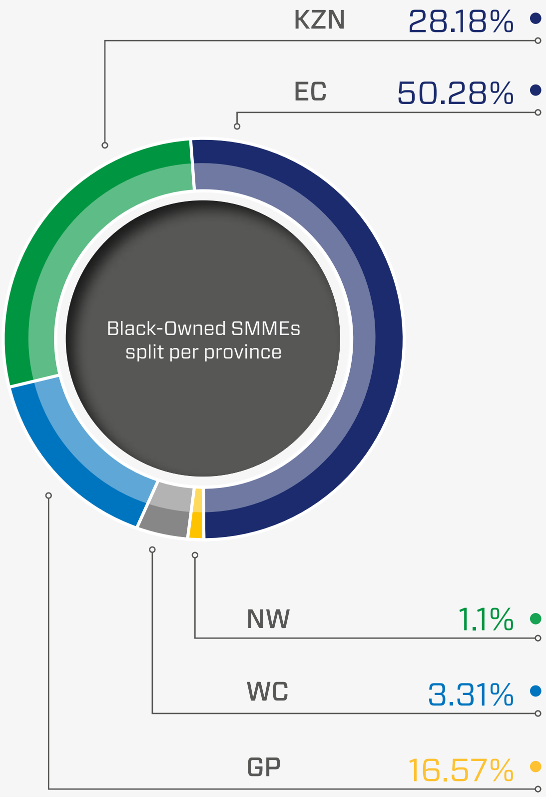
SMME DEVELOPMENT PROGRAMME

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

Total opportunities awarded to Black-Owned SMMEs



SMME split per province for 2023/24 FY



The SMME development programme comprises Training and Mentorship of SMMEs. Through the training programme, SMMEs are equipped with the following:

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

As at the end of 2023/24 FY, a total of 150 SMMEs had benefited from the training programme; and of these, 26 SMMEs received CETA Accredited Training. 124 SMMEs received Non-Accredited Training.

The total value of contracts awarded to SMMEs through the Development Programme furthermore amounts to R52 300 589,74.

The mentorship programme implemented during the financial year ensured that 80% of SMMEs awarded contracts successfully completed the programme, while 18 SMMEs successfully upgraded on CIDB from one grade to another through Coega'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% of procurement spend, to be implemented across all the organisation's Projects.

During the 2023/24 FY, **the organisation achieved 69.41% of the Procurement Spend** towards SMME against a target of 33%.

In pursuit of SMME corporate target, **a total spend of R1 027 145 446,22 was achieved** during the 2023/24 FY.

The illustration on the previous page covers the empowerment opportunities derived from the contracts awarded by Coega 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 driving force behind economic development of the country. The South African (SA) government is the country's largest buyer of goods, services, and construction works. The public sector is therefore a critical platform to enhance and boost the involvement of SMMEs in economic activities of the country, it additionally is the key tool/ driver to fast-track improved public procurement for SMME participation.

To ensure an environment in which an equitable procurement system can flourish, barriers to entry need to be reduced for SMMEs and emerging contractors.

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

In pursuit of realising the development of the small business sector and the relevant skills aligned with it, the SMME unit will continue with the following Enterprise and Supplier Development initiatives:

- **Supplier Development**
  - Promote advancement of suppliers within Coega's supply chain; and
  - Encourage Black Industrialists in line with the dtic programmes.

- **Enterprise Development**
  - Encourage and support the development of small businesses outside Coega's supply chain;
  - Promote entrepreneurship activities; and
  - Intensify 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 Small, Medium, and Micro Enterprise (SMME) development, and the organisation's objective is to facilitate, promote and drive the maximum inclusion of SMMEs in procurement opportunities.

NON-SEZ SERVICES

INFRASTRUCTURE PROGRAMMES

The Coega Development Corporation business continues to evolve every year through diversifying revenue streams to achieve financial sustainability. Since 2003, the CDC has expanded its reach by establishing a Consulting arm in the form of an Infrastructure Implementing Agent within the government framework that flows from Section 236 of the Constitution. This encompasses all activities that fall outside the Coega Special Economic Zone (SEZ) Act (Act No. 16 of 2014), which are referred to as a non-SEZ activities. These include the Implementing Agency Services on infrastructure, which entail, amongst others, Technical Advisory, SEZ & Industrial Parks development, and Project Management (Engineering, Procurement and Construction). Moreover, the Implementing Agency Services include domestic (South African) and continental activities.

In the last few years, the CDC has been involved on the continent in both Anglophone and Francophone countries, such as the Central African Republic, Cameroon, Senegal and Zimbabwe.

During this financial year, new markets were added to the Portfolio of Clients.

As a public entity, the CDC's achievements in non-SEZ infrastructure development and project management are commendable, particularly as it continues to deepen state capacity to fast-track project implementation. The prevailing legislation and prescripts allow for Agency Agreements between public entities, as well as following the tendering process. The CDC will continue to pursue Agency Agreements, seeking both unsolicited and solicited contracts.

Performance Results

The target for growth in client Portfolio of non SEZ services in 2023/24 FY was R3.5 billion, a target which was exceeded to achieve R15.135 billion.

The CDC delivered projects, in partnership with several clients, including the Maluti-a Phofung SEZ (MAPSEZ) to develop its five (5) year strategy, annual operational plan and a business case to achieve its autonomy. All these deliverables were completed by December 2023.

Business Development activities for next year will focus on growing the Portfolio, notwithstanding the economic challenges impacting the infrastructure development budget in South Africa. The non-SEZ services Portfolio signed the following clientele, at the end of the financial year:

New Implementing Agent Work Secured during the 2023/24 FY is shown in the table below:

No.	Client Name	Scope of Work	Estimated Value	Type of Work
1.	National Department of Public Works and Infrastructure (NDPWI)	26 Turnkey Infrastructure Projects	R 1 333 107 776	Implementing Agent for Turnkey Projects
2.	SANRAL	17 South African Road Agency Procurement Projects	R 7 162 500 000	Procurement of Projects
3.	KZN DoE	School Building Programme	R 275 142 568	Implementing Agent for School Infrastructure
4.	EC DoH	Project Implementation of Livingstone Hospital	R 127 197 358	Hospital Revitalisation
		MTEF 2024/25	R 94 500 000	
		MTEF 2025/26	R 78 139 000	
5.	TASEZ	Bulk Civil Infrastructure	R 229 424 786	Bulk Infrastructure for TASEZ
		Top Structures	R 5 835 672 444	Top Structures
	Total		**R 15 135 683 931**	

Wild Coast Industrial Park

Casting our mind to a couple of years back, during the 2022 State of the Province Address (SOPA), the Premier of the Eastern Cape, Honourable Oscar Lubabalo Mabuyane, stated, amongst others, that the "...Wild Coast Industrial Park is no longer a dream, it is a reality..." Furthermore, the project (phase 1: fencing) has benefited SMMEs and created jobs for local people. The next phase is the implementation of bulk infrastructure, which includes sanitation, water, and electricity. The Department of Trade, Industry and Competition has invested R49.5 million for the installation of bulk infrastructure and the project would be completed in November 2025. The CDC appreciates the rallying call by the Honourable Premier, and since then the work to develop the Wild Coast Industrial Park has progressed, collaborating with partners and stakeholders.

The signed investment pledges to locate in the Wild Coast Industrial Park, and entails those in the following sectors: vegetable cultivation and processing, beverage manufacturing and cold storage, poultry processing, and starch manufacturing.

The Coega Development Corporation utilises its 25-year experience, ISO certification processes and system, and service excellence to implement infrastructure projects throughout the country. Additionally, to deepen the state capacity to improve service delivery and thus change the lives of the society. In this regard, the CDC, as an Implementing Agent of Choice for the Wild Coast Programme, is responsible for the development.

The land for the Wild Coast Industrial Park is located around the Mthatha Airport, and is approximately 226 hectares. The key characteristics of this industrial 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 developed;
- The land is almost at a central point (distance) between the three district municipalities; and
- The industrial site is within the most populated local municipality in the region, as compared to others.

Some brief information on the Wild Coast region - it in corporates 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).

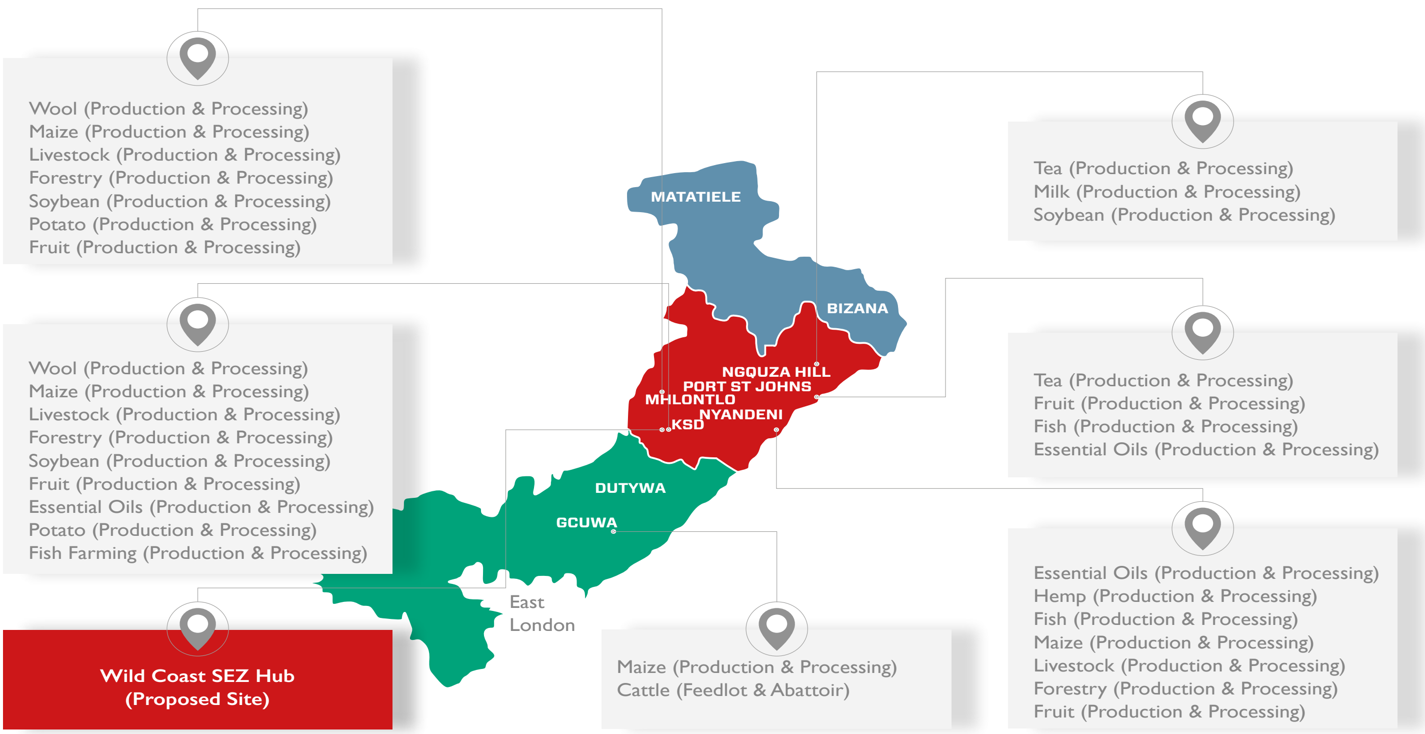
In addition to the funding from the Eastern Cape Provincial Government, the development of the Wild Coast Industrial Park will continue to require additional funds for upgrading existing enabling bulk infrastructure and developing new ones.

The three primary objectives of the Wild Coast Industrial Park are:

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.

According to the former Minister of Trade, Industry and Competition (the dtic), Honourable Ebrahim Patel, during the 2022 budget vote, "...transformation is about building an economy that works where our people are bringing development to rural provinces and districts. Our revised approach to the spatial industrial policy, informed by the District Development Model, will see the dtic supporting projects that create jobs, infrastructure, and innovation in Districts across the country." The Wild Coast Industrial Park is in line with this approach, based on the Eastern Cape Provincial Government Wild Coast Industrial Park Strategy.

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



Progress During the Financial Year

The development of infrastructure at the Wild Coast Industrial Park in Mthatha is progressing well; and the EC provincial government's focus is now on bulk infrastructure.

This project has been included as one of the 6 Mega Infrastructure Projects in the Province.

The construction of fencing is 100% complete. Progress on the Bulk Infrastructure for Phase 1 indicates that designs are 100% complete, the contractor has been appointed for the contract for a value of over R48 million. A site handover was done in June 2022, and anticipated completion is in July 2025 due to redesigns and Water Use Licence Application (WULA) requirements.

One key contributor for successful establishment and operations of the SEZs or Industrial Parks today is access to fast, reliable, and cost- effective telecommunications systems and services for investors located in the Zone/ Park. During 2023, the following was achieved regarding ICT:

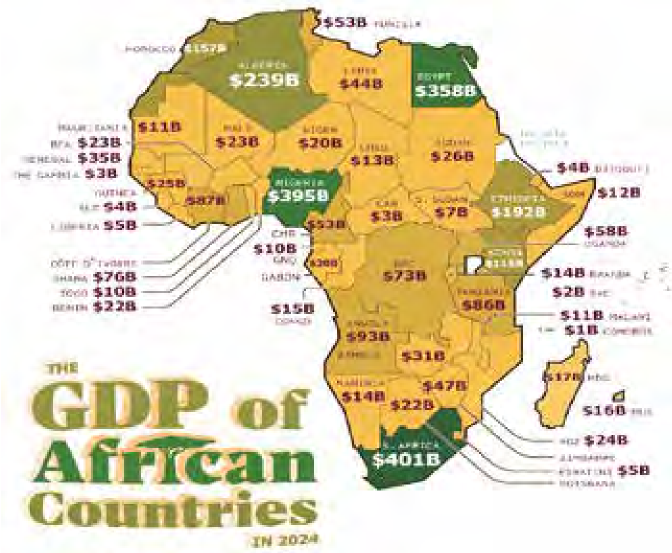
- **Telecommunication Services:** market study completed, which further confirmed the feasibility of establishing the Wild Coast ISP of Choice, Fibre infrastructure and connectivity designs completed, Fibre infrastructure implementation bundled with bulk infrastructure services, and data centre designs completed. The appointment of an internet service provider is underway, and Expression of Interest for construction of Data Centre is underway; additionally;
- **Digital Hub:** Strategic Business Case completed, market and feasibility study underway and Service Provider was appointed. Expression of Interest for construction of Data Centre is underway.

The areas of focus for the planned economic research in 2024 to progress the development of the Wild Coast Industrial Park will include the agroprocessing incubator, a logistics hub feasibility study, abattoir with the operational model analysis, a blue ocean market study, digital hub feasibility, and the hospitality industry. Social facilitation and stakeholder engagements will further continue, as well as the training of SMMEs to ensure that all outcome targets in the SMME specification are achieved.

COEGA AFRICA PROGRAMME

Home to 1.4 billion people, the nations of the African continent are widely diverse, not only in culture and language, but additionally in economic output. With the world's youngest and fastest-growing population (about 60% of Africans are under the age of 25), the continent is emerging as a magnet for consumer markets and products, making it an attractive destination for supply chains.

At first place, South Africa is Africa's biggest and most diversified economy, with an estimated GDP of nearly US$400 billion in nominal terms, followed by Nigeria, Egypt, Algeria and Ethiopia. Declining mining and oil production, high Inflation due to high energy prices have impacted African economies to varying extents.



Source: IMF, 2023 – African US$3 Trillion economy by countries

Africa's vast reserves of critical minerals are needed for high-tech and green products. As the global push for cleaner energy intensifies, demand for such critical metals will intensify. African economies can assist manufacturers with the shortening and simplification of supply chains, and additionally cut transportation costs by locally processing the metals into intermediate products. Investments in the continent's infrastructure, including ports, roads and rail, have lagged, this contributing to delays which discourage businesses from sourcing products from African countries.

The African Continental Free Trade Area (AfCFTA) has therefore emerged as an essential tool to end the defragmentation of Africa's economies and boost the productivity of its economies. The AfCFTA aims to 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. 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 AfCFTA presents opportunities for the South Africa's economy in creating export markets for its manufactured capital goods, technology and services, as well as for achieving the integration of its economy with that of the continent through the creation of strategic trade and logistics corridors.

With 25 years expertise and capabilities in infrastructure development, engineering, procurement, project management, construction and facilities management, and industrial parks development, the CDC is committed to being the leading catalyst for inclusive economic development in keeping with the broader African regional developmental agenda and economic imperatives. The CDC understands where its fortunes lie as it pursues non-SEZ services, and as such, is intensifying business development in new markets outside the borders of South Africa, in the development of SEZs, industrial parks, dry ports and logistics bases.

In Central African Republic (CAR), the CDC has made significant progress in reaching financial closure on a limited recourse basis, to develop two logistics bases, within the Ports of Douala and the Port of Kribi, located in Cameroon. The CDC has submitted a request to shareholders for regulatory approvals to develop the project. Without these approvals, the CDC runs the risk of losing the concession and is engaging CAR government.

The CDC attended the Uganda - South Africa Trade, Investment and Tourism Summit from 27 to 28 February 2023, through the invitation of the Department of Trade, Industry and Competition (the dtic). The summit was addressed by Head of States of Uganda and South Africa. Pursuing to the summit, the Uganda National Oil Company (UNOC) invited the CDC to bid for the joint venture partnership for the development of the Kabalega Industrial Park (KIP). As part of their due diligence, UNOC visited Coega on 26-27 June 2023. Following the visit, the CDC briefed the dtic on the nature of its participation in this strategic project, the potential benefits for South Africa, and what would be needed to ensure that the CDC is appointed as the joint venture partner for the industrial park.

In August 2023, the dtic invited COEGA to participate in the next Uganda - South Africa Summit which took place in Uganda from 04 to 08 September 2023. The Summit was a success, and the relationship between the CDC and UNOC is considered part of the strategic relationship between the two countries. The dtic has facilitated discussions with South African development finance institutions (DFI's) to mobilise support for the project. In Senegal, the CDC was part of a consortium which was appointed by the Africa Development Bank (AfDB), to develop an automotive strategy for Senegal. The project was successfully completed. The Senegalese Ministry of Industrial Development and small and medium industries are planning a benchmarking visit to South Africa, during 2024, to deepen and explore the integration of the automotive value chains between the two countries, within the AfCFTA framework. The project provides a baseline to the CDC for further business development efforts in Senegal.

Moreover, during the BRICS 2023 summit, the dtic introduced the Fatick Industrial Zone (FIZ) project to the CDC. The FIZ strives to strengthen its productivity and competitiveness through the development of the salt sector with the implementation of a set of projects, including:

- The Fatick Industrial Zone;
- The concession of the Port of Ndakhga; and
- The increase of the salt production to reach the target of 400,000 tonnes/year.

Following the initial engagement with the developer of the FIZ, Sel d'Afrique-Domeco, in Gqeberha, the Senegalese Ministry of Economic, Planning and Cooperation (MEPC), invited the CDC to Senegal for discussions and to participate in the development of the FIZ.

LOOKING AHEAD

Coega will continue to pursue business opportunities and partnerships to develop projects in several markets in South Africa and on the continent. It additionally intends to explore ways to bridge the commercial opportunity gap between South Africa and the rest of Africa, and in support of the South African Government objectives on the continent. It is expected that the CDC's business development activities will boost the Portfolio of non-SEZ services, including attracting investors for the Wild Coast Industrial Park and advancing catalytic projects in the continent as part of the Coega Africa Programme.

CDC opportunities across the rest of Africa.

OUTLOOK

The Coega Development Corporation's Strategic Plan 2020 - 2025 is directly aligned with government's priorities of South Africa's sixth administration released in 2019, as indicated below:

- 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.

In line with these priorities, during the 2020-2023/24 FY, the CDC has focused on the achievement of three impact statements, i.e., financial sustainability, increased strategic economic advantage for targeted industries, and increased economic opportunities for the marginalised. The organisation is guided by its mandate of socio-economic development outcomes, economic development policies, and relevant governance frameworks, which include the National Development Plan (NDP), vision 2030, the National Infrastructure Plan 2050, and the SEZ Policies, to name a few. The executive authority provides oversight, amongst other assurance providers, as described elsewhere in this Integrated Report. The organisation translates policies into actionable & measurable outcomes, provides enablers including building fit-for-purpose capabilities, systems, and processes, and adheres to legislation and good corporate governance.

The CDC's resilience in the achievement of this financial year's outcomes, in the face of local economic and geopolitical challenges, has been exemplary. It will therefore continue to build for sustainable growth and consolidate its focus on high impactful activities, to improve revenue and cashflow, whilst increasing the number and value of signed investors. It will additionally continue with retention of the current operational investors, increasing market share, improving customer centricity and service excellence, growing the non-SEZ portfolio including commercial services, and contributing to GGP. Access to funding is one of the key enablers for achieving the CDC's strategic outcomes, and this will become even more pronounced as the organisation implements the 2025-2030 strategic plan to "Consolidate for Growth and Sustainability."

The CDC will continue to generate alternative sources of revenue through diversification and market development. The organisation cannot run the risk of relying on a single revenue source from plummeting government funding. Coega's Capital Raising Business Unit will thus play a pivotal role in raising capital for investment projects in the Special Economic Zone, and the Coega Africa Programme, using different capital raising modalities. This following Treasury's approval of the first limited recourse capital transaction in the public sector.

In addition to the current strategies to increase revenue, the existing five-year Strategic Plan 2020-2025 aims to broaden the organisation's footprint and the scope of products and services offered as well as improve its competitiveness through partnerships. Its intent is driven by the pursuit of liquidity and profitability, in addition to socio-economic outcomes. The CDC does not have a solvency problem, but rather a liquidity challenge.

Capital Raising Initiatives

The Coega Capital, Funding and Investment Unit is a specialist unit of the organisation's Finance Department, with the brief to secure additional sources of funding and to raise capital in support of the Coega Growth and Sustainability Strategy. The Capital, Funding,and Investment Unit reports to the Capital Allocations Committee (CAC) of the Coega Board, which oversees all capital and investment projects.

The strategic mandate of the Unit is to provide the CDC with a viable optionality framework on funding solutions for different projects and portfolios, and funds that can be strategically deployed to:

(a) *Fund projects and acquisitions* that will enhance CDC's market access, the diversification of current revenue streams (both in South Africa and on the Continent) and enable its entry into new markets.

(b) *Improve returns* on the overall portfolio, which includes placing strategic investment into economically enabling infrastructure and optimising returns on existing assets.

(c) *Strategically enhance the value proposition* of Coega's existing offerings, which would allow the organisation to create its own portfolio of large, economically enabling infrastructure projects, in partnership with the private sector or other State-Owned Entities (SOEs). By becoming more active in project origination and finance, in addition to the CDC's infrastructure implementation role.

In this regard, CDC has been well received, and is currently investigating different opportunities. Key projects in which the CDC participates include the multi-billion Rand Boegoebaai Port and Rail Project (with the Port development at R16 billion and the related railway infrastructure for a further R38 billion). Moreover, the CDC participates in the US$10 billion development of LNG import, and storage facilities, additional to this a deepwater port off Manica Island at the Port of Douala in Cameroon, and the R1.86 billion Bhisho Office Precinct.

Other projects in the pipeline which the unit is interested in as previously mentioned under CAP, include the development of the Fatick Industrial Zone in Senegal, and the development of the Kabalega Industrial Zone in partnership with the Ugandan National Oil Company in Uganda at US$300 million for the initial development. Other projects include a digital infrastructure project containing several hyperscale datacenters, and connectivity to Continental land and sub-sea cables, and a satellite ground station. Additional to this is related infrastructure, designed to position the Coega SEZ as a digital port and highway into Sub-Saharan Africa and enable the 4IR and digital economy at a further R5.8 billion.

The sheer size of the CDC's capital investment portfolio reflects Coega's exceptional ability to develop and implement quality capital investments at scale and its ability to manage its finances to give effect to the vision of being a leading catalyst for the championing of socio-economic development, while honouring commitment to fiscal prudence. For this reason, the CDC has been received enthusiastically in capital markets both in South Africa and abroad with current financiers comprising South Africa's leading investment banks and developmental finance institutions, complimented by their multilateral counterparts, and leading international and domestic investment funds.

Financiers are particularly attracted to the CDC's ability to scale green energy, digital infrastructure, high value industrial innovation and Coega Africa Programme portfolios. Some of the other opportunities include the following:

i) The financing of the Coega / CSIR Biofibre Cluster for the greening of automotive component value chains, providing support to the rural economy, and enabling commercialisation. Furthermore the industrialisation of South African intellectual property, supporting of localisation, providing entry for emerging black industrialists and adding value to the province's existing bio-fibre exports with an estimated value of R1,015 billion.
ii) The financing of supporting infrastructure investments in preparation for the gas-to-power procurement programme with an estimated project value of R4 billion.
iii) Unlocking additional revenue and funding streams in support of the ongoing community outreach and social enterprise activities undertaken by the Coega Development Foundation in support of improved health, and educational outcomes in vulnerable communities, economic inclusion, employment, and sustainable livelihoods.
iv) Mineral Resources and Energy to position the Coega SEZ as the national gas hub.
v) The phase 2 of the Solar Rooftop project on the Coega SEZ, following the successful launch of phase 1 with the BPO building having been completed.

A key focus for the next financial year 2024/25 is to achieve closure on Coega's existing R6.9 billion economicallyenabling infrastructure pipeline on the Coega SEZ and the NMBLP, which will see, amongst others, the full unlocking of the Coega's Aquaculture Development Zone. This will support infrastructure for oil and gas, and the establishment of an industrial water return-effluent scheme which will alleviate pressure on the drought stricken NMBM water system by using return effluent instead of potable water for industrial purposes. It will also support the further enablement of industrial scale green energy solutions including green hydrogen, and further localisation of supply in the automotive sector. It is important to express appreciation of the allocation of R1,8 billion for the Coega Return Effluent Scheme by the MEC for Finance, Honourable Mlungisi Mvoko during the Eastern Cape Budget Speech 2023/24, after the CDC made a successful application through the Budget Facility for Infrastructure (BFI), meeting the stringent project preparation requirements.

Investment Attraction

Investment attraction remains a strategic priority of the organisation, as mandated by the SEZ Act No.16 of 2014. As a result, the focus of the strategy this year and the next is to maximise income from rentals through the operationalisation of signed investments, converting targeted investments in the pipeline, and targeting both land-only and construction deals, with the latter being preferred to generate construction fees. The CDC will however continue to monitor the impact of the complex and constrained global operating environment, exacerbated, amongst others, by the prolonged conflict between Russia and Ukraine. This impacting global supply chain, prices of goods, and negatively impacting business confidence.

In terms of economic outlook, following the global FDI flows falling by 2% to US$1.3 trillion in 2023, as trade and geopolitical tensions weighed on a slowing global economy, the projections indicates that while prospects for 2024 remain challenging, the WIR 2024 estimates modest growth for the year remains possible. They cite easing financial conditions and investment facilitation efforts in both national policies and international agreements for this. Investments are growing in several global value chain-intensive manufacturing sectors such as automotive and electronics in regions and countries with easy access to major markets. Many developing countries however remain marginalised, struggling to attract foreign investment and participation in global production networks.

Given this, the Coega SEZ will play a crucial role in the country's economic development strategy by attracting foreign direct investment (FDI), promoting industrialisation, creating jobs, driving growth, expanding market presence, and increasing revenue.

The CDC will identify growth opportunities; foster relationships with potential partners, clients, and stakeholders; maintain and enhance relationships with existing customers while identifying new ones; aggressively identify and pursue new business opportunities and seek out new tenants, which will drive the organisations revenue growth. Strategic partnerships formed and community engagement further enhance the CDC's reputation and public image. Developing key focus sectors will furthermore remain a priority, including agro-processing, automotive and manufacturing, manufacturing and engineering, energy including emphasis on renewable energies, aquaculture, ICT business services or Business process outsourcing (BPO), and Tourism and Hospitality.

Non-SEZ Services

Non-SEZ services will continue to play a critical role in the upcoming years, diversifying revenue streams for the organisation through targeting public and private sector infrastructure development and maintenance projects in South Africa and on the continent, as a trusted infrastructure implementing agent of choice. The enablers will include, amongst others, increased capacity, stakeholder management, and access to funding instruments to support SBFS, and Coega Africa Programme.

Finally, as a beacon of hope driven by its vision to be a leading catalyst for the championing of socio-economic development, Coega's contribution to development and transformation will continue to focus on increasing opportunities for the marginalised through, amongst others, SMME development, employment creation and skills development. In doing so, the organisation will pay particular attention to increasing opportunities for the youth, women, and people living with disabilities, and in the process, champion the stories of good progress, together with its partners and stakeholders.

GOVERNANCE


Service that delivers the
IQUID NITROGEN
OXYGEN
FILLING
POINT

GOVERNANCE

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

Mr. Linda Nene
ARC Chairperson

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.

Audit and Risk Committee Chairperson Report

On behalf of the Audit and Risk Committee, I am pleased to present our report for the financial year ended 31 March 2024. This report outlines how the committee has discharged its responsibilities in relation to financial reporting, internal control, risk management, and compliance.

Committee Composition

- **Chairperson:** Mr. Linda Nene
- **Members:** Mr. S. Nduna, Ms. Z. Potelwa, Ms. P. Nkomo, Mr. R. Bhika and Dr. T. Sethibe
- **Meetings:** The committee held four meetings during the year, with full attendance by all members.

Financial Reporting

- **Review of Financial Statements:** The committee reviewed the consolidated annual financial statements and recommended their approval to the Board. No significant issues were identified.
- **Quarterly Management Accounts:** The committee reviewed the quarterly Management Accounts including revenue and expenditure actuals compared to budget, and action plans to improve unfavorable variances.
- **Cash Flow Management:** The committee reviewed the quarterly cash on hand and cashflow projections and made recommendations towards management of short-term liquidity.
- **External Audit:** The committee engaged with the Auditor General of South Africa (AGSA), reviewed their planning documents, reports and budgets for 2023/24 FY. There were no auditing findings issued.

Internal Controls

- **Assessment:** The committee assessed the effectiveness of the internal control environment and identified areas for improvement, through the various reports received from various levels of assurance providers within CDC.
- **Internal Audit:** The Internal Audit unit conducted reviews as per the approved coverage plan for 2023/24 to assess the adequacy and effectiveness on Governance, Risk and Internal Controls and to provide assurance to the CDC Board and Management. The coverage plan for the year 2023/24 financial year included the following areas:
  - √ IT General Control;
  - √ Quarterly Performance: Information Audit;
  - √ Review of the Interim and Annual Financial Statements for 2022/23;
  - √ Finance Audit;
  - √ Asset and Inventory Management;
  - √ Operations Audit;
  - √ IPD/Programme Audits;
  - √ Human Resource(HR) Audit; and
  - √ Follow-Up Audits (2022/23 FY).

Based on the conclusions of the audits as indicated above, the overall assessment of governance, risk and internal controls for 2023/24 FY were generally satisfactory except for few issues which required corrective action by management to strengthen control or accuracy of reporting. These issues are receiving the full attention of management with the aim to achieve a 100% resolution.

Risk Management

Risk Management Oversight

- **Risk Identification:** The committee monitored the identification of key risks that could impact the organisation's ability to achieve its objectives taking into account internal and external factors.
- **Risk Appetite:** The committee worked with management to define the organisation's risk appetite and tolerance levels, setting parameters on the levels of risk the organisation is willing to accept in the various risk categories.

Monitoring and Reporting

- **Risk Register:** The committee ensured that a risk register is maintained, which details the key strategic risks, their potential impact, likelihood, and the measures put in place to mitigate them.
- **Regular Reporting:** The committee received quarterly reports from management on the status of risk management activities to ensure that all activities are undertaken as per the approved annual risk management plan.

Internal Controls and Assurance

- **Internal Controls:** The committee evaluated the adequacy of the mitigation actions employed and ensured that the identified risks are effectively managed.

The Audit and Risk Committee was integral to ensuring that the organisation has a robust risk management system that is capable of identifying, assessing, and mitigating risks in alignment with its strategic objectives.

Combined Assurance

The combined assurance model was effectively implemented this year, integrating efforts from internal audit, risk management, and compliance functions. This approach has enhanced our ability to identify and mitigate risks, ensuring a more robust governance framework. Key achievements include:

- **Improved Risk Management:** By aligning assurance activities, we have reduced duplication and improved the efficiency of our risk management processes.
- **Enhanced Reporting:** The combined assurance model has provided clearer and more comprehensive reporting to the audit committee, facilitating better decision-making.

IT Governance

The Committee reviewed the IT governance reports on the implementation of the IT Governance framework designed to support the organisation's strategic objectives. Key initiatives included:

- **Cybersecurity Enhancements:** Implementation of advanced cybersecurity measures to protect against emerging threats.
- **Compliance and Regulatory Adherence:** Ensuring compliance with relevant regulations, ISO standards through rigorous IT controls and regular audits.
- **Innovation and Technology Adoption:** Promoting the adoption of new technologies to improve operational efficiency and support business growth.

Compliance and Ethics

- **Regulatory Compliance:** The committee oversaw compliance with regulatory requirements and addressed any significant issues.
- **Ethics and Whistleblowing:** The committee reviewed reports on ethics and whistleblowing, and Fraud Prevention Plan activities to ensure that appropriate actions were taken.

Conclusion

- **Summary:** The committee is satisfied that it has fulfilled its responsibilities, and that the organisation's financial reporting, internal controls, and risk management processes are effective.
- **Future Focus:** The committee will continue to focus on enhancing risk management practices and ensuring compliance with evolving regulatory requirements.

I would like to extend my gratitude to the committee members, management, and the internal and external auditors for their dedication and support throughout the year.

Linda Nene
Chairperson: Audit and Risk Committee

AUDIT & RISK COMMITTEE

To ensure independent oversight of the organisation's response to material issues via financial controls and risk management, the membership of the Audit and Risk Committee (ARC) is weighted towards independent, external members.

LINDA NENE
CHAIRPERSON

Appointed: 2021; and 2023 (Chairperson)

Linda Nene is currently employed by PetroSA SOC Ltd. from 2007 to date. He has held multiple executive roles at PetroSA and is currently the Group Chief Corporate Services Officer (Acting) and General Manager: PetroSA Ghana Limited. Erstwhile to this position, Linda occupied the role of Chief Risk & Compliance Officer (Acting) from 2019 to date. In the role of Chief Risk & Compliance Officer (Acting), he is responsible for developing the strategic risk and governance for PetroSA, amongst his other duties such as maintaining a healthy risk management culture, ethics and integrity management, compliance assurance, combined assurance implementation, business continuity management, fraud prevention and forensic investigations and ensuring continuous improvement in risk management across the Group.

Linda holds a BCom in Accounting from the University of Cape Town; a Post Graduate Diploma in Management, Specialising in Corporate Governance; and a Master of International Business both from the Monash University, among various other qualifications including Certificate in Risk Management Strategies in the Public Sector - Southern Business School, FIIASA (Fellow of the Institute of Internal Auditors SA); CCSA (Certification in Control Self-Assessment); CRMA (Certification in Risk Management Assurance); and CPrac (SA) Compliance Practitioner (South Africa).

PHELISA NKOMO

Appointed: 2021

See Phelisa Nkomo's profile under Board Member profile.

RAKESH BHIKA

Appointed: 2022

Rakesh Bhika is the founding member and CEO of GrowthStone, a boutique, multi-disciplinary advisory and assurance firm. He was previously a Senior Partner (Executive Committee) of SNG (SizweNtsalubaGobodo), the fifth largest Audit and Advisory Firm in South Africa, now known as Grant Thornton SNG.

Mr. Bhika spent close to 20 years with the firm in various leadership and strategic roles and is viewed as one of the founding partners of this organisation, having seen the firm grow from 50 staff members in the Eastern Cape to a national complement of over 800 employees.

Mr. Bhika is a seasoned professional and serial entrepreneur across a number of sectors including Financial Services, Telecommunications, and Mining and Energy, and has also been involved in many start-ups, incubating them and sourcing funding. His passion lies in business strategy, broader business development, high performance team building and facilitating societal impact.

DR. TEBOGO SETHIBE

Appointed: 2022

Dr. Tebogo Sethibe, an accomplished executive, has more than 20 years' experience in Information and Communication Technology (ICT) and Management Consulting, inclusive of designing and implementing technology programs, developing product and service requirements, and analysing strategies and processes to facilitate improved operations and efficiency. He is currently a Group Executive: Information Systems at the Agricultural Research Council.

Dr. Sethibe has held various managerial positions as Client Technical Lead at International Business Machines (IBM) Corporation, Principal Solution Consultant at ACI Worldwide, and Services Manager at Cornastone. He is currently a member of the Government Information Technology Officer Council, Chairperson of the ICT Steering Committee at the Special Investigation Unit, Chairperson of the Inkomati-Usuthu Catchment Management Agency, Chairperson of the Audit Committee for Central Johannesburg TVET College, and Deputy Chairperson of the Audit Committee for Eastern Cape Provincial Treasury. Further to this, Dr. Sethibe is a member of the Audit and Risk Committee for the National Library of South Africa and the ICT Steering Committee for Nkangala TVET College.

ZIYANDA POTELWA

Appointed: 2023

See Ziyanda Potelwa's profile under Board Member profile.

SIBUSISO NDUNA

Appointed: 2023

See Sibusiso Nduna's profile under Board Member profile.

HUMAN RESOURCES & REMUNERATION COMMITTEE

The Human Resources and Remuneration Committee (HRRC) 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.

PHILA XUZA

Appointed: 2019

See Phila Xuza's profile under Board Member profile.

GLEN ZAMISA

Appointed: 2019

Sakhiwo Glen Zamisa began his career as an Industrial Engineering Technician in the automotive industry in the early 80s, and later moved from Industrial Engineering and Production into Human Resources (HR).

Mr. Zamisa has studied for various management diplomas at the then Port Elizabeth Technikon. In 1992, he undertook an Advanced Management Programme at the University of Cape Town Business School. He also completed his Master's in Business Administration (MBA) with Stellenbosch University in 2004. He also boasts a Diploma in Company Direction from the Graduate Institute of Management and Technology.

Mr. Zamisa has been the HR Manager for various companies (mostly in the automotive sector) and was the HR Manager at Borbet SA in Gqeberha from 2010 until his retirement at the end of 2022. He is a long-standing member of the Black Management Forum, and previously served as Provincial Chair, as well as on the National Board.

Mr. 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 sits on the Board of Trustees of the Medimed Medical Scheme.

SOCIAL & ETHICS COMMITTEE

The role of the Social and Ethics Committee (SEC) 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.

PHELISA NKOMO

Appointed: 2021

See Phelisa Nkomo's profile under Board Member profile.

CAPITAL ALLOCATION COMMITTEE

The primary objective of the Capital Allocation Committee (CAC) is to assist the organisation in ensuring a fair and equitable allocation of its capital resources, including allocations for working capital, investment funding, capital expenditures, compliance with the Company's financial policies, and ensuring realisation of return of capital for the CDC to achieve financial sustainability.

SIBUSISO NDUNA
CHAIRPERSON

Appointed: 2023

See Sibusiso Nduna's profile under Board Member profile.

ZIYANDA POTELWA

Appointed: 2023

See Ziyanda Potelwa's profile under Board Member profile.

SIYABULELA LAZARUS

Appointed: 2023

See Siyabulela Lazarus' 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 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 four committees of the Board – Audit and Risk (ARC), Human Resources and Remuneration (HRRC), the Social and Ethics Committee (SEC), and Capital Allocation Committee (CAC) – 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 the swift addressing of key issues.

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 2023/24

2023/24 FY BOARD MEETING ATTENDANCE SCHEDULE

MEMBERS	MEETING 23 MAY 2023	SPECIAL BOARD MEETING 13 JUNE 2023	BOARD INDUCTION MEETING 12-14 JULY 2023	MEETING 27 JULY 2023	MEETING 24 AUG 2023	SPECIAL BOARD MEETING 24 OCT 2023	MEETING 23 NOV 2023	MEETING 23 FEB 2024
Dr. P Jourdan	√	Retired	Retired	Retired	Retired	Retired	Retired	Retired
Mr. A Mjekula	√	Retired	Retired	Retired	Retired	Retired	Retired	Retired
Ms. B Damoyi	√	√	√	√	√	√	√	√
Ms. N Mtembu	√	√	√	√	√	√	√	√
Ms. P Xuza	√	√	√	√	√	√	√	√
Mr. M Sogoni	√	Retired	Retired	Retired	Retired	Retired	Retired	Retired
Mr. S Khan	√	Retired	Retired	Retired	Retired	Retired	Retired	Retired
Ms. P Nkomo	√	√	√	√	√	√	√	√
Mr. M Mququ	√	Retired	Retired	Retired	Retired	Retired	Retired	Retired

2023/24 FY BOARD MEETING ATTENDANCE SCHEDULE CONTINUED...

MEMBERS	MEETING 23 MAY 2023	SPECIAL BOARD MEETING 13 JUNE 2023	BOARD INDUCTION MEETING 12-14 JULY 2023	MEETING 27 JULY 2023	MEETING 24 AUG 2023	SPECIAL BOARD MEETING 24 OCT 2023	MEETING 23 NOV 2023	MEETING 23 FEB 2024
Mr. S Nduna	√	√	√	√	√	√	√	√
Mr. S Lazarus	√	√	√	√	√	√	√	√
Ms. Z Potelwa	√	√	√	√	√	√	√	√
Mr. K Tiya	√	√	√	√	√	√	Absent	Absent
Mr. T Koza *							√	√

** Mr. T Koza was appointed as ACEO after the 24 October 2023 meeting.*

2023/24 FY AUDIT AND RISK COMMITTEE ATTENDANCE SCHEDULE

MEMBERS	MEETING 18 MAY 2023	BOARD INDUCTION MEETING 12-14 JUL 2023	MEETING 20 JULY 2023	MEETING 17 AUG 2023	MEETING 16 NOV 2023	MEETING 15 FEB 2024
Mr. A Mjekula	√	Retired	Retired	Retired	Retired	Retired
Mr. L Nene	Apology	√	√	√	√	√
Ms. B Damoyi *	√	Retired	Retired	Retired	Retired	Retired
Ms. P Nkomo	√	√	√	√	√	√
Mr. R Bhika	√	√	√	√	√	√
Dr. T Sethibe	√	√	√	√	√	√
Mr. S Nduna **		√	√	√	√	√
Ms. Z Potelwa **		√	√	√	√	√

** Ms. Damoyi had retired from ARC. ** Mr. Nduna and Ms. Potelwa were appointed to ARC after the 18 May 2023 meeting.*

2023/24 FY SOCIAL AND ETHICS COMMITTEE ATTENDANCE SCHEDULE

MEMBERS	MEETING 09 MAY 2023	BOARD INDUCTION MEETING 12-14 JULY 2023	MEETING 08 AUG 2023	MEETING 31 OCT 2023	MEETING 06 FEB 2024
Ms. P Xuza	√	√	√	√	√
Dr. P Jourdan	√	Retired	Retired	Retired	Retired
Ms. N Mtembu	√	√	√	√	√
Mr. G Zamisa	√	√	√	√	√
Ms. P Nkomo *		√	√	√	√

** Ms. Nkomo was appointed to SEC after the 09 May 2023 meeting.*

2023/24 FY HUMAN RESOURCES AND REMUNERATION COMMITTEE ATTENDANCE SCHEDULE

MEMBERS	MEETING 10 MAY 2023	BOARD INDUCTION MEETING 12-14 JUL 2023	SPECIAL MEETING 26 JUL 2023	MEETING 10 AUG 2023	MEETING 01 NOV 2023	MEETING 14 FEB 2024
Ms. N Mtembu	√	√	√	√	√	√
Dr. P Jourdan	√	Retired	Retired	Retired	Retired	Retired
Mr. G Zamisa	√	√	√	√	√	√
Ms. P Xuza	√	√	√	√	√	√
Ms. B Damoyi		√	√	√	√	√

** Ms. Damoyi was appointed to HRRC after the 10 May 2023 meeting.*

2023/24 FY CAPITAL ALLOCATION COMMITTEE ATTENDANCE SCHEDULE

MEMBERS	MEETING 16 MAY 2023	BOARD INDUCTION MEETING 12-14 JUL 2023	MEETING 15 AUG 2023	MEETING 14 NOV 2023	MEETING 13 FEB 2024
Ms. B Damoyi	√	√	√	Apology	√
Mr. A Mjekula	√	Retired	Retired	Retired	Retired
Mr. M Mququ	√	Retired	Retired	Retired	Retired
Mr. S Nduna		√	√	Apology	√
Ms. Z Potelwa		√	√	Apology	√
Mr. S Lazarus		√	√	Apology	√

REMUNERATION

REMUNERATION PHILOSOPHY

The CDC differentiates remuneration based on 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	Total Cost to Company	Emoluments	Total Cost to Company
	2024	2024	2023	2023
	R'000	R'000	R'000	R'000
K.V. Tiya (Chief Executive)	5,290	5,290	5,784	5,784
	5,290	**5,290**	**5,784**	**5,784**

Non-executive

	Directors' Fees	Total Cost to Company	Directors' Fees	Total Cost to Company
	2024	2024	2023	2023
	R'000	R'000	R'000	R'000
Dr. P. Jourdan	-	-	411	411
A. Mjekula	51	51	360	360
Y.B.B. Damoyi (outgoing Chairperson)	209	209	140	140
N.P. Mtembu	354	354	261	261
P. Nkomo	281	281	154	154
P. Xuza	323	323	226	226
S. Nduna	314	314	-	-
Z. Potelwa	265	265	-	-
	1,797	1,797	1,552	1,552

CONSOLIDATED **ANNUAL FINANCIAL STATEMENTS**

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 2024
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	N. P. Mtembu P. Nkomo K.V. Tiya (Chief Executive) P. Xuza S. Lazarus S. Nduna Z. Potelwa T. Koza (Acting Chief Executive) L. Bono (Interim Chairperson)
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 6100
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	C. Prince (Acting)

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES AND APPROVALS

Consolidated Annual Financial Statements for the year ended 31 March 2024

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 consistently applied and supported by reasonable and prudent judgements and estimates.

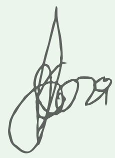
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards 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 2025 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 page 142 to 195, which have been prepared on the going concern basis, were approved by the board of directors on 31 July 2024 and were signed on their behalf by:

Dr. L. Bono
Interim Board Chairperson



Mr. T. Koza
Acting 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 142 to 195 which comprise the consolidated statement of financial position as at 31 March 2024, consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, as well as 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 2024 and their financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and the requirements of 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 responsibilities of the auditor general 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 accounting authority is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the 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.

RESPONSIBILITIES OF THE AUDITOR-GENERAL 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. This description, which is located on page 140 forms part of my auditor's report.

__Report on the audit of the annual performance report__

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

11. I selected the following material performance indicators related to Programme 1: SEZ investment services presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

    - Revenue generated
    - Number of investors signed
    - Cumulative operational investors
    - Contribution to GGP
    - Investment value
    - Number of construction jobs
    - Number of cumulative operational jobs

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

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

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

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

OTHER MATTER

16. I draw attention to the matter below.

ACHIEVEMENT OF PLANNED TARGETS

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

18. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 68 to 70.

Programme 1: SEZ Investment Services		
Targets achieved: 71% *Budget spent: 103%*		
Key indicator not achieved	**Planned Target**	**Reported Achievement**
Number of construction jobs	913	438
Number of cumulative operational jobs	10 323	10 154

Report on compliance with legislation

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

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

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

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

Other information in the annual report

23. The accounting authority is responsible for the other information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act. The other information referred to does not include the consolidated financial statements, the auditor's report and the selected material indicators in the scoped-in programme presented in the annual performance report that has been specifically reported on in this auditor's report.

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

25. My responsibility is to read this other information and, in doing so, consider whether it 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.

26. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

27. I have nothing to report in this regard.

Internal control deficiencies

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

29. I did not identify any significant deficiencies in internal control.

Auditor General

East London
30 July 2024

AUDITOR-GENERAL
SOUTH AFRICA
Auditing to build public confidence

The Nelson Mandela Bay Logistics Park (NMBLP) in Kariega, Nelson Mandela Bay. The NMBLP assists manufacturers to reduce automotive manufacturing costs and improves suppliers' competitiveness.

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the followings:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

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

CONSOLIDATED FINANCIAL STATEMENTS

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.
- conclude on the appropriateness of the 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

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

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

COMPLIANCE WITH LEGISLATION - SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 50(3)(b); 51(1)(a)(iii); 51(1)(b)(i); Section 51(1)(b)(ii); 51(1)(e)(iii); 52(b); 54(2)(c); Section 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); Section 56; 57(b); 57(d); 66(3)(d); 66(5); 67
Treasury Regulations, 2005	Regulation 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; Regulation 29.2.2; 29.3.1; 31.2.5; 31.2.7(a); Regulation 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; Regulation 31.1.2(c); 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Section 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment to National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.2
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.1; 3.4(b); 3.9
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Paragraph 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2, 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; Paragraph 6.3; 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; Paragraph 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; Paragraph 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 34(1)

DIRECTORS' REPORT

COEGA DEVELOPMENT CORPORATION (PTY) LIMITED DIRECTORS' REPORT

The directors take pleasure in submitting their report on the consolidated annual financial statements of Coega Development Corporation Proprietary Limited for the year ended 31 March 2024.

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 cash flows of the company are set out in these consolidated annual financial statements.

2. Share capital

			2024 Number of Shares	2023 Number of Shares
Authorised				
Ordinary shares			1,000,000	1,000,000
Class A ordinary shares			1	1
	2024 R '000	2023 R '000	2024 Number of Shares	2023 Number of Shares
Issued				
Ordinary shares	7	7	673,832	673,832

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		Non-executive Independent	South African	Term ended 25 May 2023
A. Mjekula		Non-executive Independent	South African	Term ended 25 May 2023
S. Khan		Non-executive Independent	South African	Term ended 25 May 2023
Y.B. B. Damoyi	(outgoing Chairperson)	Non-executive Independent	South African	Resigned 13 June 2024
M.N Mququ		Non-executive Independent	South African	Term ended 25 May 2023
N. P. Mtembu		Non-executive Independent	South African	
P. Nkomo		Non-executive Independent	South African	
M. Sogoni		Non-executive Independent	South African	Term ended 25 May 2023
K.V. Tiya	(Chief Executive)	Executive	South African	
P. Xuza		Non-executive Independent	South African	
S. Lazarus		Non-executive Independent	South African	Appointed 24 May 2023
S. Nduna		Non-executive Independent	South African	Appointed 24 May 2023
Z. Potelwa		Non-executive Independent	South African	Appointed 24 May 2023
T. Koza	(Acting Chief Executive)	Executive	South African	Appointed 1 November 2023
L. Bono	(Interim Chairperson)	Non-executive Independent	South African	Appointed 1 March 2024

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 30, 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 2024.

7. *Company Secretary*

The company secretary is Mrs. C. Prince (Acting).

Business address	Coega Business Centre Corner Alcyon Road & Zibuko Street, Zone 1, Coega SEZ, Gqeberha, 6100

STATEMENT OF FINANCIAL POSITION

Statement of Financial Position as at 31 March 2024

	Notes	2024 R'000	2023 R'000
ASSETS			
Non-current assets			
Property, plant and equipment	3	326,468	337,399
Right-of-use assets	4	2,215	247
Investment property	5	6,062,347	6,026,320
• Fair value of Investment properties	5.1	5,843,748	5,768,050
• Straight-line rental accrual	5.2	218,599	258,270
Intangible assets	6	64,659	40,204
Deferred tax	8	9,613	9,567
		6,465,302	**6,413,737**
Current assets			
Inventories	9	660	844
Loans and advances	10	63,116	55,429
Trade and other receivables	11	171,462	142,778
Prepayments		13,518	24,208
Cash and cash equivalents	12	837,057	855,735
		1,085,813	**1,078,994**
Total assets		**7,551,115**	**7,492,731**

EQUITY			
Share capital	13	1,264,558	1,264,558
Retained income		4,842,887	4,816,944
		6,107,445	**6,081,502**

LIABILITIES			
Non-current liabilities			
Finance lease liabilities	4	952	-
Deferred income	17	476,007	355,055
Deferred tax	8	178,585	203,492
Income received in advance	15	15,774	16,170
		671,318	**574,717**
Current liabilities			
Trade and other payables	16	720,073	767,514
Finance lease liabilities	4	1,411	230
Current tax payable	18	1,263	1,263
Provisions	14	49,209	60,165
Income received in advance	15	396	7,340
		772,352	**836,512**
Total liabilities		**1,443,670**	**1,411,229**
Total equity and liabilities		**7,551,115**	**7,492,731**

STATEMENT OF PROFIT OR LOSS

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 March 2024

	Notes	2024 R'000	2023 R'000
Revenue	19	642,710	634,111
Cost of sales	20	(14,870)	(12,316)
Gross profit		**627,840**	**621,795**
Other operating income	21	196,280	312,592
Movement in credit loss allowances	22	(1,207)	7,975
Other operating expenses		(791,014)	(791,026)
Operating profit	22	**31,899**	**151,336**
Investment income	25	32,457	9,985
Finance costs	26	(22,013)	(12,550)
Other non-operating gains (losses)	27	(41,334)	(84,694)
Profit (loss) before taxation		**1,009**	**64,077**
Taxation	28	24,936	45,832
Profit (loss) for the year		**25,945**	**109,909**

STATEMENT OF CHANGES IN EQUITY

Statement of Changes in Equity as at 31 March 2024

	Share Capital	Share Premium	Total Share Capital	Retained Income	Total Equity
	R'000	R'000	R'000	R'000	R'000
Balance at 1 April 2022	7	1,264,551	1,264,558	4,707,035	5,971,593
Loss for the year	-	-	-	109,909	109,909
Balance at 1 April 2023	7	1,264,551	1,264,558	4,816,942	6,081,500
Profit for the year	-	-	-	25,945	25,945
Balance at 31 March 2024	7	1,264,551	1,264,558	4,842,887	6,107,445
Note(s)	13	13	13		

STATEMENT OF CASH FLOWS

Statement of Cash Flows for the year ended 31 March 2024

	Notes	2024 R'000	2023 R'000
Cash flows from operating activities			
Profit/(loss) before taxation		1,009	64,077
Adjustments for non-cash items:			
Depreciation and amortisation		28,905	29,259
Losses on disposals, scrapping and settlements of assets and liabilities		3,510	3,062
Fair value losses		37,824	81,632
Movements in provisions		(10,956)	9,147
Change in straight-line rental accrual		39,671	2,791
Net impairments and movements in credit loss allowances		1,207	(7,975)
Deferred income released to income		(186,185)	(304,356)
Other non-cash items (including asset write offs)		1,191	8,922
Income received in advance		(7,340)	(10,813)
Adjust for items which are presented separately:			
Interest income		(32,457)	(9,986)
Finance costs		22,013	12,550
Changes in working capital:			
(Increase) decrease in inventories		184	(192)
(Increase) decrease in trade and other receivables		(28,276)	13,848
(Increase) decrease in prepayments		10,690	19,256
Increase (decrease) in trade and other payables		(47,441)	128,806
(Increase) decrease in loans and advances		(9,304)	(9,734)
Cash generated from (used in) operations		**(175,755)**	**30,294**
Interest income	25	32,457	9,986
Finance costs	26	(22,013)	(12,550)
Tax received/(paid)	29	(17)	10,373
Net cash from operating activities		**(165,328)**	**38,103**

Cash flows from investing activities			
Purchase of property, plant and equipment	3	(22,198)	(16,183)
Proceeds from sale of property, plant and equipment	3	6,087	-
Purchase of investment properties	5	(114,390)	(235,526)
Purchase of intangible assets	6	(28,882)	(12,922)
Net cash from investing activities		**(159,383)**	**(264,631)**

Cash flows from financing activities			
Government grants received		290,840	53,242
Interest earned on deferred income funds		16,297	23,955
Cash repayments on lease liabilities	4	(1,104)	(638)
Net cash from financing activities		**306,033**	**76,559**

Total cash movement for the year		**(18,678)**	**(149,969)**
Cash and cash equivalents at the beginning of the year		855,735	1,005,704
Cash and cash equivalents at the end of the year	12	**837,057**	**855,735**

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 2024 were authorised for issue in accordance with a resolution of the directors on 31 July 2024.

1. MATERIAL 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 Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these consolidated annual financial statements and the Companies Act of South Africa as amended.

These consolidated annual financial statements comply with the requirements of the South African Institute of Chartered Accountants 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 company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the 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 of 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 annual financial statements, are outlined as follows:

Expected manner of realisation for deferred tax

Management have reviewed the investment property portfolio of the group 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 not rebutted and that the deferred taxation should be measured on the sale basis.

Leasing

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 the risks and rewards of ownership are transferred.

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 14.

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 in 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 properties

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	5 - 15 years
Hospitality equipment	Straight line	10 years
Other property, plant and equipment	Straight line	5 - 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 34 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 10) 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 loans and advances. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for loans and advances 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.

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 installment 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 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 diverse with significantly different loss patterns for different customer segments. The company aggregates customer segments which share similar credit risk characteristics for purposes of determining the credit loss allowance.

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 34).

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 11).

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 diverse with significantly different loss patterns for different customer segments. The company aggregates customer segments which share similar credit risk characteristics for purposes of determining the credit loss allowance.

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 11) and the financial instruments and risk management note (note 34).

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 16), 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 34 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 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 and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in 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 determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the 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 judgements 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 19).

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 31.

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
- Maritime services
- Hospitality services

The group also recognises rental income on its investment properties 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 Cost of sales

When inventories are sold, the carrying amount of those inventories is 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, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.19 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.

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.

National Treasury instruction note no. 4 of 2022/2023 which was issued in terms of sections 76(1) and 76(4) of the PFMA requires the following (effective from 3 January 2023):

Details and amounts of alleged irregular expenditure must be included in the Irregular Expenditure Register. An assessment must be conducted to confirm whether irregular expenditure has been incurred or may be incurred.

Irregular expenditure when incurred and confirmed is recorded in the annual financial statements disclosure note. This relates to irregular expenditure incurred in the current financial year, with a one financial year comparative analysis.

Irregular expenditure for the previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

- irregular expenditure incurred and confirmed in the previous financial year;
- irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and
- irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.
- irregular expenditure payments relating to multi-year contracts that was not condoned or removed from the register.

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.

1.20 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 30.

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 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
Lease liability in a sale and leaseback	1 January 2024	Unlikely there will be a material impact

3. PROPERTY, PLANT AND EQUIPMENT

	2023			2023		
	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	400,390	(180,744)	219,646	400,390	(164,556)	235,834
Marine vessels and equipment	9,531	(2,879)	6,652	9,531	(2,085)	7,446
Furniture and fixtures	13,003	(5,490)	7,513	12,320	(4,910)	7,410
Motor vehicles	35,395	(21,260)	14,135	38,049	(20,938)	17,111
IT equipment	14,473	(7,444)	7,029	14,910	(6,540)	8,370
Hospitality equipment	45	(20)	25	11,117	(3,880)	7,237
Other property, plant and equipment	36,441	(10,570)	25,871	22,005	(8,672)	13,333
Capital - Work in progress	17,047	-	17,047	12,108	-	12,108
Total	**554,875**	**(228,407)**	**326,468**	**548,980**	**(211,581)**	**337,399**

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Land	28,550	-	-	-	-	28,550
Buildings	235,834	-	-	(16,188)	-	219,646
Marine vessels and equipment	7,446	-	-	(794)	-	6,652
Furniture and fixtures	7,410	920	(137)	(661)	(19)	7,513
Motor vehicles	17,111	643	(2,217)	(1,304)	(98)	14,135
IT equipment	8,370	1,261	(518)	(2,084)	-	7,029
Hospitality equipment	7,237	-	(6,725)	(487)	-	25
Other property, plant and equipment	13,333	14,435	-	(1,897)	-	25,871
Capital - Work in progress	12,108	4,939	-	-	-	17,047
Total	**337,399**	**22,198**	**(9,597)**	**(23,415)**	**(117)**	**326,468**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Transfers	Write offs	Depreciation	Change in estimate	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Land	28,550	-	-	-	-	-	28,550
Buildings	234,016	-	17,217	-	(15,399)	-	235,834
Marine vessels and equipment	8,240	-	-	-	(794)	-	7,446
Furniture and fixtures	7,833	205	28	(37)	(619)	-	7,410
Motor vehicles	19,965	164	-	(99)	(2,879)	(40)	17,111
IT equipment	7,238	3,280	90	(228)	(2,010)	-	8,370
Hospitality equipment	8,113	343	-	-	(1,219)	-	7,237
Other property, plant and equipment	9,848	1,372	4,446	(473)	(1,860)	-	13,333
Capital - Work in progress	7,088	10,819	(4,572)	(1,227)	-	-	12,108
Total	**330,891**	**16,183**	**17,209**	**(2,064)**	**(24,780)**	**(40)**	**337,399**

Property, plant and equipment notes

No assets have been encumbered as security for the secured long-term borrowings.

Changes in estimates

The group reassesses the useful lives and residual values of items of group 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 land and buildings are available for inspection by shareholders or their duly authorised representatives at the business address of the group.

4. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The group leases several assets, including buildings and IT equipment. The average lease term is 3 years. Details pertaining to leasing arrangements, where the group is lessee are presented below:

Net carrying amounts of right-of-use assets

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

	2024	2023
	R'000	R'000
PPE subject to operating lease arrangements	2,215	247

Additions to right-of-use assets 2024

	Opening balance	Write off	Additions	Depreciation	Closing balance
	R'000	R'000	R'000	R'000	R'000
Leasehold Property	-	-	2,994	(779)	2,215
IT Equipment	247	(81)	-	(166)	-
	247	**(81)**	**2,994**	**(945)**	**2,215**

Lease liability movements 2024

	Opening balance	Additions	Interest Expense	Cash Flows	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Leasehold Property	-	2,994	237	(868)	2,363
IT Equipment	230	-	6	(236)	-
	230	**2,994**	**243**	**(1,104)**	**2,363**

Finance lease liabilities

The maturity analysis of lease liabilities is as follows:	2024	2023
	R'000	R'000
Within one year	1,411	230
Two to five years	952	-
	2,363	**230**
Non-current liabilities	1,411	-
Current liabilities	952	230
	2,363	**230**

5. INVESTMENT PROPERTY

5.1 Fair value of investment properties

	2024			2023		
	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 properties	5,843,748	-	5,843,748	5,768,050	-	5,768,050

Reconciliation of investment properties - 2024

	Opening balance	Additions	Write offs	Fair value adjustments	Total
	R'000	R'000	R'000	R'000	R'000
Investment properties	5,768,050	114,390	(868)	(37,824)	5,843,748

Reconciliation of investment properties - 2023

	Opening balance	Additions	Transfers	Write offs	Fair value adjustments	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Investment properties	5,639,022	235,526	(17,217)	(7,649)	(81,632)	5,768,050

The group's investment properties, comprising the construction village, commercial centre, tenanted properties, developed zones, logistics park and hotel, were last comprehensively valued on 31 March 2022 by independent external valuers, Mills Fitchet (Gauteng) cc, 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 to 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 properties are investment properties under construction. Such properties are accounted for at cost until completed.

Included in investment properties under construction as at 31 March 2024 is a cumulative amount of R84 million (2023: R84 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 properties

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

	2024	2023
	R'000	R'000
Rental income from investment properties	332,635	323,607

Direct operating expenses for investment properties are included in total operating expenditure. The detailed income statement on page 196 provides a detailed breakdown of operating expenditure including specific direct operating expenses such as repairs and maintenance and municipal expenses.

5.2 Straight-line rental accrual

	2024	2023
	R'000	R'000
Operating lease smoothing asset (net)	218,599	258,270

IFRS 16 requires the straight lining (averaging) of operating lease (rental) income by lessors. The application of IFRS 16 has resulted in the acceleration of the recognition of rental income for certain leases within the Group's portfolio of leases while for other leases the application of IFRS 16 has resulted in the deferral of rental income invoiced and received in terms of the lease agreements. Specifically, large upfront lease premiums received from time-to-time results in the postponement of lease income under IFRS 16. During the year under review, a lease premium of R56,5m was received. The net lease smoothing asset of R218,6m (2023: R258,3m) reflects the cumulative aggregate amount by which rental income in the statement of profit or loss and other comprehensive income has been adjusted. In 2023/24 rental income was decreased by R39,7 million (2022/23 decreased by R2,7million) as a result of straight lining.

6. INTANGIBLE ASSETS

	2024			2023		
	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	114,388	(52,025)	62,363	69,358	(47,597)	21,761
Intangible assets under development	2,296	-	2,296	18,443	-	18,443
Total	**116,684**	**(52,025)**	**64,659**	**87,801**	**(47,597)**	**40,204**

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Transfers	Amortisation	Total
	R'000	R'000	R'000	R'000	R'000
Computer software, other	21,761	199	44,830	(4,427)	62,363
Intangible assets under development	18,443	28,683	(44,830)	-	2,296
Total	**40,204**	**28,882**	**-**	**(4,427)**	**64,659**

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Transfers	Write offs	Amortisation	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Computer software, other	24,566	3,316	8	(2,225)	(3,904)	21,761
Intangible assets under development	8,837	9,606	-	-	-	18,443
Total	**33,403**	**12,922**	**8**	**(2,225)**	**(3,904)**	**40,204**

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 their 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 group, and the carrying amounts of the investments in the group's separate annual financial statements.

Subsidiaries

	% voting power 2024	% voting power 2023	Carrying amount 2024	Carrying amount 2023
Rapid Infrastructure Development Agency (Pty) Ltd	100	100	-	-
Coega Development Foundation NPC	100	100	-	-

8. DEFERRED TAX

Deferred tax liability

	2024 R'000	2023 R'000
Temporary Differences - refer to analysis below	(178,585)	(203,492)

Deferred tax liabilities		
Investment properties	(170,146)	(180,359)
Operating lease smoothing	(59,022)	(69,733)
Right of use assets	(599)	(67)
PPE	(14,136)	(12,926)
Prepaid expenses	(3,613)	(3,663)
Deferred tax assets		
Provision for incentive payments	6,692	10,084
Provision for leave pay	6,594	6,160
Expected credit losses	3,880	3,946
Income received in advance	15,838	18,290
Lease liability	637	62
Assessed loss	35,290	24,714
Total deferred tax balance	**(178,585)**	**(203,492)**
Deferred tax liability	(178,585)	(203,492)
Deferred tax asset	9,613	9,567
Total net deferred tax liability	**(168,972)**	**(193,925)**

Deferred tax liability (continued)

	2024 R'000	2023 R'000
Deferred tax liabilities		
Right of use assets	(334)	(334)
Deferred tax assets		
Lease liability	442	696
Expected credit losses	3,226	2,964
Assessed loss	6,279	6,241
Total deferred tax asset balance	**9,613**	**9,567**

Reconciliation of net deferred tax asset / (liability)

	2024 R'000	2023 R'000
At beginning of year	(193,925)	(239,757)
Recognition of prior year deferred tax asset not previously recognised	-	9,897
Reversing temporary difference on investment properties	10,212	22,041
Reversing (Originating) temporary difference on operating lease smoothing asset	10,712	754
Originating temporary difference on IFRS 16 Right-of-use asset	(532)	272
Originating (reversing) temporary difference on provision for performance incentives	(3,392)	1,580
Reversing temporary difference on provision for leave pay	434	890
Originating (reversing) temporary difference on expected credit losses	195	(1,292)
Reversing temporary difference on income received in advance	(2,451)	(2,339)
Originating temporary difference on IFRS 16 Lease liability	322	(287)
Originating (reversing) temporary difference on assessed loss	10,614	15,031
Originating temporary difference on PPE	(1,211)	(1,161)
Reversing temporary difference on prepaid expenses	50	447
	(168,972)	**(193,925)**

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 properties/financial assets is through sale the capital gains tax rate of 22% (2023: 22%) is used. If the expected manner of recovery is through indefinite use the normal tax rate of 27% (2023: 27%) 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:

R 170 million (2023: R180 million) at the normal tax rate.

9. INVENTORIES

	2024 R'000	2023 R'000
Other inventories for sale	660	844

10. LOANS AND ADVANCES

Loans and advances are presented at amortised cost, which is net of loss allowance, as follows:

	2024 R'000	2023 R'000
Loans and advances	63,116	55,429
Split between non-current and current portions		
Current assets	63,116	55,429

Exposure to credit risk

Loans and advances inherently expose the company to credit risk, being the risk that the company 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 company 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 company 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 company 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:

2024

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans and advances	N/a	Lifetime ECL (credit impaired)	83,026	(19,910)	63,116

2023

Instrument	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans and advances	N/a	Lifetime ECL (credit impaired)	73,723	(18,294)	55,429

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 lifetime ECL (credit impaired):

	2024 R'000	2023 R'000
Opening balance	**18,294**	**17,871**
Charge for the year	1,616	423
Closing balance	**19,910**	**18,294**

Fair value of loans and advances

The fair value of loans and advances approximates their carrying amounts.

11. TRADE AND OTHER RECEIVABLES

	2024 R'000	2023 R'000
Financial instruments:		
Trade receivables	186,207	159,480
Loss allowance	(25,161)	(25,569)
Trade receivables at amortised cost	161,046	133,911
Deposits	992	992
Sundry debtors	38	37
Other receivables	5,977	5,786
Non-financial instruments:		
VAT	3,409	2,052
Total trade and other receivables	**171,462**	**142,778**

Split between non-current and current portions

	2024 R'000	2023 R'000
Current assets	171,462	142,778

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

	2024 R'000	2023 R'000
At amortised cost	168,053	140,726
Non-financial instruments	3,409	2,052
	171,462	**142,778**

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.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments.

The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows.

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

	2024 R'000	2023 R'000
Opening balance	**(25,569)**	**(33,967)**
Charge for the year	408	8,398
Closing balance	**(25,161)**	**(25,569)**

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2024	2023
	R'000	R'000
Cash on hand	20	13
Bank balances	379,074	466,094
Short-term deposits	457,963	389,628
	837,057	**855,735**

The bank and cash balances above include funds held which are not available to the company amounting to R816 million (2023: R820 million). R434 million (2023: R369 million) of this are funds earmarked for special projects, and of which the corresponding liability is disclosed as deferred grant income.

13. SHARE CAPITAL

	2024	2023
Authorised	**Rands**	**Rands**
1,000,000 Ordinary shares of 1c each	10,000	10,000
1 "A" Class shares of R1	1	1
	10,001	**10,001**
Issued	**R'000**	**R'000**
Ordinary	7	7
Share premium	1,264,551	1,264,551
	1,264,558	**1,264,558**

14. PROVISIONS

	Opening Balance	Additions	Utilised during the year	Paid out during the year	Adjustments	Total
Reconciliation of provisions - 2024						
Provision for performance incentives	37,351	7,025	-	(19,590)	-	24,786
Provision for leave pay	22,814	30,741	(25,354)	(2,729)	(1,049)	24,423
	60,165	**37,766**	**(25,354)**	**(22,319)**	**(1,049)**	**49,209**
Reconciliation of provisions - 2023						
Provision for performance incentives	31,500	37,608	(31,757)	-	-	37,351
Provision for leave pay	19,518	36,064	(33,411)	(2,275)	2,918	22,814
	51,018	**73,672**	**(65,168)**	**(2,275)**	**2,918**	**60,165**

15. INCOME RECEIVED IN ADVANCE

	2024 R'000	2023 R'000
Non-current portion		
On the 8th of December 2010, the company concluded a 12-year agreement with Souvaris in respect of the General Motors South Africa property. Effectively the company has ceded and assigned its rights, title and obligations in the General Motors SA lease to Souvaris. Souvaris in return paid an amount of R125 million to the company which represents future rentals.	-	-
On the 1st of February 2015, the company concluded a 50-year agreement with MSC, who made an upfront payment of R19.8m for the lease contract.	15,774	16,170
	15,774	**16,170**

	2024 R'000	2023 R'000
Current portion		
On the 8th of December 2010, the company concluded a 12-year agreement with Souvaris in respect of the General Motors South Africa property. Effectively the company has ceded and assigned its rights, title and obligations in the General Motors SA lease to Souvaris. Souvaris in return paid an amount of R125 million to the company which represents future rentals.	-	6,944
On the 1st of February 2015, the company concluded a 50-year agreement with MSC, who made an upfront payment of R19.8 million for the lease contract.	396	396
	396	**7,340**

16. TRADE AND OTHER PAYABLES

	2024 R'000	2023 R'000
Financial instruments:		
Trade payables	294,829	255,726
Project payables	356,437	427,296
Deposits received	44,547	41,929
Other payables	24,260	38,891
Non-financial instruments:		
Refund liability	-	3,672
	720,073	**767,514**

Exposure to liquidity risk

Refer to note 34 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to interest rate risk

Refer to note 34 Financial instruments and financial risk management for details of interest rate risk management for trade and other payables.

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

17. DEFERRED INCOME

	2024 R'000	2023 R'000
Government grants		
At beginning of the year	355,055	582,214
Grants received during the year	290,840	53,242
Interest earned on unspent grant funds received	16,297	23,955
Released to income/utilised during the year	(186,185)	(304,356)
- operating costs	(79,629)	(95,144)
- adjustments	-	(4,547)
- capital projects	(106,556)	(204,665)
	476,007	**355,055**

Funding of R291 million (2023: R53 million) was received during the year and R186 million (2023: R304 million) was utilised during the year. The unused portion of R476 million (2023: R355 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.

18. CURRENT TAX RECEIVABLE (PAYABLE)

	2024 R'000	2023 R'000
Normal tax	(1,263)	(1,263)
Net current tax receivable (payable)		
Current assets	-	-
Current liabilities	(1,263)	(1,263)
	(1,263)	**(1,263)**

19. REVENUE

	2024 R'000	2023 R'000
Revenue from contracts with customers		
Sale of goods	12,617	10,786
Rendering of services	279,642	283,803
Royalty income	194	194
Donations	3	10
	292,456	**294,793**
Revenue other than from contracts with customers		
Rental income	332,635	323,607
Interest received (trading)	17,619	15,711
	350,254	**339,318**
	642,710	**634,111**

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

	2024 R'000	2023 R'000
Sale of goods		
Catering and bar sales	12,617	10,786
Rendering of services		
Administration and management fees received	186,020	189,503
Fees earned	-	452
Marine services	457	1,266
Other revenue from rendering of services	93,165	92,582
	279,642	**283,803**
Royalty income		
Royalty income	194	194
Other revenue		
Donations received	3	10
Total revenue from contracts with customers	**292,456**	**294,793**

Timing of revenue recognition

	2024 R'000	2023 R'000
At a point in time		
Sale of goods	12,617	10,786
Rendering of services	457	1,266
Donations received	3	10
	13,077	**12,062**
Over time		
Rendering of services	186,024	189,503
Construction contracts	93,165	92,582
Royalty income	194	194
Commissions received	-	452
	279,383	**282,731**
Total revenue from contracts with customers	**292,460**	**294,793**

20. COST OF SALES

	2024 R'000	2023 R'000
Sale of goods	14,870	12,316
Sale of goods		
Sale of goods - catering and bar sales	14,870	12,316

21. OTHER OPERATING INCOME

	2024 R'000	2023 R'000
Fees earned	-	398
Sundry income	10,330	9,041
Government grants	185,950	303,153
	196,280	**312,592**

22. OPERATING PROFIT (LOSS)

Operating profit for the year is stated after charging (crediting) the following, amongst others:

	2024 R'000	2023 R'000
Auditor's remuneration – external		
Audit fees	4,851	4,702
Remuneration, other than to employees		
Consulting and professional services	16,826	23,359
Employee costs		
Salaries, wages, bonuses and other benefits	352,207	354,565
Insurances	157	207
Other short-term costs	6,643	7,153
Retirement benefit plans: defined contribution expense	26,879	24,782
Termination benefits	750	-
Total employee costs	**386,636**	**386,707**

	2024 R'000	2023 R'000
Leases		
Short-term leases	1,529	3,664
Total lease expenses	**1,529**	**3,664**
Depreciation and amortisation		
Depreciation of property, plant and equipment	23,415	24,780
Depreciation of right-of-use assets	946	534
Amortisation of intangible assets	4,427	3,905
Total depreciation and amortisation	**28,788**	**29,219**
Impairment losses		
Property, plant and equipment	117	40
Movement in credit loss allowances		
Trade and other receivables and loans and advances	1,207	(7,975)
Other		
Research and development costs	868	557

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:

	2024 R'000	2023 R'000
Changes in inventories of finished goods and work in progress	14,870	12,316
Employee costs	386,636	386,707
Lease expenses	1,529	3,664
Depreciation, amortisation and impairment	28,905	29,259
Other expenses	373,944	371,396
	805,884	**803,342**

23. EMPLOYEE COSTS

	2024 R'000	2023 R'000
Employee costs		
Basic	321,118	295,236
Performance incentives	7,030	36,743
Medical aid - company contributions	14,431	12,021
UIF	1,013	982
WCA	707	641
SDL	3,598	3,192
Leave pay provision charge	4,310	5,750
Funeral scheme benefits	157	207
Other short-term costs	6,643	7,153
Retirement benefit plans	26,879	24,782
Termination benefits	750	-
	386,636	**386,707**
Total employee costs		
Indirect employee costs	-	-
Direct employee costs	386,636	386,707
	386,636	**386,707**

Analysis of employee costs paid (excluding directors and board committee members, refer to note 33 for analysis of directors' remuneration)

	Salary	Other Short-Term Benefits	Performance Incentive Paid	Total Cost to Company 2024	Total Cost to Company 2023
	R'000	R'000	R'000	R'000	R'000
Executive management and programme directors	46,351	3,351	4,158	53,860	53,075
Other employees	291,746	33,753	15,846	341,346	315,469
	338,097	**37,104**	**20,004**	**395,206**	**368,544**

Included in the above-mentioned employee costs are costs for the following key management personnel:

Key management personnel cost paid (other than directors)

	Salary	Other Short-Term Benefits	Performance Incentive Paid	Total Cost to Company 2024	Total Cost to Company 2023
	R'000	R'000	R'000	R'000	R'000
L Billings	-	-	-	-	1,176
T Ngxekana	1,917	496	173	2,586	2,351
A Xawuka	2,368	347	355	3,069	2,257
Z Kunene	2,100	164	179	2,443	2,421
T Poswa	2,085	85	178	2,348	2,191
R Hill	2,934	319	259	3,512	1,792
T Chauke	2,117	111	261	2,489	1,940
Z Mqhathu	2,278	162	156	2,597	2,439
S Simayi	2,421	140	121	2,683	2,581
A Ntloko	-	-	-	-	886
M Sebothoma	2,711	319	123	3,154	2,289
V Heynes	2,171	3	264	2,439	2,424
F Ndema	1,812	106	91	2,009	2,184
T Koza	3,690	84	376	4,150	4,230
D Lefutso	2,654	193	259	3,106	3,228
N Mouchilli	2,004	215	102	2,321	2,278
M Mawasha	1,504	179	-	1,683	2,680
C Mbande	2,557	394	155	3,106	3,368
G Moyo	2,036	(29)	239	2,245	2,213
A van Jaarsveldt	2,012	(150)	208	2,069	2,812
T Jack	1,880	189	216	2,285	2,204
M Mabula	3,100	24	442	3,566	3,131
	46,351	**3,351**	**4,157**	**53,860**	**53,075**

Number of persons employed during the year:

	2024	2023
Fixed term contract	160	176
Permanent	297	264
	457	**440**

24. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

	2024 R'000	2023 R'000
Depreciation		
Property, plant and equipment	23,415	24,780
Right-of-use assets	946	534
	24,361	25,314
Amortisation		
Intangible assets	4,427	3,905
Impairment losses		
Property, plant and equipment	117	40
Total depreciation, amortisation and impairment		
Depreciation	24,361	25,314
Amortisation	4,427	3,905
Impairment losses	117	40
	28,905	**29,259**

25. INVESTMENT INCOME

	2024 R'000	2023 R'000
Interest income **Investments in financial assets:**		
Bank and other cash	32,457	9,985

26. FINANCE COSTS

	2024 R'000	2023 R'000
Trade and other payables	21,771	12,665
Late payment of tax (Tax authorities)	-	(162)
Other interest paid	242	47
Total finance costs	**22,013**	**12,550**

27. OTHER NON-OPERATING GAINS (LOSSES)

	Note	2024 R'000	2023 R'000
Gains (losses) on disposals, scrappings or settlements			
Disposal of PPE		(3,510)	(3,062)
Fair value gains (losses)			
Investment property	5	(37,824)	(81,632)
Total other non-operating gains (losses)		**(41,334)**	**(84,694)**

28. TAXATION

Major components of the tax income

	2024 R'000	2023 R'000
Current		
Local income tax - prior period (over) under provision	17	-
Deferred		
Originating and reversing temporary differences	(24,953)	(35,935)
Arising from previously unrecognised tax loss	-	(9,897)
	(24,953)	**(45,832)**
	(24,936)	**(45,832)**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	2024 R'000	2023 R'000
Accounting profit/(loss)	1,009	64,077
Tax at the applicable tax rate of 27% (2023: 27%)	272	17,301
Tax effect of adjustments on taxable income		
Prior year tax charge	17	-
Recognition of deferred tax asset not previously recognised	-	(9,897)
Donations received	(1)	(2)
Current year tax losses not recognised	2	2
Non-deductible expenses	5,242	5,580
Exempt income: government grants	(30,468)	(58,816)
	(24,936)	**(45,832)**

No provision has been made for 2024 tax as the group has no taxable income. The estimated tax loss available for set off against future taxable income is R153m (2023: R 115m).

29. TAX PAID

	2024 R'000	2023 R'000
Balance at beginning of the year	(1,263)	9,110
Current tax recognised in profit or loss	(17)	-
Balance at end of the year	1,263	1,263
	(17)	**10,373**

30. COMMITMENTS

Authorised capital expenditure

	2024 R'000	2023 R'000
Already contracted for but not provided for		
Property, plant and equipment	14,898	23,929
Investment property	268,394	133,681
Intangible assets	2,706	18,479

This committed expenditure relates to property, plant and equipment, intangible assets and future investment properties and will be financed by available grant funding, existing cash resources and other internally generated funds.

Operating leases – as lessor (income)

	2024 R'000	2023 R'000
Minimum lease payments due		
First year	217,025	186,707
Second year	205,458	177,426
Third year	196,613	166,694
Fourth year	193,960	157,678
Fifth year	196,749	154,714
Sixth year and onwards	3,066,572	3,365,514
	4,076,377	**4,208,733**

31. CONTINGENCIES

The company 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 R10,0 million (2023: R16,6 million).

Contingent asset - counter claim against the Nelson Mandela Bay Municipality:

Included in trade and other payables is an amount of R195 million (2023: R158 million) owing to the Nelson Mandela Bay Municipality for rates and service/utility charges. The company has lodged a counter claim against the municipality for R150 million (2023: R140 million) in respect of payments made to service providers by the company on behalf of the municipality. At the date of signature of these annual financial statements, a formal acknowledgement of debt had not been issued by the municipality.

Guarantees and other credit facilities:

The company holds guarantees amounting to R764 025 (2023: 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 the company has credit card facilities with a combined limit of R350 000 (2023 R350 000), petrol cards to the value of R1 200 000 (2023: R1 200 000) held with Wesbank.

32. RELATED PARTIES

The Eastern Cape Department of Economic Development, Environmental Affairs and Tourism is the Executive Authority in terms of the Public Finance Management Act. The Eastern Cape Department of Economic Development Environmental Affairs and Tourism holds all of the issued ordinary shares. Grants received from government during the year are fully disclosed in notes 21 and 17. There were no further transactions with related parties during the year other than those disclosed in this note.

In terms of IAS 24, a related party is a person or entity that is related to the entity that is preparing its financial statements. In the case of Coega Development Corporation (Pty) Ltd, the related parties are: a) its holding company, the Eastern Cape Department of Economic Development, Environmental Affairs and Tourism; b) its subsidiaries, Rapid Infrastructure Development Agency (Pty) Ltd and the Coega Development Foundation and c) members of key management which are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Details of transactions with key management is set out in notes 23 and 33.

Relationships

Subsidiaries: Refer to note 7

Related party balances

	2024 R'000	2023 R'000
Loan accounts - Owing (to) by related parties		
Rapid Infrastructure Development Agency (Pty) Ltd	95,637	88,278
Amounts included in loan accounts regarding related parties		
Expenses paid on behalf of Rapid Infrastructure Development Agency (Pty) Ltd	6,383	5,817
Rental income received from Rapid Infrastructure Development Agency (Pty) Ltd	975	946

Related party balances continued...

	2024 R'000	2023 R'000
Other related party transactions - grants received		
Eastern Cape Department of Economic Development, Environmental Affairs and Tourism	279,587	53,242

33. DIRECTORS' EMOLUMENTS

Executive

	Emoluments	Total Cost to Company	Emoluments	Total Cost to Company
	2024	2024	2023	2023
	R'000	R'000	R'000	R'000
K.V. Tiya (Chief Executive)	5,290	5,290	5,784	5,784
	5,290	**5,290**	**5,784**	**5,784**

T. Koza was appointed as acting CEO in November 2023 - his remuneration and benefits are disclosed as part of note 23.

Non-executive

	Directors' Fees	Total Cost to Company	Directors' Fees	Total Cost to Company
	2024	2024	2023	2023
	R'000	R'000	R'000	R'000
Dr. P. Jourdan	-	-	411	411
A. Mjekula	51	51	360	360
Y.B.B. Damoyi (outgoing Chairperson)	209	209	140	140
N.P. Mtembu	354	354	261	261
P. Nkomo	281	281	154	154
P. Xuza	323	323	226	226
S. Nduna	314	314	-	-
Z. Potelwa	265	265	-	-
	1,797	**1,797**	**1,552**	**1,552**

34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

Categories of Financial Assets

	Notes	2024 Amortised cost R'000	2024 Total R'000	2024 Fair value R'000
Loans and advances	10	63,116	63,116	63,116
Trade and other receivables	11	168,053	168,053	168,053
Cash and cash equivalents	12	837,057	837,057	837,057
		1,068,226	**1,068,226**	**1,068,226**

	Notes	2023 Amortised cost R'000	2023 Total R'000	2023 Fair value R'000
Loans and advances	10	55,429	55,429	55,429
Trade and other receivables	11	140,726	140,726	140,726
Cash and cash equivalents	12	855,735	855,735	855,735
		1,051,890	**1,051,890**	**1,051,890**

Categories of Financial Liabilities

	Notes	2024 Amortised cost R'000	2024 Leases R'000	2024 Total R'000	2024 Fair value R'000
Trade and other payables	16	720,073	-	720,073	720,073
Finance lease obligations	4	-	2,363	2,363	2,363
		720,073	**2,363**	**722,436**	**722,436**

	Notes	2023 Amortised cost R'000	2023 Leases R'000	2023 Total R'000	2023 Fair value R'000
Trade and other payables	16	763,842	-	763,842	763,842
Finance lease obligations	4	-	230	230	230
		763,842	**230**	**764,072**	**764,072**

Pre-tax gains and losses on financial instruments

Gains and losses on financial assets	Notes	2024 Amortised cost R'000	2024 Total R'000	2023 Amortised cost R'000	2023 Total R'000
Recognised in profit or loss:					
Interest income	**25**	32,457	32,457	9,985	9,985
Movement in credit loss allowances	**22**	(1,207)	(1,207)	7,975	7,975
Net gains (losses)		**31,250**	**31,250**	**17,960**	**17,960**

Gains and losses on financial liabilities	Notes	2024 Amortised cost R'000	2024 Total R'000	2023 Amortised cost R'000	2023 Total R'000
Recognised in profit or loss:					
Finance costs	**26**	(22,013)	(22,013)	(12,550)	(12,550)

Capital risk management

The company'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 company 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 company at the reporting date was as follows:

	Notes	2024 R'000	2023 R'000
Lease liabilities		2,363	230
Trade and other payables	16	720,073	767,514
Deferred income	17	476,007	582,214
Income received in advance	15	16,170	34,323
Total borrowings		**1,214,613**	**1,384,281**
Cash and cash equivalents	12	(837,056)	(855,735)
Net borrowings		**377,557**	**528,546**
Equity		6,107,442	6,081,500
Gearing ratio		6%	5%

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (interest rate risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board of directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, 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 company's activities.

The company 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 company. 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 company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

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

		2024			2023		
		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 and advances	10	83,026	(19,910)	63,116	73,723	(18,294)	55,429
Operating lease asset	5.2	218,599	-	218,599	258,270	-	258,270
Trade and other receivables	11	196,623	(25,161)	171,462	168,347	(25,569)	142,778
Cash and cash equivalents	12	837,057	-	837,057	855,735	-	855,735
		1,335,305	**(45,071)**	**1,290,234**	**1,356,075**	**(43,863)**	**1,312,212**

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company 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 long and grant funding.

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.

		2024			
	Notes	Less than 1 year	1 to 2 years	Total	Carrying amount
Non-current liabilities					
Lease liabilities		-	952	952	952
Current liabilities					
Trade and other payables	16	720,073	-	720,073	720,073
Lease liabilities	4	1,411	-	1,411	1,411
		721,484	**952**	**722,436**	**722,436**
Current assets					
Trade and other receivables	11	168,053	-	168,053	168,053
Loans and advances	10	63,116	-	63,116	63,116
		231,169	-	231,169	231,169
		(490,315)	**(952)**	**(491,267)**	**(491,267)**

		2023		
	Notes	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	16	763,842	763,842	763,842
Lease liabilities	4	230	230	230
Current assets				
Trade and other receivables	11	140,726	140,726	140,726
Loans and advances	10	55,429	55,429	55,429
		196,155	196,155	196,155
		(567,917)	**(567,917)**	**(567,917)**

Interest rate risk

Fluctuations in interest rates impact on the value of investments, giving rise to interest rate risk.

The company 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

	2024		2023	
	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Bank and cash 1% (2023: 1%)	8,371	(8,371)	8,558	(8,558)

35. 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	2024 R'000	2023 R'000
ASSETS			
Investment property	5		
Investment property 3		6,062,347	6,026,320
Total		**6,062,347**	**6,026,320**

36. GOING CONCERN

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

The ability of the 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 2023/24 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 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. In reaching its conclusion on the going concern assessment, the directors also considered the long-term viability of the company. This included key changes to the principal risks relevant to the sustainability of our operations, sensitivity analysis, scenario assessments, and combinations thereof, including that of a longer-term global recession with likely impacts beyond 2024. 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.

37. IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

	2024 R'000	2023 R'000
Irregular expenditure incurred during the year	-	8,418

No fruitless or wasteful expenditure has been recognised in the period under review.

38. 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 2024, 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 1 and submitted the final report and BEE certificate, Form 1 together with the Annual Report to the BEE Commission.

39. 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.

DETAILED INCOME STATEMENT

	Notes	31-Mar 2024 R'000	31-Mar 2023 R'000
REVENUE			
Sale of goods		12,617	10,786
Rendering of services		279,642	283,803
Royalty income		194	194
Rental income on investment properties		294,506	296,167
Levies and other income on investment properties		38,129	27,440
Interest received (trading)		17,619	15,711
Donations		3	10
	19	**642,710**	**634,111**
Cost of sales			
Opening stock		(844)	(652)
Purchases		(14,686)	(12,508)
Closing stock		660	844
	20	**(14,870)**	**(12,316)**
Gross profit		**627,840**	**621,795**
Other operating income			
Fees earned		-	398
Other income		10,330	9,041
Government grants		185,950	303,153
	21	**196,280**	**312,592**
Movement in credit loss allowances	**22**	**(1,207)**	**7,975**
EXPENDITURE *(refer to next page)*		(791,014)	(791,026)
Operating profit	**22**	**31,899**	**151,336**
Investment income	**25**	32,457	9,985
Finance costs	**26**	(22,013)	(12,550)
Other non-operating gains (losses)			
Losses on disposal of assets or settlement of liabilities		(3,510)	(3,062)
Fair value losses		(37,824)	(81,632)
Profit (loss) before taxation		**1,009**	**64,077**
Taxation	**28**	24,936	45,832
Profit (loss) for the year		**25,945**	**109,909**

The supplementary information presented does not form part of the consolidated annual financial statements and is unaudited.

	Notes	2024 R'000	2023 R'000
Other operating expenses			
Advertising		(3,126)	(2,062)
Amortisation	**24**	(4,427)	(3,905)
Auditor's remuneration - external audit	**22**	(4,851)	(4,702)
Bad debts		(8,941)	(2,635)
Bank charges		(574)	(548)
Cleaning		(3,012)	(2,944)
Computer expenses		-	88
Accounting fees		(9)	(196)
Consulting and professional fees - general		(10,347)	(12,304)
Consulting and professional fees - legal fees		(6,470)	(10,859)
Consumables		(933)	(661)
Delivery expenses		(76)	(105)
Depreciation	**24**	(24,361)	(25,314)
Donations		-	(2)
Employee costs	**23**	(386,636)	(386,707)
Entertainment		(94)	(61)
Other		(1,901)	(597)
Lease rentals - operating leases		(2,156)	(2,056)
Temporary workers		(7,046)	(5,187)
Direct contract costs		(7)	(8,981)
Health and safety		(7,304)	(6,780)
Project costs		(9,322)	(23,984)
CSI		-	(41)
Programme training expenses		(3,708)	(6,219)
Credit checks		(13)	(10)
Impairment		(117)	(40)
Insurance		(10,004)	(10,317)
IT expenses		(13,247)	(27,062)
Short-term leases		(1,529)	(3,664)
Motor vehicle expenses		(4,395)	(5,145)
Municipal expenses		(111,918)	(112,828)
Placement fees		(1,092)	(585)
Printing and stationery		(1,160)	(869)
Promotions		(2,594)	(2,974)
Repairs and maintenance		(31,130)	(33,962)
Research and development costs		(868)	(557)
Security		(28,637)	(27,345)
Staff welfare		(3,580)	(3,888)
Subscriptions		(1,971)	(3,405)
Telephone and fax		(26,108)	(20,193)
Training		(8,038)	(6,069)
Travel - local		(58,698)	(24,283)
Travel - overseas		(614)	(1,068)
		(791,014)	**(791,026)**

The supplementary information presented does not form part of the consolidated annual financial statements and is unaudited.

ABBREVIATIONS & ACRONYMS

ABASA	Advancement of Black Accountants of Southern Africa
ADZ	Aquaculture Development Zone
ADB	African Development Bank
AfCFTA	African Continent Free Trade Area
AGSA	Auditor-General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
AIH	Africa Information Highway
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
AU	African Union
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
BFI	Budget Facility for Infrastructure
BMF	Black Management Forum
BPO	Business Process Outsourcing
Bps	Basis Points
BSc.	Bachelor of Science
BU	Business Unit
CA (SA)	Chartered Accountant of South Africa
CAPEX	Capital Expenditure
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
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
DEDEAT	Department of Economic Development, Environmental Affairs & Tourism
DFFE	Department of Environment, Forestry and Fisheries
DFP	Development Framework Plan
DRDLR	Department of Rural Development and Land Reform
DoE	Department of Education
DoH	Department of Health
DoT	Department of Transport
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
EC-PDP	Eastern Cape Provincial Development Plan
EIA	Environmental Impact Assessment
EM	Executive Manager
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
ESD	Enterprise and Supplier Development
ETI	Employment Tax Incentive
EU	European Union
EXMA	Executive Management Committee
FAW	First Automotive Works
FDI	Foreign Direct Investment
FY	Financial Year
GDP	Gross Domestic Product
GGDA	Gauteng Growth and Development Agency
GGP	Gross Geographic Product
GIAIP	Gulu Integrated Agro-Industrial Park
HA	Hectare
HCS	Human Capital Solutions
HIV	Human Immunodeficiency Virus
HRRC	Human Resources and Remuneration Committee
HV	High Voltage
IA	Implementing Agent
IAR	Integrated Annual Report
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
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
MSc.	Master of Science
MMC	Member of the Mayoral Committee
MTEF	Medium Term Expenditure Framework
MV	Medium Voltage
MW	Mega Watts
NAAQI	National Ambient Air Quality Indicator
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
OPEX	Operational Expenditure
OTP	Office of the Premier
P-MTSF	Provincial Medium Term Strategic Framework
PA	Principal Agent
PESTLE	Political, Economic, Social, Technological, Legal and Environmental
PFMA	Public Finance Management Act
PhD.	Doctor of Philosophy
PIA	Programme Implementing Agent
PIC	Public Investment Corporation
PLZ	Chief Dawid Stuurman International Airport
PMI*	Project Management Institute
PMI**	Purchasing Manager's Index
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
SIID	Research and Development
SA	South Africa
SAAE	South African Academy of Engineers
SAAQIS	South African Air Quality Information System
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
SDG	Sustainable Development Goals
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
TASEZ	Tshwane Automotive Special Economic Zone
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
VACC	Vulindlela Accommodation and Conference Centre
VAT	Value Added Tax
VWSA	Volkswagen South Africa
WISA	Water Institute for Southern Africa
WWTW	Wastewater Treatment Works

From left: Coega Chief Sustainability Officer, Ms. Telly Chauke, Coega Acting Executive Manager: Operations, Mr. Sadick Davids, Coega Chief Financial Officer, Mr. Rodger Hill, Coega Executive Manager: Corporate Services, Ms. Mokgaetši Sebothoma, Coega Executive Manager: Infrastructure Planning and Development, Dr. Mpumi Mabula, Stellantis SA MD, Mr. Mike Whitfield, Coega Acting Chief Executive Officer, Mr. Themba Koza, Coega Executive Manager: Business Development, Ms. Asanda Xawuka, Stellantis Industrial Project Director, Mr. Matthew Hughes, and Stellantis Plant Project Manager, Mr. Desmond Fenner.

Some of the featured Operational Investors at the Coega SEZ.

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

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The Tip-Off Anonymous hotline is currently independently managed by KPMG.

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

GQEBERHA HEADQUARTERS

Physical Address:

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COEGA

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

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

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

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