INTEGRATED ANNUAL REPORT

2024/25

coega.co.za

COEGA

▪ right PLACE ▪ right TIME ▪ right CHOICE

TOP HIGHLIGHTS
2024-25 FY

INVESTMENT DESTINATION OF CHOICE

13 new investors with a combined investment value of **R885.6 million**

OPERATIONAL INVESTORS

To date, the CDC has recorded a staggering **67 operational investors** with a combined investment value of **R12.4 billion**

REVENUE GENERATED

R727 million in revenue generated, which includes both the SEZ and non-SEZ programmes

JOB CREATION HUB

The CDC secured **4 599** additional construction jobs, reaching **11 012** operational jobs

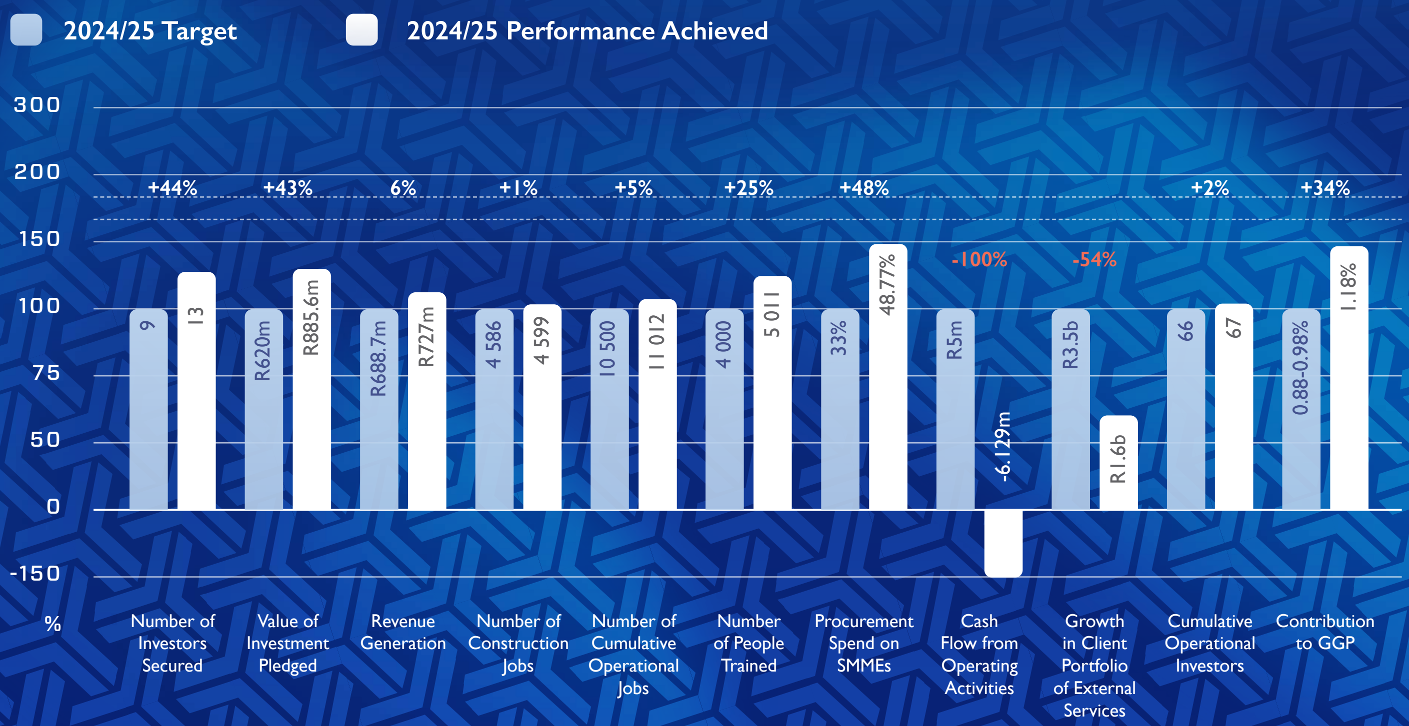
SMME PROCUREMENT

SMME procurement spend of **48.77%**

TRAINING

5 011 people have been trained

ANNUAL PERFORMANCE 2024/25 FY



STRATEGIC PLAN
2020 - 2025

2025

2024/25 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
   - Number of Cumulative Operational Jobs
3. **Skills Development**
   - Number of People Trained

2020

EASTERN CAPE ECONOMIC INDICATORS

EC Gross Domestic Product (GDP_R)

R331.2 bn (in 2022)
R333.7 bn (in 2023)
Constant prices 2015

GDP_R (Annual Growth Rate) in 2022
2.1%

GDP_R (Annual Growth Rate) in 2023
0.8%

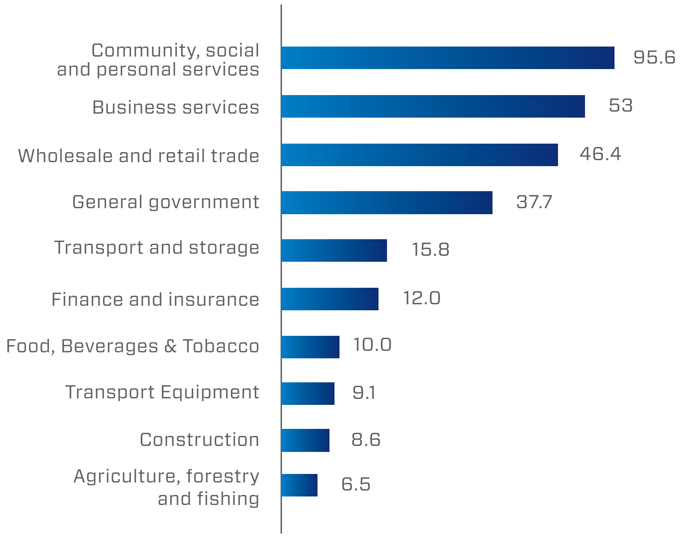
GDP
Annual average growth rate (2021 - 2023)
1.4%

R
Annual average growth rate (2021 - 2023)
0.6%

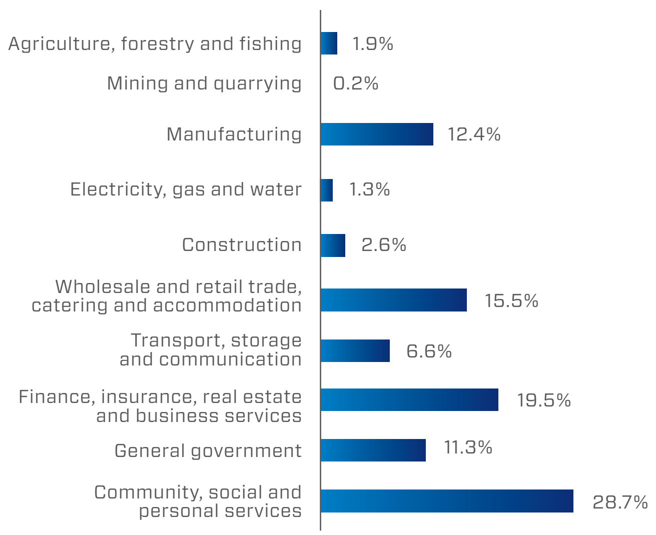
Total Investment 2022
0.6%

Total Investment 2023
0.7%

EC Top 10 Industries (GVA) - R Billion, 2023



EC GVA Sector Proportion (%), 2023



Price Inflation

SA Headline Inflation
2023 6.1%
2024 4.4%

EC Headline Inflation
2023 6.4%
2024 4.3%

COEGA

VISION

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

MISSION

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

VALUES

Integrity
Honesty, reliability and trust

Innovation
Needs-based service innovation and continuous improvement

Partnership
Teamwork and building long-term relationships with clients and stakeholders

Service Excellence
Delivery, speed, agile, flexible, quality and customer focus

Sustainability
Social, economic and environmental growth

CONTENTS

01

LAYING THE FOUNDATION

Like a spark that sets transformation in motion, the Coega Development Corporation ignited a year of bold progress in 2024/25—one defined by acceleration, resilience, and renewal. With inclusive and sustainable development—touching lives, empowering communities, and shaping futures.

ABOUT THIS REPORT

The 2024/25 Integrated Annual Report of Coega Development Corporation (CDC) is themed **"Catalysts of Progress"**, reflecting the organisation's commitment to driving sustainable socio-economic development through strategic infrastructure investment and inclusive growth. As a key enabler of economic transformation in the Eastern Cape and beyond, the CDC embraces integrated reporting to transparently showcase how its actions create lasting value for stakeholders. This report demonstrates the CDC's role as a catalyst—breaking down barriers, fostering collaboration, and accelerating progress towards a resilient and inclusive future.

The CDC embraces integrated reporting as a catalyst for progress, complying for over eleven years with the International Integrated Reporting Framework (<IR>). This approach fosters holistic thinking by connecting strategy, governance, performance, and stakeholder interests to promote sustainable development and financial stability. The 2024/25 Integrated Annual Report offers clear, concise, and connected insights into the CDC's mandate, strategy, and impact, supported by an updated website for ongoing engagement.

Aligned with the <IR> Framework, King IV governance principles, and relevant legislation, the report links organisational performance to strategy and risk. It covers the 2024/25 financial year, detailing the CDC's role in managing the Coega Special Economic Zone (SEZ) and supporting national infrastructure initiatives like the Infrastructure Delivery Programme (IDP) and National Infrastructure Plan 2050, which contribute to employment and empowerment in line with South Africa's National Development Plan Vision 2030.

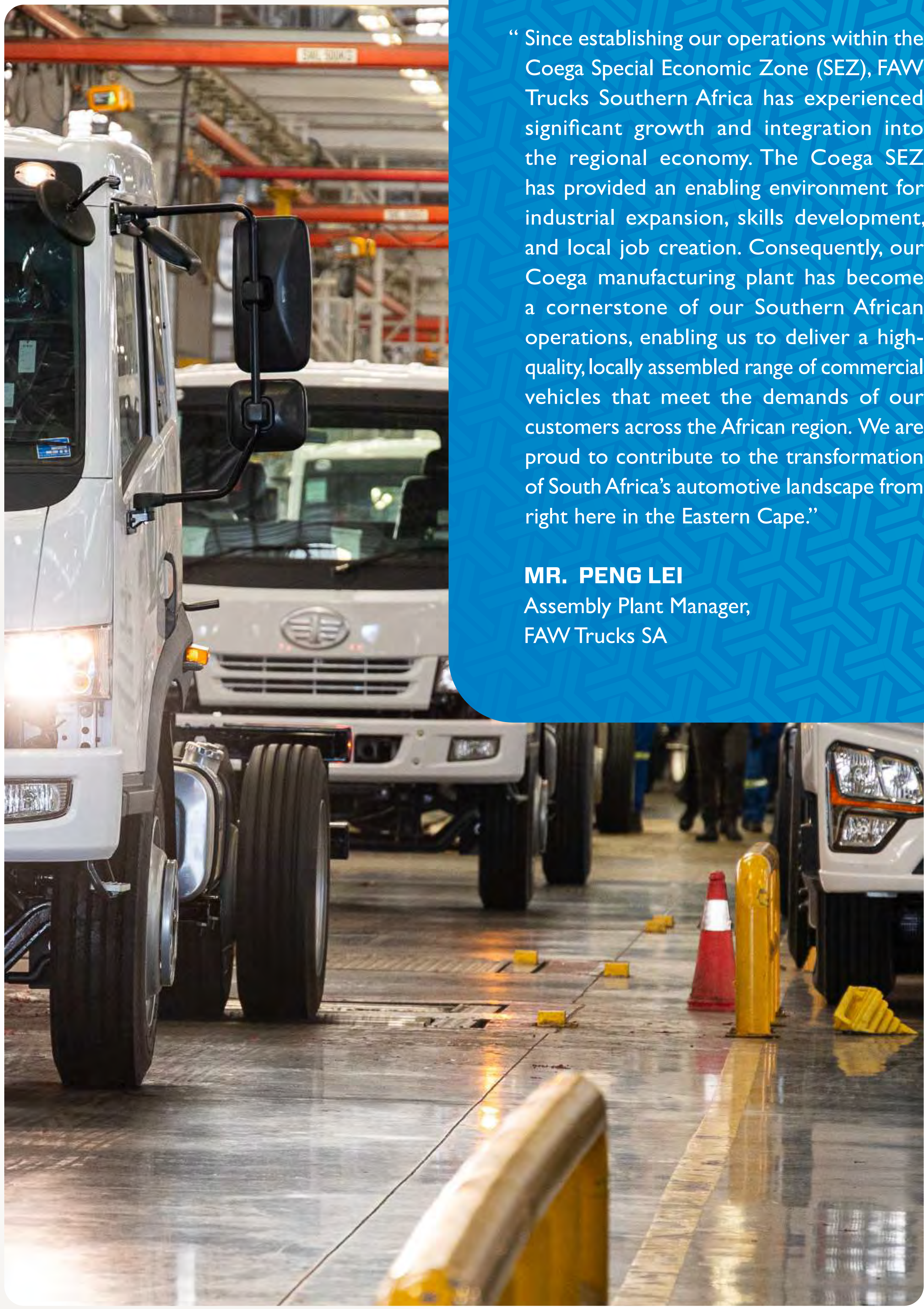
The CDC applies rigorous internal controls and independent external audits by the Auditor-General of South Africa to ensure accuracy and reliability. Performance is benchmarked against past results, while certifications in quality, environmental, health and safety, IT service, and information security demonstrate adherence to global standards. In 2024, the CDC earned the Eastern Cape Premier's Award for a Clean Audit, recognising its excellence.

The CDC Board expresses gratitude to government leaders, partners, and staff whose support is vital to its success. The Board confirms its responsibility for this report's accuracy and concludes that the 2024/25 Integrated Annual Report fully meets the International Integrated Reporting Framework's standards, reinforcing the CDC's role as a catalyst for sustainable progress.

The theme "Catalysts of Progress," reaffirms Coega Development Corporation's unwavering dedication to enabling sustainable development and inclusive economic growth.

Through robust governance, strategic foresight, and rigorous accountability, the CDC continues to act as a powerful agent of change. The 2024/25 Integrated Annual Report underscores the organisation's capacity to respond effectively to emerging challenges and opportunities, strengthening its role as a catalyst that propels progress for its stakeholders and the broader society it serves.

Grounded in global best practice and guided by national priorities, the CDC continues to build the trust and systems essential for lasting transformation. This report stands not only as a reflection of our impact—but as a launchpad for catalytic interventions still to come. The foundation is firm, the momentum is real, and the path forward is one of progress that endures.



" Since establishing our operations within the Coega Special Economic Zone (SEZ), FAW Trucks Southern Africa has experienced significant growth and integration into the regional economy. The Coega SEZ has provided an enabling environment for industrial expansion, skills development, and local job creation. Consequently, our Coega manufacturing plant has become a cornerstone of our Southern African operations, enabling us to deliver a high-quality, locally assembled range of commercial vehicles that meet the demands of our customers across the African region. We are proud to contribute to the transformation of South Africa's automotive landscape from right here in the Eastern Cape."

MR. PENG LEI
Assembly Plant Manager,
FAW Trucks SA

02

OUR PURPOSE, OUR POWER

At the heart of the CDC's mandate lies a commitment to catalytic progress—turning strategic intent into measurable value across every form of capital: social, economic, human, manufactured, intellectual, and natural. By aligning purpose with action, the CDC continues to drive inclusive development that is both far-reaching and future-fit.

REVIEW BY THE CHAIRPERSON

DR. LUVUYO BONO

BOARD CHAIRPERSON

The Coega Development Corporation (CDC) has once again demonstrated its capacity to deliver on its mandate, maintaining operational excellence and strategic focus despite a challenging global economic environment. This reporting period also marks the successful conclusion of the CDC's 2020–2025 strategic cycle, during which the organisation achieved 9 out of 11 corporate targets—affirming its role as a catalyst of progress in the region.

We are pleased to report that the CDC concluded this strategic cycle on a strong and positive trajectory. Notably, the organisation met many of its key performance indicators and achieved 100% of the targets set under the Special Economic Zone (SEZ) Investment Services Programme, further reinforcing its reputation as an engine for economic transformation.

The CDC's resilience and consistent performance are underscored by its sustained record of clean audit outcomes throughout the strategic cycle. In the past financial year, the organisation continued to deliver stakeholder value and drive socio-economic development, significantly surpassing its targets for financial sustainability and impact—key pillars of catalytic development.

Despite persistent global headwinds, including macroeconomic volatility, geopolitical tensions, and the ongoing conflict in the Middle East, the CDC has remained steadfast in executing its mandate. These external dynamics have reinforced the need for organisations like the CDC to not only adapt to change but to drive it, through strategic foresight and implementation.

While the CDC remains resilient, it is not immune to the broader performance of global markets. The attraction of foreign direct investment (FDI) remains a critical lever for economic transformation in South Africa. As global investment patterns evolve, the CDC continues to position itself as a proactive catalyst—seizing emerging opportunities while mitigating associated risks to ensure inclusive growth and long-term impact.

According to the United Nations Conference on Trade and Development's (UNCTAD) World Investment Report 2025, global FDI contracted for the second consecutive year, falling by 11 percent to US$1.49 trillion in 2024. International project finance—vital for infrastructure and development—registered the sharpest decline at 26 percent. Cross-border mergers and acquisitions also remained subdued, suggesting a structural shift toward domestic and near-shore investment amid growing global uncertainty.

On the African continent, however, FDI flows rebounded significantly, increasing by 75 percent in 2024 to reach US$97 billion, driven in large part by the Ras El Hekma urban development in Egypt. Greenfield projects, however, saw a slight decline, highlighting the continued importance of SEZs and catalytic infrastructure in sustaining investor confidence.

The energy sector emerged as the leading destination for greenfield investments, highlighting the growing strategic importance of sustainable energy. The CDC's own 100-megawatt solar farm development is aligned with this momentum, demonstrating its role in advancing Africa's shift to a more secure and sustainable energy future.

Importantly, South Africa ranked 5th on the FDI Diversification Index between 2020 and 2024, reflecting its emergence as a technology and innovation hub. This signals a growing confidence in the country's economic potential—confidence that the CDC continues to cultivate through its catalytic infrastructure projects and sector diversification.

Yet, South Africa's overall economic outlook remains constrained by structural limitations. Public investment has been slow to yield meaningful economic returns, and private sector confidence remains uneven amid fiscal strain and high unemployment. National real GDP is forecast at a modest 1.0 percent in 2025.

Despite these conditions, the CDC has continued to deliver on its catalytic mandate—rolling out critical infrastructure, drawing investment, and embarking on its new five-year strategic cycle centred on consolidation for growth and sustainability.

In a 2025 investment climate marked by heightened risk, investors are shifting focus toward resilient regions, high-impact sectors, and transformative assets. In this context, the CDC Board is closely guiding the organisation's global investment strategy to ensure it remains a magnet for catalytic investment.

It is particularly noteworthy that the CDC not only met, but in many areas exceeded, its annual corporate targets. Revenue reached R727 million—well above the R688.7 million target—demonstrating the success of its strategic approach to financial sustainability and reduced reliance on government funding.

Investment promotion efforts were equally strong. The CDC secured R885.6 million in investment from 13 investors, surpassing its target of nine. These investments reflect the SEZ's status as a leading destination for high-impact ventures. Growth sectors included automotive, logistics, and agro-processing—areas where catalytic infrastructure and streamlined investor support unlock accelerated development.

The decision by FAW Trucks SA and the Mediterranean Shipping Company to expand operations within the SEZ—investing R200 million and R400 million, respectively—speaks to the CDC's ability to attract and retain investor confidence. These expansions are expected to stimulate further job creation, skills development, and SMME inclusion.

Indeed, the CDC's impact extends well beyond capital inflows. As of 31 March 2025, 67 operational investors within the SEZ employed over 11,000 individuals. Contracts awarded during the year totaled R1.946 billion, with R945.5 million channelled to black-owned SMMEs—amplifying the CDC's role as a catalyst of inclusive economic growth.

Despite limited national support for SMMEs, the CDC continues to drive small business participation as a pathway to broader transformation. Procurement from SMMEs reached 48.77%—well above the 33% target—underscoring the organisation's commitment to equitable economic development.

A major milestone during the year was the R3 billion Stellantis automotive investment in Zone 2 of the SEZ. Mhlobiso Concrete, a CDC-supported SMME, was appointed to deliver the top structure and foundations—demonstrating the CDC's integrated development model that enables catalytic investments to fuel local enterprise and job creation.

The SEZ ecosystem continues to thrive through such synergies. In response to sector challenges, the CDC is actively positioning Coega as a continental automotive hub—one that can sustain regional momentum and anchor long-term industry viability.

Another transformative project on the horizon is Hive Hydrogen's US$4.6 billion Green Ammonia Plant. With construction scheduled to begin soon, the completion of its 1,430MW Solar PV Cluster marks a pivotal step in realising Africa's green hydrogen future.

In areas where performance fell short, including external service portfolio growth, the CDC has responded with a clear roadmap under its Strategic Plan 2025–2030. This includes lifecycle service expansion, decentralised procurement, and a new operating model designed to catalyse value across every touchpoint of infrastructure delivery.

> "Despite global headwinds, the CDC continues to roll out catalytic infrastructure, draw investment, and deliver inclusive growth—affirming its role as a leading catalyst of socio-economic development on the African continent."

The CDC's Non-SEZ Programme also remains an important lever for national development. Initiatives like the Cross Border Road Transport Agency project, the Aspen dtic extension, and the Bhisho Office Precinct show how Coega is supporting state delivery capacity while unlocking new opportunities for inclusive growth.

Regional partnerships—such as the Coega Africa Programme—are also growing. By aligning with AfCFTA objectives, the CDC is leveraging its position to advance trade integration and industrialisation across the continent—cementing its role as a catalyst of progress well beyond South Africa's borders.

The organisation also deepened its environmental commitments. Through a Carbon Footprint Analysis, a real-time emissions dashboard, and a Climate Change Response Plan, the CDC is positioning itself at the forefront of sustainability reporting in African SEZs.

Throughout this period, the CDC Board has maintained its focus on good governance, compliance, and organisational excellence. This includes a strong emphasis on talent development and values-driven leadership, essential elements in sustaining our role as a progressive and responsive public entity.

None of these achievements would have been possible without the support of our stakeholders. We thank our Executive Authority, DEDEAT, and the Eastern Cape Portfolio Committee on Economic Development for their strategic guidance. We also extend our gratitude to the dtic, the Portfolio Committee on Trade and Industry, our Board, Executive Management, and all CDC employees for their dedication.

Finally, we thank all stakeholders—public, private, and community—whose engagement challenges and inspires us. It is through this shared commitment to progress that we will continue to fulfil our vision of being a leading catalyst for socio-economic development on the African continent.

DR. LUVUYO BONO
Board Chairperson
Coega Development Corporation

BOARD MEMBERS

DR. LUVUYO BONO

CHAIRPERSON

Appointed: 2024; and 2024 (Chairperson)

Dr. Bono was appointed by the shareholder, MEC for the Department of Economic Development, Environmental Affairs, and Tourism (DEDEAT), Honourable Nonkqubela Peters, as the Coega Development Corporation Board member in March 2024, and as Board Chairperson on 01 October 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

CHIEF EXECUTIVE OFFICER

Appointed: 1999; and 2025 (Chief Executive Officer)

Mr. Themba Koza was appointed as Acting CEO in December 2024, and as Coega Development Corporation Chief Executive Officer on 01 April 2025. He holds a Masters Degree in Science from Rhodes University, a National Diploma in Chemical Engineering from Cape Peninsula University of Technology, and a Postgraduate Diploma in Sustainability from the University of Cambridge UK.

Mr. Koza's academic credentials are complemented by his ongoing professional development, including coursework for an Executive Masters in Business Administration from the University of Cape Town and a Management Development Programme from Wits Business School.

Mr. Koza is also a registered Prince2 Practitioner, showcasing his proficiency in complex project management and is currently enrolled with the Edinburgh Business School for a Master of Business Administration in International Business. Mr. Koza has held various senior and executive positions at the Coega Development Corporation in the areas of Safety, Health and Environment, Operations, Facilities Management, Infrastructure Delivery and Business Management. Prior to joining the Corporation, he held the position of Environmental Engineer at Foskor Limited.

SIBUSISO NDUNA

Appointed: 2023

Mr. Sibusiso Nduna is a qualified Chartered Accountant with 14 years' experience founding, leading, and managing companies and business divisions.

Mr. Nduna is the founder of Tornado Financial Services (Pty) Ltd and On Point Advisory (Pty) Ltd, entities that offer professional and management consultancy services to both the public and private sectors. He was trained and groomed as a professional by the global audit firm, Deloitte.

Mr. Nduna has worked in senior strategic, finance, auditing, and governance roles across diverse business environments. Prior key positions include, amongst others, being a Non-Executive Director of City Power Johannesburg (SOC), a municipal entity of the City of Johannesburg; a Non-Executive Director of the South African Institute of Chartered Accountants (SAICA); and a Non-Executive Director of the Advancement of Black Accountants of Southern Africa (ABASA).

Mr. Nduna holds an Honours Degree in Finance from the University of Cape Town, an Honours Degree in Accounting from the University of KwaZulu-Natal and is currently enrolled for a Masters' Degree in Development Finance with the University of Stellenbosch.

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 the 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.

BOARD MEMBERS

SIYABULELA LAZARUS

Appointed: 2023

Mr. Siyabulela Lazarus is an Investment Professional, with 14 years' experience. 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: 2023

Ms. Ziyanda Potelwa is a Pan-African Property Finance Professional, with experience in executing debt and equity investments from inception to completion.

Ms. Potelwa has extensive experience in executing commercial real estate transactions both nationally and in the rest of Africa, as well as exposure to SMEs financing, set in diverse 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 the For Generations Unincorporated Joint Venture, 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 Credit Division. She expanded her focus to equity investments in real estate at the largest asset management house in Africa, i.e., Public Investment Corporation (PIC).

PHELISA NKOMO

Appointed: 2021

Ms. Phelisa Nkomo is part of various 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. With South Africa hosting G20, Ms Nkomo serves in the B20 engagement stream with a focus on Trade and Investment.

In 2021 Ms. Nkomo was part of the establishment of the 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.

The CDC's integrated approach reinforces its role as more than an implementer—it is a proactive driver of sustainable transformation. Through long-term planning, impactful delivery, and a focus on shared value, the CDC is helping shape an inclusive economy grounded in resilience, equity, and progress that lasts.

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.

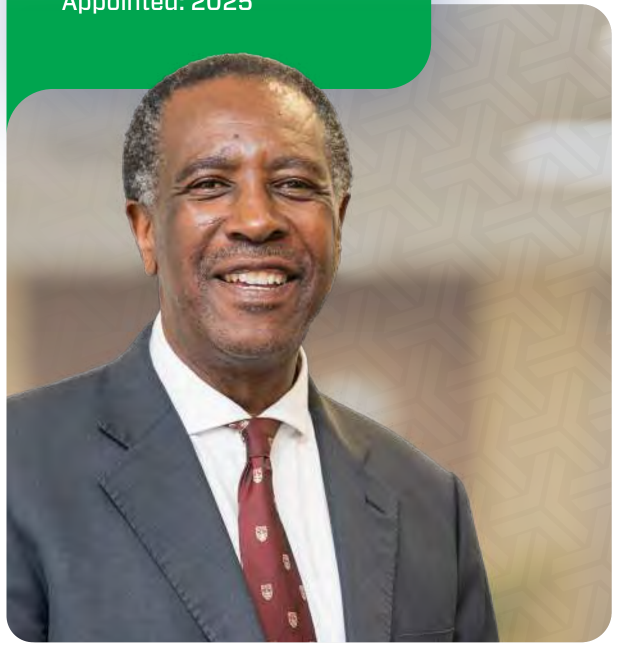
Nkomo has served in several Boards and acquired a depth of knowledge in areas like Pragmatic Leadership principles, Corporate Governance principles, Strategy Development, Risk Management, and lateral thinking. Currently, her Board and Executive roles include Commonwealth Entrepreneurs Club; Independent 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 the Western Cape (2008); a Post Graduate Diploma in Economic Policy from the University of the 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.

BOARD MEMBERS

SAKHIWO GLEN ZAMISA

Appointed: 2025



Mr. 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 and later 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, and sits on the Board of Trustees of the Medimed Medical Scheme, also serves in the Audit Committee of the Nelson Mandela Bay Municipality.

ANDILE STOFILE

Appointed: 2025

Mr. Andile Stofile is the Founder of The Leadership with a Soul Institute™. He has over 20 years of experience as a renowned Business Transformationalist, Global Communicator, Philanthropist, and Life-Business Strategist.

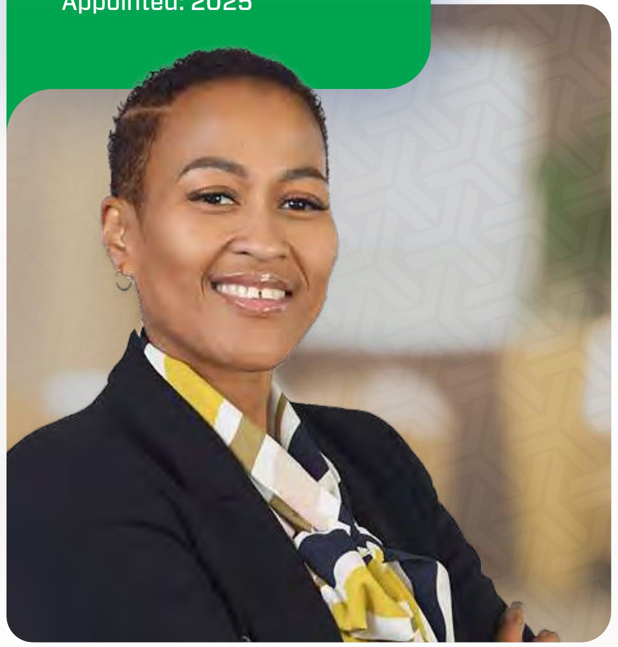
Mr. Stofile's extensive professional background encompasses full-scope facilitation, socio-economic transformation, corporate leadership development, and public/private sales optimisation. He holds a Commerce Degree with majors in Law and Economics, along with various industry certifications, and has strategically focused his career in the Telecommunications and ICT sectors.

His journey is marked by a swift progression through numerous roles and a collection of awards for excellence, ultimately leading to his current endorsement as a C-level executive.

Throughout his career, he has championed a vision of market disruption, striving to lead from the frontlines and pioneer innovative approaches to navigating the global economy. In addition to international relationship building and strategic philanthropic networking, he is an accomplished keynote speaker and transformational business and life coach.

ASANDA MYATAZA

Appointed: 2025



Ms. Asanda Myataza is a Chartered Accountant with over 15 years of experience in finance, accounting, and auditing. She currently serves as a Finance Executive at Life Healthcare Group, overseeing areas such as taxation, treasury, shared services, business solutions, and reporting.

She holds a BCom from Rhodes University and a Postgraduate Degree in Accounting from the University of KwaZulu-Natal. Ms. Myataza has held key roles at PwC, the University of Fort Hare, and the Office of the Auditor-General, and has served on several Boards. In 2011, she was selected by PwC's Global CEO to attend the prestigious Genesis Park Leadership School in Poland.

03

LEADERSHIP THAT SPARKS ECONOMIC MOMENTUM

Enduring progress begins with clarity of vision and strength of conviction. At the CDC, the resolve of our shareholders and leadership continues to shape a path defined by purpose, partnership, and catalytic action.

EXECUTIVE AUTHORITY

HON. NONKQUBELA PIETERS

MEMBER OF THE EXECUTIVE COUNCIL

The Coega Development Corporation (CDC) is a distinguished public entity, registered under 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 Honourable Nonkqubela Pieters, Member of the Executive Council (MEC) for Economic Development, Environmental Affairs, and Tourism, serves as the Executive Authority and sole shareholder of the CDC, representing the Eastern Cape Provincial Government.

The Department of Economic Development, Environmental Affairs, and Tourism (DEDEAT) is dedicated to fostering sustainable and inclusive economic growth. It aims to drive integrated economic, trade, and industrial development, ensuring a prosperous future for all.

Our foremost priority is the delivery of essential services to our communities. We are committed to addressing critical challenges such as youth unemployment, infrastructure deficiencies, and underperforming sectors with significant potential for economic growth. Despite geopolitical and global economic hurdles, our government has made substantial progress in bolstering regional economic activities. This includes strategic investments in infrastructure and attracting investments to the province.

Guided by the Eastern Cape Provincial Development Plan (EC-PDP) and Our Vision 2030, we are dedicated to tackling the triple challenge of unemployment, poverty, and inequality. Through targeted interventions, we continue to drive sustainable and inclusive growth well into South Africa's eighth administration.

We are excited about the Coega Special Economic Zone's (SEZ's) progress in industrialising the Eastern Cape with some significant advancements in investment and development. In fact, following last year's investment announcements, we are excited to share that First Automotive Works (FAW) Trucks has pledged an additional R200 million for their expansion plans. This investment will facilitate the construction of a truck staging facility, a wash bay, and upgrades to their training technology. As a result, truck production is expected to rise from 5,000 to 8,000 units over the next five years, while the number of individuals trained in advanced technology will increase from 2,000 to 5,000, equipping them for industry roles.

In October 2024, the Coega SEZ celebrated the inauguration of the Orion Engineered Carbons (Orion) Tank Farm in Zone 7. The Department of Trade, Industry and Competition (the dtic) contributed R272 million for the construction of two 18,000 m^3 oil tanks, while Orion invested R340 million to upgrade their plant and equipment. This pivotal development underscores Coega's commitment to enhancing South Africa's automotive and tyre manufacturing sectors and promoting economic growth in the Eastern Cape. The initiative has safeguarded approximately 7,000 jobs in the automotive and tyre manufacturing value chain that were at risk without this investment.

Additionally, the Coega SEZ Pharmaceutical and Vaccine Zone received full designation approval under the SEZ Act. This R685 million project is set to boost vaccine production from 300 million doses per year to 1.3 billion within five years, significantly contributing to Africa's healthcare sovereignty.

Coega is also collaborating with the dtic to ensure the successful integration of the Nelson Mandela Bay Logistics Park (NMBLP) into the Coega SEZ, a vital component for supporting local automotive manufacturers.

The Coega SEZ continues to thrive despite economic challenges. The fifth annual Coega SEZ Census Report for 2023/24, launched in partnership with Statistics South Africa, reveals impressive economic growth, with total income increasing by 32.2% to R25 billion in 2024. Employment rose by 14.7% to 9,842 workers, with manufacturing being the largest employer at 59.4% of jobs and youth employment reaching 45% of the workforce. The number of operating enterprises grew from 43 to 46, with non-manufacturing making up 63% of tenants, while manufacturing still accounted for 70.2% of total income, despite a slight decline from the previous year. Capital investment also saw strong growth, with new asset spending up 67.6% to R935 million, primarily focused on plant, machinery, and equipment.

Over the last five financial years, CDC has secured 51 investors with a combined investment value R3.557bn and construction jobs 4,599 and expectancy to create more than 6,000 jobs once all investors are operational.

In the 2024/25 fiscal year, Discovery Health's expansion of R8.99 million has resulted in approximately 120 operational jobs. Dynamic Commodities has completed a R450 million expansion, creating about 300 construction jobs and 1,800 seasonal operational roles, enhancing primary agricultural processing for export markets.

Moreover, Argentinian investor San Miguel has invested R480 million into their lemon processing facility at Coega SEZ, generating 120 operational jobs and an additional 250 indirect jobs in the 2024/25 fiscal year. They are also planning an R80 million Phase 2 expansion this fiscal year to increase their production capacity to 100,000 tons of juice concentrate annually for export to 50 countries. Additionally, the Mediterranean Shipping Company has committed to a R400 million investment to expand its existing facility in Coega, with construction set to begin this fiscal year.

The Coega SEZ Water Security Programme, valued at R1.77 billion, is underway, expected to create 528 direct and indirect job opportunities during the construction phase. This programme will ensure a consistent water supply for investors and neighbouring communities. Professional service providers have been appointed for five out of six project sections, with construction having commenced on two sites, involving an expenditure of R308 million, and creating 300 jobs in the current fiscal year. Furthermore, Coega, in partnership with the Nelson Mandela Bay Metro, is implementing a R1 billion water programme aimed at addressing the prevailing water challenges in the region.

My department commends the CDC for its strong performance during the financial year. I extend my sincere appreciation to the CDC Board for its strategic leadership and commitment to accountability in advancing the organisation's mandate. We look forward to continued collaboration as the CDC embarks on the implementation of its Strategic Plan 2025–2030 and delivers key investment and infrastructure development initiatives. CDC remains a vital partner in driving sustainable growth and prosperity in the Eastern Cape.

HON. NONKQUBELA PIETERS
Member of the Executive Council
Department of Economic Development, Environmental Affairs and Tourism

That same clarity and commitment remain central to the CDC's momentum. With steadfast leadership and a unified strategic direction, the organisation advances with focus, transforming ambition into action and cementing its role as a trusted catalyst of inclusive, sustainable progress.

04

NAVIGATING COMPLEXITY, LEADING WITH CLARITY

Even amid uncertainty, the CDC advances with strategic foresight, adaptability, and a deep commitment to inclusivity. Guided by its mandate, the organisation continues to act as a catalyst of progress, turning challenges into opportunities for transformative impact.

REVIEW BY THE CEO

THEMBA KOZA

CHIEF EXECUTIVE OFFICER

Like a spark that ignites momentum, the 2024/25 financial year marked a pivotal turning point in the Coega Development Corporation's (CDC) strategic journey—a year where resilience met reinvention. In the face of persistent economic headwinds, we stayed the course, shedding non-core functions, refining our focus, and laying the groundwork for long-term, catalytic impact.

Our immediate priority was survival. But with the foundation now stabilised, we are shifting gears—optimising the development of our Special Economic Zone (SEZ), expanding our footprint as a trusted implementing partner, and unlocking opportunity in underserved communities. These steps are not just operational—they are catalytic. Each one reinforces our role as agents of transformation across the Eastern Cape and beyond.

As a state-owned entity, the CDC is aligned with national imperatives—advancing inclusive growth, reducing poverty, and strengthening the architecture of a capable, ethical state. Our impact is evident—in the construction jobs we've created, the infrastructure we've delivered, and the inclusive growth we've championed in every community we serve.

We conclude the 2020–2025 strategic cycle on solid ground, having achieved 9 of 11 Key Performance Indicators—an overall performance rate of 82%. We ignited bold reforms in investor promotion: surpassing targets for new investor signings and investment value by over 40%, and exceeding our revenue target by 5%, reflecting 13% year-on-year growth. These are not just figures—they are signals of strategic traction and catalytic confidence.

Under the SEZ Investment Services programme, we achieved 100% of our targets—solidifying our reputation as a premier destination for high-impact investment. These results have enabled us to tell a stronger story to our stakeholders, even amid broader macroeconomic volatility.

Looking forward, our new five-year strategy—"Consolidation for Growth and Sustainability"—is our blueprint for a resilient future. At its heart lies a commitment to financial sustainability, adaptive foresight, and inclusive development. In a dynamic and uncertain environment, we are building an organisation that not only endures—but accelerates progress.

Our goals are supported by a capable workforce and robust operational systems. By focusing on customer intimacy, operational excellence, and product leadership, we continue to deliver measurable value. Key enablers ahead include securing regulatory licenses for water and electricity provision, and advancing our vision for a regional aviation hub to boost intra-African trade.

Our core mandate—the development and management of the 9,003-hectare Coega SEZ adjacent to the Port of Ngqura—remains our anchor. Since 2004, we have complemented this through implementing agency services across the public sector, unlocking SMME participation, and fostering employment through human capital development.

As a Schedule 3D entity under the PFMA, wholly owned by the Eastern Cape Government, the CDC has remained steadfast since 1999. With a headquarters in Nelson Mandela Bay and five satellite offices across the country, we continue to drive infrastructure-led growth and catalyse inclusive development.

However, sustaining our trajectory requires predictable operational funding. While we've demonstrated strong results, we are working closely with the Shareholder and Provincial Treasury to secure the support needed to deepen our catalytic role.

To date, we have attracted 67 operational investors to the SEZ, representing over R12.4 billion in investment, and manage a R4 billion infrastructure portfolio through our implementing agency services. These achievements align with the goals of the National Development Plan 2030 and the priorities of the 7th Administration under the Government of National Unity.

Looking ahead, our strategic focus includes investment attraction, enterprise retention, customer satisfaction, and expanding our implementation portfolio. Strategic partnerships remain at the core of our progress—ensuring we remain a trusted delivery partner for transformative projects.

We have set bold targets: to grow revenue to R1 billion by 2030, lease over 412 hectares of land, and support operational enterprises generating at least R24 billion in revenue by 2050. These are not mere aspirations—they are milestones on our journey as a catalyst of national progress.

In closing, I extend sincere gratitude to our government partners, investors, employees, and communities. Your trust and collaboration continue to power our shared mission. Together, we will ensure the CDC remains not only relevant, but catalytic—igniting growth, enabling resilience, and shaping a more inclusive future for all.

Thank you.

THEMBA KOZA
Chief Executive Officer
Coega Development Corporation

"Our impact is evident—in the construction jobs we've created, the infrastructure we've delivered, and the inclusive growth we've championed in every community we serve."

EXECUTIVE MANAGEMENT

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

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

THEMBA KOZA

CHIEF EXECUTIVE OFFICER

LUMKA PANI

CHIEF AUDIT EXECUTIVE

FEZILE NDEMA

CHIEF SUSTAINABILITY OFFICER (ACTING)

RODGER HILL

CHIEF FINANCIAL OFFICER

ASANDA XAWUKA

EXECUTIVE MANAGER: BUSINESS DEVELOPMENT

DR. MPUMI MABULA

EXECUTIVE MANAGER: INFRASTRUCTURE PLANNING AND DEVELOPMENT

MOKGAETŠI SEBOTHOMA

EXECUTIVE MANAGER: CORPORATE SERVICES

CHUMA MBANDE

EXECUTIVE MANAGER: BUSINESS DEVELOPMENT - NON-SEZ PROJECTS

SADICK DAVIDS

EXECUTIVE MANAGER: OPERATIONS (ACTING)

DR. DAVID LEFUTSO

EXECUTIVE MANAGER: WILD COAST SEZ PROGRAMME

MAGAMA MAKGAMATHO

CHIEF KNOWLEDGE AND DIGITAL OFFICER

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 service delivery.

Clients include the National Departments of Public Works and Infrastructure; Health; Basic Education; Higher Education, as well as the Eastern Cape Provincial Departments of Health; Education; Sports, Recreation, Arts and Culture; and Economic Development, Environmental Affairs and Tourism. Other local clients include Nelson Mandela Bay Municipality; and Ingwe TVET College.

Our clients can also be found in other provinces, including the KwaZulu-Natal Provincial Department of Education; Tshwane Automotive SEZ; Transnet National Ports Authority; SANRAL; and ACSA.

FEZILE NDEMA

PROGRAMME DIRECTOR: SHARED SERVICES

GUGULETHU MOYO

PROGRAMME DIRECTOR: DoH

DR. SIYABONGA SIMAYI

PROGRAMME DIRECTOR: CLIENT SOLUTIONS

THEMBEKA POSWA

PROGRAMME DIRECTOR: EC DoE

ZUKO MQHATU

PROGRAMME DIRECTOR: SEZ PROPERTY DEVELOPMENT AND MANAGEMENT

ALBERT CHETSANGA

PROGRAMME DIRECTOR: NATIONAL DPWI

THANDILE NGXEKANA

PROGRAMME DIRECTOR: KZN DoE

IDRISS MOUCHILI

PROGRAMME DIRECTOR: COEGA AFRICA PROGRAMME

BEKANI MADYIBI

PROGRAMME DIRECTOR: SANRAL, ACSA AND WATER RESOURCES PROGRAMME

VINCENT HAYNES

PROGRAMME DIRECTOR: SBFS

THANDILE JACK

PROGRAMME DIRECTOR: BD - PROJECT DEVELOPMENT

ZAKHELE KUNENE

PROGRAMME DIRECTOR: TSHWANE PROGRAMME

CRAIG LUCKMAN

UNIT HEAD: HUMAN CAPITAL SOLUTIONS

ZINE MTANDA

UNIT HEAD: SUPPLY CHAIN MANAGEMENT

ZOLA NGOMA

UNIT HEAD: HUMAN RESOURCES

KEITH HARVEY

UNIT HEAD: LEGAL SERVICES

AYANDA BAMBISO

UNIT HEAD: MARKETING, BRAND AND COMMUNICATIONS

SEMIYOU RAFIOU

UNIT HEAD: RESEARCH

CELESTE PRINCE

UNIT HEAD: COMPLIANCE AND CONTROLS

ANATHI MLUNGWANA

UNIT HEAD: TRADE FACILITATION

PHEEHA MOLELE

UNIT HEAD: SPATIAL DEVELOPMENT

RIDWAAN DAVIDS

UNIT HEAD: ESTATE MANAGEMENT

NONTANDAZO MAKWETU

UNIT HEAD: RECRUITMENT AND PLACEMENT

MEIKE WETSCH

UNIT HEAD: CAPITAL RAISING AND FUNDING

ORGANISATIONAL OVERVIEW

- **OFFICE OF THE CEO**
  - INTERNAL AUDIT AND FORENSIC INVESTIGATIONS
  - MARKETING, BRAND AND COMMUNICATIONS
  - **SEZ INVESTMENT SERVICES**
    - **BUSINESS DEVELOPMENT**
      - INVESTMENT PROMOTION
    - **OPERATIONS**
      - SEZ PROPERTY DEVELOPMENT AND MANAGEMENT
      - TRADE FACILITATION
      - SPATIAL DEVELOPMENT
      - ESTATE MANAGEMENT
- **CENTRAL SUPPORT SERVICES**
  - **FINANCE (CFO)**
    - SUPPLY CHAIN MANAGEMENT
    - CAPITAL RAISING AND ALLOCATION
    - SMALL BUSINESS FINANCE AND SUPPORT
    - COMPLIANCE AND CONTROLS
  - **INFORMATION AND COMMUNICATIONS TECHNOLOGY**
    - RESEARCH
  - **SUSTAINABILITY**
    - SAFETY, HEALTH, ENVIRONMENT AND QUALITY
  - **CORPORATE SERVICES**
    - HUMAN RESOURCES
    - SHARED SERVICES
    - LEGAL SERVICES
    - HUMAN CAPITAL SOLUTIONS
    - SMALL, MICRO AND MEDIUM ENTERPRISES
- **NON-SEZ SERVICES**
  - **BUSINESS DEVELOPMENT NON-SEZ PROJECTS**
    - CLIENT SOLUTIONS
  - **WILD COAST SEZ PROGRAMME**
  - **COEGA AFRICA PROGRAMME**
- **INFRASTRUCTURE PLANNING AND DEVELOPMENT**
  - NATIONAL DPWI PROGRAMME
  - DoH PROGRAMME
  - SANRAL, ACSA AND WATER RESOURCES PROGRAMME
  - TSHWANE PROGRAMME
  - EC DoE PROGRAMME
  - KZN DoE PROGRAMME
  - MEGA PROJECTS

OUR STRATEGIC FOCUS

The Coega Development Corporation (CDC) continues to advance its mission of driving socio-economic development in the Eastern Cape and South Africa through competitive investment locations, strategic infrastructure delivery, and tailored commercial solutions. Since its establishment in 1999, the CDC has acted as a catalyst of progress, promoting job creation, addressing poverty, and fostering economic resilience.

Guided by its 2020–2025 strategy and aligned with the SEZ Act (No. 16 of 2014), the CDC focuses on key priorities: financial sustainability, market expansion, SEZ development, economic impact, SMME inclusion, job creation, and skills development. Performance against these outcomes is detailed throughout this report, reflecting the CDC's role in accelerating meaningful transformation.

To strengthen long-term sustainability, the Capital Raising Office was established to unlock new funding streams and investment opportunities. Despite evolving challenges, the CDC has grown both its investor base in the Coega SEZ and its non-SEZ portfolio across South Africa—mobilising resources that fuel progress at scale.

On the continental front, the CDC continues to explore opportunities aligned with the African Continental Free Trade Area (AfCFTA), contributing to greater regional integration and economic connectivity. Its work beyond South Africa's borders reflects a growing confidence in its ability to deliver complex, high-impact projects in diverse environments—demonstrating its capacity as a continental catalyst.

In addition to its commercial and infrastructure achievements, the CDC maintains a strong focus on human capital development. Programmes supporting youth, women, and persons with disabilities—as well as initiatives like Maths & Science support and the Coega Global Scholars Programme—will continue to evolve in the next strategic cycle, nurturing the next generation of changemakers.

Through its steady growth, adaptability, and collaborative approach, the CDC remains well-positioned to contribute meaningfully to the region's development priorities—strengthening momentum where it matters most, and driving progress where it's needed most.

In developing its strategic plans and operational framework, the CDC has consistently integrated Environmental, Social, and Governance (ESG) considerations. From planning and expanding the Coega SEZ to delivering tailored commercial solutions, the CDC applies ESG principles to support sustainable economic growth, safeguard environmental resources, and promote social equity. Key ESG-focused initiatives include job creation and skills development for local communities, support for small and medium-sized enterprises (SMMEs), implementation of sustainable infrastructure and green energy solutions, and the promotion of transparent governance. By aligning its 2020–2025 strategy with these ESG priorities, the CDC ensures that its investment, development, and regional integration efforts advance economic growth while reinforcing long-term social and environmental resilience.

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
- NUMBER OF CUMULATIVE OPERATIONAL JOBS

OUTCOME:
SKILLS DEVELOPMENT

- NUMBER OF PEOPLE TRAINED

2024/25 IMPACT STATEMENT

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

RISK MANAGEMENT

OVERVIEW AND COMMITMENT

As a public entity, the Coega Development Corporation (CDC) upholds a proactive and structured approach to risk management—recognising it as fundamental to sustainable operations, strategic delivery, and organisational progress. In alignment with the King IV Report on Corporate Governance, the Public Finance Management Act (PFMA), and other regulatory frameworks, CDC has adopted the Public Sector Risk Management Framework, supported by a formal Risk Management Policy. Operational procedures are informed by the ISO 31000 international standard, ensuring consistency and resilience. A strategic risk register is developed annually and submitted to the Audit and Risk Committee and the Board for approval—reinforcing CDC's role not only as a responsible enabler of growth, but as a catalyst of progress through foresight, accountability, and adaptive governance.

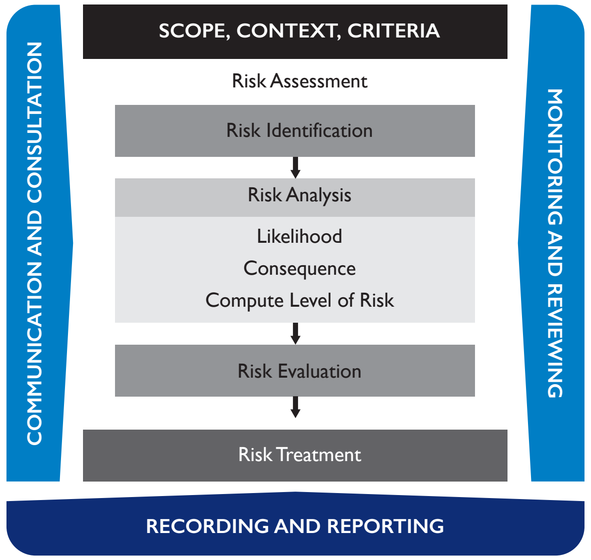
RISK GOVERNANCE STRUCTURE

Risk management is embedded across all levels of the SEZ and guided by a structured governance framework:

- **Board of Directors holds ultimate oversight;**
- **Audit and Risk Committee monitors effectiveness and interacts with management on risk management on a quarterly basis;**
- **Executive Management identifies and manages risks at strategic and operational levels;**
- **Risk Management Unit coordinates ERM processes and ensures policy compliance.**

RISK MANAGEMENT PROCESS

To support the achievement of its corporate objectives, the CDC embraces Enterprise Risk Management (ERM) in line with the ISO 31000 standard. This involves a structured and continuous process of applying management policies and practices to identify, assess, and respond to risk. Through consistent communication, consultation, and review, the CDC strengthens its ability to navigate complexity and maintain operational focus—quietly enabling progress where it matters most.



CHANGES IN THE RISK LANDSCAPE

Investor sentiment remains sensitive to economic and political uncertainty, while increasing digitisation has elevated cybersecurity as a strategic priority. Fiscal constraints continue to impact SEZ development and public infrastructure projects. Additionally, US tariff uncertainties may affect the SEZ's ability to attract export-oriented investors.

RISK APPETITE AND TOLERANCE

The SEZ adopts a risk-averse approach, especially regarding legal compliance and reputation. However, it may tolerate higher risk for new products, services, or projects with strong business cases, provided adequate mitigation is in place.

INTERNAL CONTROLS AND ASSURANCE

CDC employs a three-tier assurance approach to the management of risks.

The CDC's assurance model integrates risk management across the business to support strategic, informed decision-making. Management leads the first tier by implementing and reviewing risk mitigation actions. Independent reviews—by Internal Audit, regulators, certification bodies, and external auditors—form the third line of defence, ensuring controls are effective and resources are used efficiently without duplication.

TRAINING AND RISK CULTURE

Risk awareness is promoted through staff inductions, regular training on risk and ethics, portfolio risk reviews with business units, management-led risk discussions, and an open reporting culture supported by a whistleblowing hotline.

OUTLOOK

Looking ahead, the SEZ aims to bolster its risk resilience by enhancing cybersecurity infrastructure, deepening stakeholder engagement to safeguard reputation, and updating its risk register to reflect emerging ESG and climate-related risks—laying the groundwork for more responsive, forward-looking practices that quietly enable progress.

PRINCIPAL RISKS AND RESPONSES

Risk Category	Risk Description	Potential Impact	Mitigation Strategy	Risk Trend
Strategic	Slowdown in investment attraction.	Low economic impact, loss of stakeholder confidence.	Targeted investment promotion; collaboration with dtic & foreign missions.	Stable
	Late implementation of infrastructure projects due to external and internal factors.	Loss of CDC reputation as an Implementing Agent.	Fast-track the Planning Process landing sooner to implementation stage.	Stable
Operational	Disruption of SEZ operations.	Decline in investor confidence.	Fencing the unfenced zones of the Coega SEZ.	Stable
Financial	Inadequate funding for OPEX and capital projects.	Project delays, failure to meet performance targets.	Diversify revenue generation.	Stable
Regulatory/Legal	Non-compliance to relevant legislations, regulations and other requirements.	Penalties, audit findings, loss of public trust.	Regular compliance audits; training and governance oversight.	Decreasing
Reputational	Failure to meet CDC SMME participation targets.	Reputational damage to the CDC brand.	Develop a programme to maximise SMME opportunities.	Decreasing
Human Capital	Losing talent with critical skills.	Decline on personnel performance levels.	Create a retention plan that included elements of recognition and reward programmes with measurable objectives.	Stable
Information Technology	Data sovereignty risk due to adoption of Cloud Services.	Disruption of ICT services.	Develop and implement a Cloud Strategy.	Stable
	Financial loss due to cyber-attacks.	Disruption of ICT services.	Implement the Cyber Security Control measures identified during the Information Security Assessment. Disruption of ICT services.	Stable
	Loss of CDC information due to exploitation of information security vulnerabilities or breaches.	Operational disruption, loss of sensitive data.	IT controls, backup systems, cybersecurity awareness.	Stable

ADDRESSING STAKEHOLDER INTERESTS

STAKEHOLDERS

The Coega Development Corporation (CDC) operates within a diverse and interconnected network of stakeholders who influence and are influenced by its activities. As a catalyst of progress and socio-economic transformation, CDC relies on these relationships to unlock value, support development outcomes, and drive its mandate forward.

Stakeholder management is approached strategically—grounded in mutual respect, active engagement, and responsive action—to ensure alignment with societal needs and organisational goals.

Strategic Objectives Achieved in Stakeholder Engagement (2024/25):

- Developed guiding principles to strengthen engagement practices.
- Executed a comprehensive stakeholder engagement strategy and plan.
- Engaged stakeholders proactively to meet or exceed expectations.
- Fostered trust through transparent and inclusive communication.
- Maintained regular dialogue with key decision-makers for initiative support.
- Ensured a continuous flow of project-related information to stakeholders.
- Measured stakeholder satisfaction through structured feedback mechanisms.
- Delivered clear, consistent messaging to internal and external audiences.
- Ensured timely and accurate information sharing.
- Responded to media and stakeholder queries efficiently.
- Centralised stakeholder queries through a dedicated point of contact.

Communication Principles Observed:

- Transparency & Integrity: Open, unified messaging upheld CDC's credibility.
- Direct Engagement: Face-to-face communication ensured understanding and trust.
- Clarity & Consistency: Messaging remained clear, focused, and unbiased.
- Timeliness: Real-time updates helped reduce uncertainty and misinformation.
- Frequency: Regular communication kept stakeholders informed on milestones.
- Established Channels: Trusted platforms were used to ensure message integrity and alignment with communication policies.

STAKEHOLDER RELATIONS APPROACH

In line with King IV Principle 16, CDC adopts a stakeholder-inclusive philosophy, balancing stakeholder needs with long-term sustainability. The governing body sets the tone, supported by the Social and Ethics Committee, to ensure responsible relationship management.

CDC's approach aligns with the Constitution, relevant legislation, and good governance principles. Its stakeholder strategy—rooted in instrumental value—continues to reinforce relationships that enable progress and amplify CDC's impact.

During the year under review, stakeholder engagement remained decentralised across Executive Managers, Programme Directors, and Business Unit Heads—an approach suited to the scale and complexity of the CDC. This structure, aligned with organisational strategy, enabled improved partnerships and more responsive engagement.

As a result, stakeholder relationships continued to strengthen, supporting CDC's role as a catalyst of progress. The organisation achieved an External Stakeholder Satisfaction Survey score of 4.0 out of 5.0 for 2024/25—maintaining the previous year's rating and improving on the 3.8 scored in 2023/24.

3.8/5 **4.0/5**

Improvement in External Stakeholder Satisfaction Survey score between 2023 and 2024

EXTERNAL STAKEHOLDERS

Effective two-way communication with shareholder and client government departments ensured mutual understanding of CDC's challenges and required interventions. Over 132 stakeholder engagement activities were undertaken during 2024/25 (up from 119 in the previous year), reinforcing transparency and trust through timely, accurate and relevant information sharing.

977 STAKEHOLDERS ENGAGED

322 STAKEHOLDER INTERACTIONS

33% EXTERNAL ENGAGEMENT SHARE

4/5 EXTERNAL SATISFACTION RATING

STAKEHOLDER RELATIONSHIPS

COEGA STRATEGY

COEGA FINANCIAL PERFORMANCE

Key engagements included:

- Eastern Cape Rural Development Agency Hemp Seminar (with Coega)
- Nelson Mandela Bay Business Chamber Manufacturing Showcase
- Provincial STEAM Education Seminar in Makhanda
- World Hydrogen Summit and Exhibition in Rotterdam
- FAW Trucks South Africa 30-Year Celebration
- Launch of Medigrow in Zone 3, Coega SEZ
- School handovers in the Eastern Cape
- Coega SEZ Census Report release
- Maths and Science Programme 12th Anniversary
- Infrastructure Africa 2024 Conference
- AfCFTA Conference
- Delegations from Zhuhai City and Ningbo, China
- Orion Engineered Carbons Tank Farm ribbon-cutting
- MoU signing with AIDC Gauteng
- Premier's Year-End Reflections Awards
- Eastern Cape Inclusive Growth Roundtable
- Coega SEZ Investor Engagement Session
- Africa Energy Indaba & Africa Gas Forum
- Southern Africa Oil and Gas Conference
- MoA signing with Cross-Border Road Transport Agency

These strategic engagements continue to position CDC as a trusted partner and catalyst of progress in regional and continental development.

ADDRESSING STAKEHOLDER INTERESTS

	Inform	Consult	Involve		Collaborate	Empower
Stakeholder Engagement Goals	To deliver balanced, objective, accurate, and consistent information that helps stakeholders understand challenges, options, opportunities, and solutions.	To gather stakeholder feedback on analyses, alternatives, and outcomes.	To engage directly with stakeholders throughout the process, ensuring their concerns and needs are understood and addressed.		To collaborate with stakeholders in developing alternatives and identifying effective solutions.	To empower stakeholders with final decision-making authority, enabling active contribution toward achieving outcomes.
Promise to Stakeholders	The CDC ensures project information is relevant, up to date, timely, and responsive to stakeholder needs.	The CDC keeps stakeholders informed, values their input, and provides feedback on how it influences decisions and outcomes.	The CDC collaborates with stakeholders to ensure their concerns and aspirations shape project outcomes and provides feedback on how their input influenced decisions.		Where appropriate, the CDC seeks stakeholder input and incorporates their advice and recommendations into solutions wherever possible.	The CDC partners with key stakeholders to implement high-impact programmes that address 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 (including collaboration with other agencies where feasible)	• Public Comments • Focus Groups • Surveys • Public Meetings • Internet Platforms • Social Media Tools	• Workshops • Forums • Social Media Platforms		• Reference Groups • Facilitated Consensus • Building Forums for Deliberation and Decision-Making • Experimental Projects	• Dialogue Sessions • Joint Planning Forums • Competitions • Shared Projects • Capacity Building Initiatives

STAKEHOLDER ENGAGEMENT METHODOLOGY - 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 and 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, etc.), 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			

Donaldson and Preston (1995) argued that stakeholders who influence a firm's objectives can, in turn, impact its decisions and performance. The stakeholder approach is instrumental—effective stakeholder management contributes to achieving business goals such as profitability, growth, and sustainability. This orientation, known as the Instrumental Value Approach, views stakeholder engagement as a means to maximise value and business outcomes.

05

DRIVING RESULTS THAT MATTER

The CDC's role as a catalyst of progress is reflected in outcomes that matter—critical infrastructure delivered, jobs created, and lives uplifted. Each result marks a step forward in building an inclusive and resilient future.

RESPONSIBILITY STATEMENT OF THE CEO & CFO

For the year ending 31 March 2025

The Chief Executive Officer and Chief Financial Officer, whose names are stated below, hereby confirm that:

a. the Consolidated Annual Financial Statements set out on pages 106 to 169, 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 Consolidated 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 Consolidated 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.

SIGN OFF

THEMBA KOZA

CHIEF EXECUTIVE OFFICER

31 JULY 2025

RODGER HILL

CHIEF FINANCIAL OFFICER

31 JULY 2025

CERTIFIED BY COMPANY SECRETARY

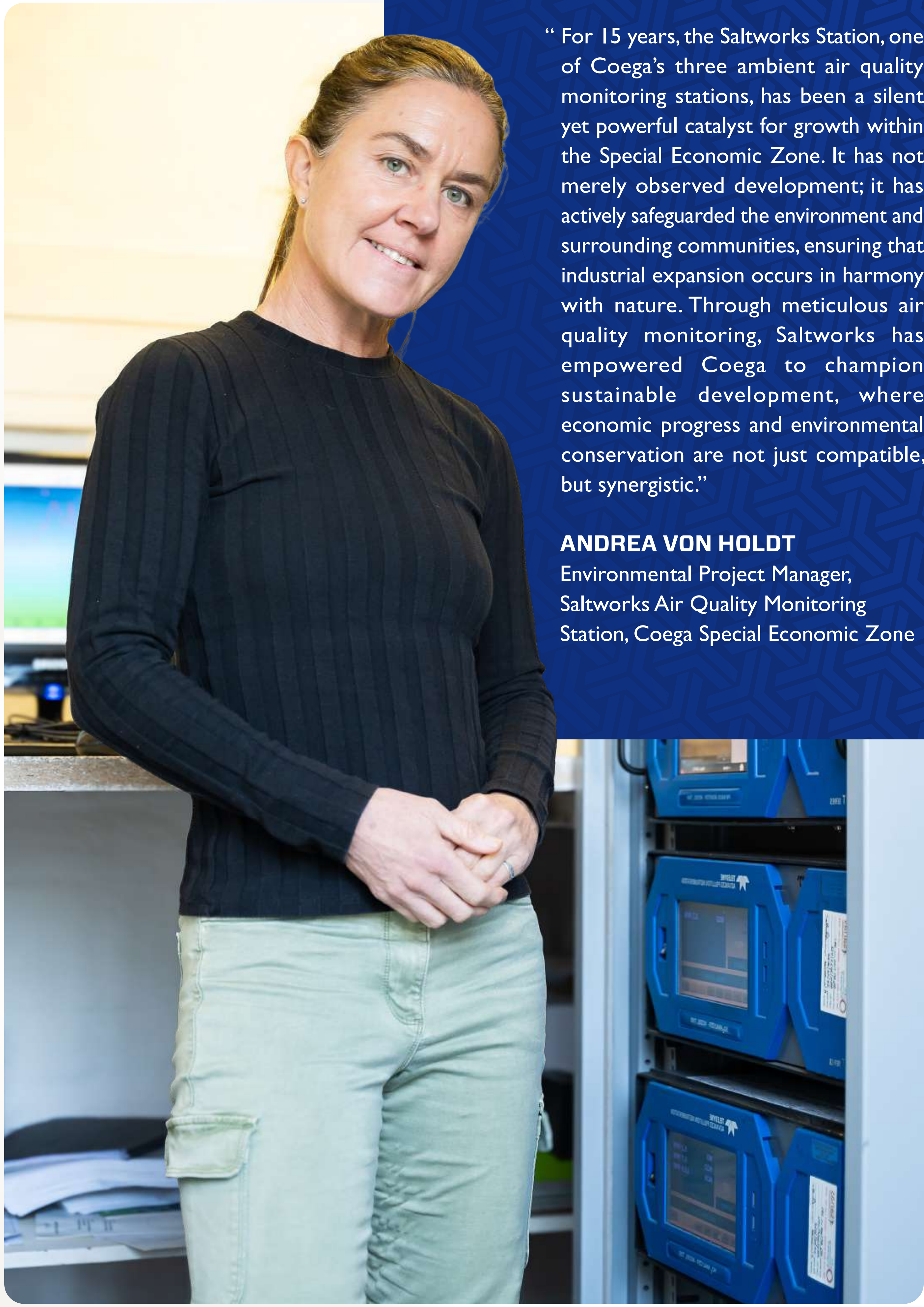
For the year ending 31 March 2025

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.

ADV. UNARINE TSHIKOVHI

COMPANY SECRETARY

31 JULY 2025



“ For 15 years, the Saltworks Station, one of Coega’s three ambient air quality monitoring stations, has been a silent yet powerful catalyst for growth within the Special Economic Zone. It has not merely observed development; it has actively safeguarded the environment and surrounding communities, ensuring that industrial expansion occurs in harmony with nature. Through meticulous air quality monitoring, Saltworks has empowered Coega to champion sustainable development, where economic progress and environmental conservation are not just compatible, but synergistic.”

ANDREA VON HOLDT
Environmental Project Manager, Saltworks Air Quality Monitoring Station, Coega Special Economic Zone

CDC 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 Strategic Plan 2020–2025 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 as such 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 operationalization 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 SME 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 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.**
   - **Under the Asset Management function, the CDC manages the overall delivery process of both economic and social built environment infrastructure.**

- **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).**
  - **Creation of an excellent performance ecosystem (people, systems, and technologies).**

IMPACT AND OUTCOME STATEMENTS (TABLES 1-6)

ORGANISATIONAL PERFORMANCE FOR DISAGGREGATED TARGETS AND ACHIEVEMENTS

a. Procurement Spend on SMME

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 2025, a total of R1.946bn contracts were awarded by the CDC and R945.5m benefited black owned SMMEs. The spend distribution on the disaggregated targets can be found in Table 6.

TABLE 1: CDC IMPACT AND OUTCOME STATEMENTS

Impact Statement	Financial Sustainability
Outcome	Outcome indicator
Achieved Financial Sustainability	Cash flow from Operating Activities
	Revenue Generated
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 Created
	Cumulative Operational Jobs
Skills Development	Number of People Trained

TABLE 2: ANNUAL PERFORMANCE 2024/25

	Descriptors						
Impact Statements	Outcome	Outcome Indicator	Measured	Baseline 2023/24	Target 2024/25	Audited achieved Performance 2024/25	Variance %
Financial Sustainability	Achieved Financial Sustainability	Revenue Generated	Quarterly	R642.184m	**R688.7m**	R727m	+5.6%
		Cash Flow from Operating Activities	Annually	R18.877m	**R5m**	-R6.1m	-100%
		Growth in Client Portfolio of Non SEZ Services	Annually	R15.135bn	**R3.5bn**	R1.6bn	-54.3%
Increased Strategic Economic Advantage for Targeted Industries	Grow the SEZ by Increasing Developed Land	Number of Investors Signed	Quarterly	11	**9**	13	+44.4%
		Cumulative Operational Investors	Annually	60	**66**	67	+1.5%
	Increased Economic Impact	Contribution to GGP	Annually	1.01%	**0.88%-0.98%**	1.18%	+34.1%
		Investment Value	Quarterly	R840.39m	**R620m**	R885.6m	+42.8%
Increased Economic Opportunities for the Marginalized	Job Creation	Number of Construction Jobs	Quarterly	4 126	**4 586**	4 599	+0.02%
		Cumulative Operational Jobs	Quarterly	10 154	**10 500**	11 012	+4.9%
	Skills Development	Number of People Trained	Quarterly	4 374	**4 000**	5 011	+25.3%
	Increased SMME Participation in Economic Activities	Procurement Spend on SMMEs	Quarterly	69.41%	**33%**	48.77%	+47.8%

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

CDC CORPORATE PERFORMANCE OVERVIEW

FIGURE 1: ANNUAL PERFORMANCE 2024/25

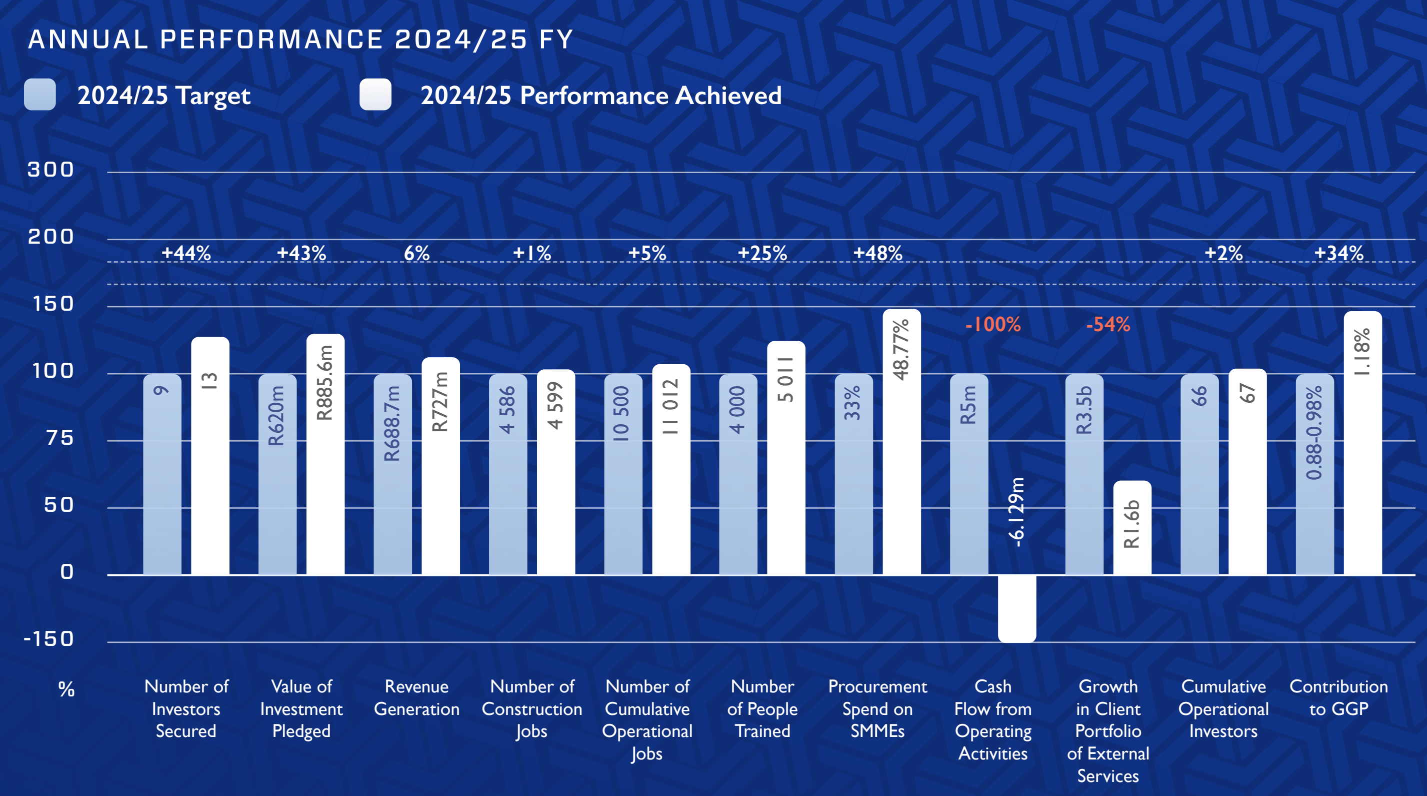


TABLE 3: NUMBER OF CONSTRUCTION JOBS

Demographic	Target	Actual
Women	20%	17%
Youth	40%	43%
Persons with Disabilities	1%	0.20%

TABLE 4: CUMULATIVE OPERATIONAL JOBS

Demographic	Target	Actual
Women	50%	50%
Youth	50%	52%
Persons with Disabilities	5%	0.45%

TABLE 5: NUMBER OF PEOPLE TRAINED (SDC&HCS)

Demographic	Target	Actual
Women	50%	47%
Youth	50%	82%
Persons with Disabilities	10%	0%

TABLE 6: PROCUREMENT SPENT ON SMME

Demographic	Rand Spend	%
Black Owned	R945 500 829.68	99.61%
Black Women Owned	R54 209 238.97	5.73%
Black Youth Owned	R43 370 070.76	4.59%

"Our vision is to evolve beyond being merely a salt brand. As we celebrate our 80th anniversary this year, we have committed to achieving 100% sustainability by 2026. Our goal is to minimise waste and ensure that every drop of seawater used in producing our renowned table salt is fully utilised. We employ pure vacuum dry desalination technology to extract salt from seawater, and the remaining water is purified and bottled under the 'Halo' brand. Recognising the energy-intensive nature of desalination, we have invested in 2.6 MW of solar generation adjacent to our plant and 4 MWh of Hubble Energy battery storage. Our aim is to transition to 100% green energy. Additionally, our desalination plant will supply demineralised water to the Hive Hydrogen Green Ammonia project in Zone 7, exemplifying the industrial synergies we have achieved within the Coega Special Economic Zone."

MR. JOHN DRINKWATER
Managing Director,
Cerebos

PROGRAMME PERFORMANCE

The CDC's strategy was developed in a manner that enhanced a synergistic approach to performance management whereby various Business Units and Programmes contributed to a Key Performance Indicator (KPI). This approach 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 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.

1.1 Explanation of Performance Variances

a. Number of Investors Secured

For the 2024/25 FY the CDC has secured 13 investors against a target of 9. CDC achieved 144% of the target on the number of new investors signed in a financial year and target achieved by 44%.

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 Multi-user facility.
- Project(s) progressed quickly in the pipeline as promoters brought forward their time to market date.
- Projects carried over to the new financial year were able to be converted quickly, due to having 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 exceeded the target by 43%. The organisation has managed to realise an investment value of R885.6 million against a target of R620m, and this results in +43% achievement of the annual target. The over performance on investment value pledged can be attributed to the expansions for FAW and MSC investment projects signed. The table below reflects the number of investors signed in the FY 2024/25 and the value of investment.

c. Number of Cumulative Operational Investors

The Cumulative Operational Investors KPI is measured annually. CDC has achieved 67 cumulative operational investors against a target of 66. The CDC has achieved the target for the 2024/25 financial year. The CDC has a total of 73 leases signed where 5 investors are not yet operational and 1 investor has terminated their lease.

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 of the EC economy. The Organisation has achieved 1.18% against a target range of 0.88%-0.98%, which is 34% above the targeted range minimum.

e. Revenue Generated

The overall favourable variance of 11% or R30.8m is primarily due to filling of vacant buildings, overachievement on municipal rebates, recoveries on utilities and receipt of a lease premium, as well as short-term contract revenues secured by the Customs laydown area 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 year is 747 (13% over achievement).

The jobs target was based on the approved budget, which included the projects planned for the FY.

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

TABLE 7: SEZ INVESTMENT SERVICES PROGRAMME PERFORMANCE

Key performance area	Annual Target 2024/25	Audited Annual Performance 2024/25	Variance %
Impact Statement: Financial Sustainability	**Outcome: Achieved Financial Sustainability**		
Revenue Generated	R280.9m	R311.8m	11%
Impact Statement: Increase Strategic Economic Advantage for Targeted Industries	**Outcome: Grow the SEZ by Increasing the Developed Land**		
Number of Investors Signed	9	13	+44%
Cumulative Operational Investors	66	67	+1.5%
Impact Statement: Increase Strategic Economic Advantage for Targeted Industries	**Outcome: Increased Economic Impact**		
Contribution to GGP	0.88% - 0.98%	1.18%	+34%
Investment Value	R620m	**R885.6m**	+43%
Impact Statement: Increased Economic Opportunities for the Marginalised	**Outcome: Job Creation**		
Number of Construction Jobs	664	747	+13%
Number of Cumulative Operational Jobs	10,500	11,012	+5%
		Average variance %	21%

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

TABLE 8: COEGA SEZ NUMBER OF INVESTMENT DURING THE FY 2024/25

No.	Investor Name	Project Description	Investment Value (R)	Country of Origin	Est Op. Jobs
1	Medigrow	Cannabis Growout Plant	84,700,000	South Africa	TBC
2	Coega Steels	Manufacturer of steel billets	35,000,000	South Africa	Nil
3	Hella Automotive	Automotive Components Supplier	R -	South Africa	-
4	SARS Customs	Customs Border Operations	R -	South Africa	33
5	Discovery Central Services (expansion)	Call centre services	8,995,000	South Africa	70
6	San Miguel (expansion)	Citrus processing plant	80,000,000	Argentina	15
7	Cerebos	Bottling water bottles and canning spices	17,000,000	South Africa	30
8	FAW (expansion)	Assembly of trucks and passenger vehicles	200,000,000	China	20
9	MSC (expansion)	Container depot and cold chain facility	400,000,000	South Africa	TBC
10	TLC Logistics	Receiving, handling, transporting of agri-related products	R -	South Africa	TBC
11	Chemchamp	Produces on-site solvent recycling equipment	R -	South Africa	TBC
12	Pindulo VDM	Receiving, handling and storing of any agri-related products	60,000,000	South Africa	TBC
13	DBI IT Group	SOC Infrastructure operations and support services	R -	South Africa	20
			Total Achieved	**R885 695 000**	

PROGRAMME PERFORMANCE

g. Number of Cumulative Operational Jobs

The overall achievements on the SEZ Tenant Operational jobs are at a positive 5% in the year end performance. The achievement is owing to investors that are signed and operational.

h. Variances: Financial Information

TABLE 9: SEZ INVESTMENT PROGRAMME

2024/25 Budget vs Actual - Expenditure

Programme Name	2024/25 Budget (R'000)	2024/25 Actual (R'000)	2024/25 Variance (R'000)	Variance %
SEZ Investment Services	**240,216**	**241,579**	**(1,363)**	**-1%**
Cost of employment	73,870	72,132	1,739	2%
Goods and services	166,345	169,447	(3,102)	-2%

The operating expenditure for the SEZ Investment Services programme reflects an overall spending of 100.6%.

Cost of employment reflects a favourable variance of 2% or R1.7m. This under expenditure is due to posts not being filled as they became vacant (vacancies not filled for non-critical posts) including due to cash constraints.

Goods and Services reflect an unfavourable variance of 1.9% or R3.1m. In terms of economic classification, the areas where significant unfavourable variances are recorded are Municipal expenses which relate to costs that are recovered in part from tenants as well as repairs and maintenance.

1.1.2 Challenges

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

a. **CAPEX and OPEX Funding**: CDC faces challenges related to constrained capital funding support from the Department of Trade, Industry and corporation (the dtic). Insufficient funding for Coega SEZ operations and mandate in terms of SEZ Act 16 of 2014. The 2025/26 allocation results in a funding gap of R28 million which grows over the MTEF.

b. Wild Coast provisional allocation for 2025/26 declines by R15 million year-on-year which creates a further funding shortfall.

c. Lack of funding for enabling Infrastructure and sectors not funded by the dtic (Pharmaceutical zone, ICT network infrastructure and Emergency centre infrastructure.)

d. Project preparation costs and Project origination Funding required (100MW solar plant and packaging of BFI funding applications on behalf of EC province.)

PROGRAMME 2 SEZ INVESTMENT 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 are driven from the CSS programme but are contributed by both SEZ Investment Services and Non-SEZ Services.

a. Revenue Generation

This programme reflects an overall favourable variance of 14% or R3.5m due to overperformance on Interest Received from debtors.

b. Procurement Spend on SMMEs

The CDC has overachieved for the **2024/25 FY** and has achieved **48.77%** 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 follows:

TABLE 11: BBBEE DISAGGREGATED.

Demographic	Value	%
Black Owned	R964 366 255,39	93,89%
Black Women Owned	R364 587 832,13	35,50%
Black Youth Owned	R97 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.

TABLE 10: CENTRAL SUPPORT SERVICES PROGRAMME

Key performance area	Annual Target 2024/25	Audited Annual Performance 2024/25	Variance %
Impact Statement: Financial Sustainability	**Outcome: Achieved Financial Sustainability**		
Revenue Generated	R25.3m	R28.9m	14%
Cash Flow from Operating Activities	R5m	-R6.1m	-100%
Impact Statement: Increased Economic Opportunities for the Marginalised	**Increased SMME Participation is in Economic Activities**		
Procurement Spend on SMMEs	33%	48.77%	+48%
Impact Statement: Increased Economic Opportunities for the Marginalised	**Skills Development**		
Number of People Trained	4,000	5,011	+25%
		Average variance %	-3%

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 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 **4,000** and total achieved was **5,011** which is an overperformance of 25%.

d. Cash flow from Operating Activities

The entity underperformed on this measure given the determination of the measure in accordance with the cash flow statement for CDC operating activities only, notwithstanding that Cash balances were positive at year-end. Underperformance was primarily due to a shortfall on operational funding allocation and a dispute with a tenant that did not pay rental during the financial year. The matter was handed over for legal action.

Financial Information

Central Support Services recorded an overall favourable variance of 24% or R26.5m.

The Cost of Employment category reflects a favourable variance of 6% or R9.8m. This under expenditure is due to posts not being filled as they became vacant, including due to cash constraints.

TABLE 12: CENTRAL SUPPORT SERVICES PROGRAMME

2024/25 Budget vs Actual - Expenditure

Programme Name	2024/25 Budget (R'000)	2024/25 Actual (R'000)	2024/25 Variance (R'000)	Variance %
Central Support Services	**276,524**	**250,057**	**26,467**	**24%**
Cost of employment	167,834	158,015	9,818	6%
Goods and services	108,690	92,042	16,649	18%

The Goods and Services category reflects a favourable variance of 18% or R16.6m due primarily to lower than budgeted Enterprise System Licences.

1.2.1 Challenges

a. Number of people trained.

The main challenge related to the inability to secure adequate 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.

b. SMME Development

Challenges highlighted lack of funding for SMME training and mentorship for SMME. Furthermore, the lack of dedicated funding support for SMME's to execute projects. Lastly, the reduced scope in the project limits opportunities allocated to SMME's.

PROGRAMME PERFORMANCE

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.

1.3.1 Explanation of variance

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 favourable variance of 1% or R3.9m. This favourable variance is due primarily to overperformance by Coega Corporate Travel (CCT) due to new clients secured. The overall overachievement is partially offset as a result of projects that had been delayed due to client budget constraints, including the Eastern Cape Department of Health, KwaZulu Natal Department of Education and National Department of Public Works.

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 border of the Coega SEZ.

The CDC has achieved 3 850 against a target of 3 922. The underperformance presents a negative variance of 2% and attributable to the decline in client portfolio.

c. Growth in Client Portfolio

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 country's fiscus constraints that have affected social infrastructure implementation resulting in withholding of projects and non-payments has adversely affected the Non-SEZ Programme. Coega's strategy has been to diversify its client base to include those clients that are not dependent on the fiscus. Coega has signed a total of five clients whose portfolio has not yet been quantified (Only the Bhisho bid has been confirmed).

The clients signed are outlined overleaf:

Financial information

TABLE 15: NON-SEZ SERVICES PROGRAMME

2024/25 Budget vs Actual - Expenditure

Programme Name	2024/25 Budget (R'000)	2024/25 Actual (R'000)	2024/25 Variance (R'000)	Variance %
External Services	**271,403**	**297,863**	**(26,460)**	**-21%**
Cost of employment	170,136	169,629	508	0.3%
Goods and services	101,267	128,234	(26,967)	-21%

Non-SEZ Services recorded an overall unfavourable variance of 21% or R26.5m.

The Cost of Employment category reflects an insignificant variance of 0.3% or R0.5m.

The Goods and Services category reflects an unfavourable variance of 21% or R26.9m. 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.

1.3.2 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.

TABLE 13: NON-SEZ SERVICES PROGRAMME

Key performance area	Annual Target 2024/25	Audited Annual Performance 2024/25	Variance %
Impact Statement: Financial Sustainability	**Outcome: Achieved Financial Sustainability**		
Revenue Generated	R382.3m	R386.3m	1%
Impact Statement: Financial Sustainability	**Increased Market Share**		
Growth in Client Portfolio of Non-SEZ Services	R3.5bn	R1.6bn	-54%
Impact Statement: Increased Economic Opportunities for the Marginalised	**Job Creation**		
Number of Construction Jobs	3,922	3,852	-2%
		Average variance %	-18%

TABLE 14: GROWTH CLIENT PORTFOLIO DETAIL

	Client Name	Scope of Work	Estimated Value	Type of Work
1	Cross border Roads Agency	Truck Staging, Driver Training, SME Conferencing, Infrastructure Implementation	At Prefeasibility Stage, costs being established	Implementing Agent and Project Management
2	Aspen	The dtic extension of Coega SEZ	At Prefeasibility Stage, costs being established	Coega is the Landlord
3	Bhisho Precinct	Building a 52,000 sqm office to house seven EC Government Offices with 1,600 parking bays	R1 600 000 000	Private Partnership on a Concession
4	Airport South Africa	Procurement of Projects for Airport SA	Not yet costed, continuous allocation	Procurement of ACSA Projects
			Total	R1 600 000 000

CDC CORPORATE PERFORMANCE OVERVIEW

PFMA COMPLIANCE REPORT

Irregular Expenditure

There were three transgressions that could be constituted as irregular expenditures which were identified thereafter tested, assessed and confirmed in 2024/25 FY. The determination tests assess for the root cause of the irregular expenditure, the responsible official, if the organization received value for money or if there were any losses incurred, any suspicion of fraud, corruption or any other criminal conduct.

Irregular expenditure confirmed related to prior years:

a. R64,960 irregular expenditure was incurred in 2021/22 FY and the root cause of the irregular expenditure was the lack of proper handover when an employee resigned from CDC resulting in services received without following the required quotations process. The irregular expenditure was condoned by EXMA on 17 April 2024.

b. R521,739 irregular expenditure was incurred in the 2023/24 FY and the root cause was a lack of oversight during the execution of the contract (expenditure was as per the awarded rate per square meter, but exceeded the rand value awarded). The Irregular Expenditure was condoned by EXMA on 05 March 2025.

Irregular expenditure confirmed related to the current year:

c. R243,478 irregular expenditure was incurred in the 2024/25 FY and the root cause was non-compliance to CDC baseline limits of approval, in that a contract was extended without required approval of the Change Review Committee. The irregular Expenditure was condoned by EXMA on 21 October 2024. Consequence Management was recommended in the assessments, and disciplinary action was taken against the official responsible for non-compliance. Training on SCM prescripts and Contracts Management was recommended in the report to prevent recurrence.

Reconciling notes:

TABLE 17 (A): DETAILS OF CURRENT AND PREVIOUS YEAR IRREGULAR EXPENDITURE NOT YET CONDONED

Description	R'000
(a) Modifications exceeding allowed amounts	34,447
(b) Continuation of contract without proper extension	2,537
(c) Less than 3 quotes - insufficient delegation of authority	917
(d) Local content and production thresholds	61
Total	**37,962**

TABLE 16: RECONCILIATION OF IRREGULAR EXPENDITURE

Description	2024/25 R'000	2023/24 R'000	2022/23 R'000
Opening balance	37,963	37,963	29,545
Add: Irregular expenditure confirmed (prior years)	586	-	8,418
Add: Irregular expenditure confirmed (current year)	243	-	-
Less: Irregular expenditure condoned	(830)	-	-
Less: Irregular expenditure not condoned and removed	-	-	-
Less: Irregular expenditure recoverable	-	-	-
Less: Irregular expenditure not recovered and written off	-	-	-
Closing balance	**37,962**	**37,963**	**37,963**

TABLE 17 (B): DETAILS OF IRREGULAR UNDER ASSESSMENT, DETERMINATION AND INVESTIGATION

Description	R'000
(a) Irregular under assessment	-
(b) Irregular under determination	7,131
(c) Irregular under investigation	-
Total	**7,131**

As at May 2025 there are 2 matters referred to the Loss control function that are still under assessment and CDC is defending and/or has a counter claim against the service providers in question, thus the amounts of expenditure incurred that are under assessment cannot be reliably quantified.

Deviation Register:

TABLE 18 (A): PROCUREMENT BY OTHER MEANS (SEZ)

Contract No.	Project Description	Supplier name	Type of Procurement	Value (R'000)
CDC//24	Migration of data from Oracle Fusion to Oracle EBS	RDB Consulting	Limited bidding	2,047

TABLE 18 (B): PROCUREMENT BY OTHER MEANS (NON-SEZ)

Contract No.	Project Description	Supplier name	Type of Procurement	Value (R'000)
CDC/196/24	Completion of new mental health unit at St. Barnabas Hospital	Ruwacon (Pty) Ltd	Limited bidding	29,171

TABLE 19: EXPANSION AND VARIATION OF CONTRACTS

Contract No.	Project Description	Supplier name	Contract modification type (Expansion or Variation)	Original contract value R'000	Value of previous contract expansions or variations R'000	Value of current contract expansion or variation R'000
CDC/433/20	Environmental Control Officer Services	Habitat Link Consulting (PTY) Ltd	Contract modification	R2,510	R560	R3,070

CDC CORPORATE PERFORMANCE OVERVIEW

BBBEE PERFORMANCE REPORT

TABLE 20: REPORTING COMPLIANCE ON BBEEE 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 service 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 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 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 contributes 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

CDC CORPORATE PERFORMANCE OVERVIEW

King IV Principles "Apply and Explain"			
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 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.

King IV Principles "Apply and Explain"			
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 the ICT Programme Director. ICT Steering Committee. BCM – Project underway. Disaster Recovery tested every year. Incidents reported to ARC – Vulnerability assessment done monthly internally and externally on an annual basis.	• ICT Governance Framework • ICT Strategy • ICT Steering Committee
Principle 13: "The Governing Body should govern compliance with applicable laws & adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical & a good corporate citizen."	Yes	• The CDC has developed a Legal Compliance Policy Framework. • The CDC Board assumes responsibility 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

CDC CORPORATE PERFORMANCE OVERVIEW

King IV Principles “Apply and Explain”			
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 • 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 governance 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.	

INVESTMENT PROMOTION

The global economy continues to grapple with compounding challenges—geopolitical tensions, mounting debt, muted gross domestic product (GDP) growth, and structural shifts in trade and investment. In this environment, Domestic Direct Investment (DDI) and Foreign Direct Investment (FDI) remain essential to the Coega SEZ's development agenda. These investments do more than inject capital—they mobilise private sector participation, transfer critical skills and technologies, and unlock pathways to sustainable, inclusive growth.

Investment serves as a signal of value and confidence: it reveals where opportunity is seen, who is included in the future, and how economies choose to grow. Yet global investment data reveals troubling trends. Flows into sectors aligned with the Sustainable Development Goals continue to decline, exposing persistent gaps in funding for inclusive and sustainable development.

Amid these headwinds, UN Trade and Development (UNCTAD) has identified the digital economy as a key driver of transformation. With annual growth rates of 10–12%, the digital economy is rapidly outpacing global GDP growth. However, this expansion is unevenly distributed—most greenfield investment has flowed into a small group of countries, while many developing economies remain excluded due to infrastructure deficits, limited skills pipelines, and regulatory uncertainty.

The 2025 UNCTAD World Investment Report confirms a second consecutive year of decline in global FDI, which fell 11% in 2024. Developing countries experienced flat inflows overall, though Africa and South America recorded regional upticks. South Africa, however, saw a 28.9% drop. Crucially, international project finance—vital for infrastructure and industrial growth—contracted by 26%, while cross-border mergers and acquisitions continued their downward trend amid mounting geopolitical risk and regulatory fragmentation.

Greenfield investment values also declined by 5%, with ICT emerging as the only high-growth sector, bolstered by demand for data infrastructure, artificial intelligence (AI), and semiconductors. In contrast, extractives, energy, automotives, and industrial manufacturing suffered sharp declines, suggesting a broader recalibration in global investment priorities.

Outlook for 2025 remains subdued. Economic and policy uncertainty—rising tariffs, weak investor sentiment, and volatile markets—have eroded confidence. Supply chains are being restructured as countries pursue domestic production in strategic sectors, and trade fragmentation is pushing firms to invest in geopolitically aligned markets. While expected interest rate cuts may offer some relief, FDI flows are increasingly shaped by policy, resilience, and sustainability imperatives.

In this evolving and uncertain landscape, the Coega Development Corporation (CDC) has continued to act as a catalyst of progress—facilitating meaningful investment despite challenging conditions. During the reporting period, the CDC secured 13 signed investments—up from 11 in the previous year—surpassing its target of 9. The total investment value reached R885.6 million, well above the R620 million target. This performance underscores the CDC's ability to attract and anchor capital in sectors that matter—stimulating job creation, economic diversification, and long-term development impact. Moreso, operational enterprises within the Coega SEZ grew from 60 in the previous financial year, to 67 at the end of this reporting cycle, thus, signifying investor commitment and suitability of CDC facilities to accommodate investor needs allowing them to operationalise quicker.

HYPERSCALE DATA CENTRE PROJECT

The landing of the transformative Vodacom2Africa subsea cable at Pollock Beach in Gqeberha in January 2023, providing a gateway to direct international connectivity for faster, more reliable internet services in country, have made the Coega SEZ and the Gqeberha area attractive to investors in the ICT and related sectors including development of data centre projects estimated at R3bn. This state-of-the-art facility will merge environmental responsibility with technological advancement, targeting a Power Usage Effectiveness (PUE) of 1.4.

Structured in two phases, the project offers scalability, sustainability, and strategic growth. It positions Coega as a digital infrastructure hub and reflects CDC's role as a catalyst of progress in Africa's expanding digital economy.

AUTOMOTIVE HUB

The Coega SEZ continues to evolve as a continental automotive hub, leveraging its strategic location and growing base of global OEMs—FAW, BAIC, and Stellantis which is in the pipeline. These manufacturers, along with nearby operations of Isuzu and VWSA, form an integrated cluster that supports regional industrialisation.

FAW announced a R200 million additional investment into their facility, which would see the truck assembly expanding its facility providing truck staging for finished goods and further investment in advancing plant and equipment adopting advanced technology and further contribute to training and development, not limited to own staff, targeting to increase number of persons trained to 5,000 in the next 5 years.

Ongoing engagements to attract new energy vehicle (NEV) investments signal forward momentum. This cluster is set to stimulate job creation, skills development, and medium, small and micro enterprises (MSMEs) participation at full scale production and localisation—further anchoring the Eastern Cape's role in the automotive sector and affirming the CDC's catalytic influence on value chain development.

DYNAMIC COMMODITIES EXPANSION COMPLETION

In 2024/25 the Dynamic Commodities, an existing investor in the Coega SEZ, undertook an expansion of its agro-processing facility injecting about R350 million investment in the building, plant and equipment for new processing and packaging store and loading dock. Dynamic Commodities are specialists in producing high quality fruit delicacies including fruit sorbets and various cut fruits predominantly for export market, thus contributing to increase in processing of agriculture products within the province and export volumes. This expansion created 100 jobs during construction and an additional 50 operational jobs.

HIVE HYDROGEN

Hive Energy is developing a US$5 billion Green Ammonia Plant in the Coega SEZ, set to produce 950,000 tons of green hydrogen and ammonia annually. Since registered as a strategic infrastructure project (SIP) giving it priority status and a project for acceleration, the Hive project has progressed and achieve key milestones.

The assessment and technical studies for regulatory and environmental permits and licenses are completed and the investor is busy with the same for the production and port loading facilities. The Front-End Engineering and Design (FEED) has been completed for both renewable energy and industrial plants and the project is expecting Final Investment Decision (FID) mid-2026, with projected start of construction in the same calendar year.

This landmark project landmark catalytic high-impact project will futher add 2GW of renewable energy to the grid, thus, contributing to RSA's energy mix and just energy transition (JET) and could generate more than 20,000 jobs during construction, with a significant number during operationalisation. The project aligns with Coega SEZ plans to be sustainable SEZ.

LOOKING AHEAD

The CDC continues to convert signed investments into operational milestones, furthering its financial sustainability and strategic impact.

In 2024/25, the CDC secured 13 signed investors with a pledged investment value of R885 million—surpassing targets and reaffirming Coega's appeal as a high-impact investment destination.

Among key developments:

- **Cerebos expanded its Coega operations with a R17 million investment.**
- **FAW Trucks SA committed R200 million — solidifying South Africa's and the Eastern Cape's place in the global automotive network.**
- **The Orion Engineered Carbons (OEC) Tank Farm officially launched in Zone 7, creating over 200 construction jobs, supporting 6 SMMEs, and preserving 120 jobs through dtic support.**

These achievements highlight the CDC's capacity to catalyse inclusive growth and investment momentum — locally and continentally — as it continues to shape the future of the Eastern Cape.

Total investment value

R885.6 million

well above the R620 million target

No.	Investor Name	Project Description	Investment Value (R)	Country of Origin	Est Op. Jobs
1	Medigrow	Cannabis Growout Plant	84,700,000	South Africa	TBC
2	Coega Steels	Manufacturer of steel billets	35,000,000	South Africa	Nil
3	Hella Automotive	Automotive Components Supplier	R -	South Africa	-
4	SARS Customs	Customs Border Operations	R -	South Africa	33
5	Discovery Central Services (expansion)	Call centre services	8,995,000	South Africa	70
6	San Miguel (expansion)	Citrus processing plant	80,000,000	Argentina	15
7	Cerebos	Bottling water bottles and canning spices	17,000,000	South Africa	30
8	FAW (expansion)	Assembly of trucks and passenger vehicles	200,000,000	China	20
9	MSC (expansion)	Container depot and cold chain facility	400,000,000	South Africa	TBC
10	TLC Logistics	Receiving, handling, transporting of agri-related products	R -	South Africa	TBC
11	Chemchamp	Produces on-site solvent recycling equipment	R -	South Africa	TBC
12	Pindulo VDM	Receiving, handling and storing of any agri-related products	60,000,000	South Africa	TBC
13	DBI IT Group	SOC Infrastructure operations and support services	R -	South Africa	20

COEGA SEZ OPERATIONS

Coega SEZ Operations is a key driver of the Coega Development Corporation's mission, reviewing its strategy annually to ensure readiness and impact across the SEZ, NMB Logistics Park (NMBLP), and ringfenced business units.

Each operational area acts as a catalyst of progress—advancing socio-economic transformation through excellence in delivery:

- Coega Property Development and Maintenance (Facilities Management)
- Coega Trade Facilitation, including Investor Services and Customs & Logistics
- Coega Commercial Solutions
- Coega Security Services
- Coega Spatial Development Solutions
- Bluewater Bay Sunrise Hotel
- Coega Vulindlela Accommodation and Conferencing Centre
- Coega Corporate Travel (CCT)

These units implement detailed Business Implementation Plans aligned to CDC's strategic outcomes and impact goals. Their operations are guided by international best practices and validated through annual ISO-aligned audits—ensuring quality, performance, and consistent contribution to sustainable development.

PROPERTY DEVELOPMENT AND MAINTENANCE

The Property Development and Maintenance (PDM) Unit plays a critical role in fulfilling the vision of the Coega SEZ. As a catalyst of progress, it drives infrastructure conceptualisation, planning, design, execution, and maintenance—ensuring safe, integrated, and investor-ready environments.

MASTER PLANNING & STRATEGIC PARTNERSHIPS

PDM oversees the SEZ's long-term development master plan and works closely with the Nelson Mandela Bay Municipality (NMBM) on bulk services, including the return effluent and sanitation mega project to bolster water security in the region.

KEY PROJECTS COMPLETED IN 2024/25

OEC Tank Farm (Zone 7)

Delivered for Orion Engineered Carbons, this facility includes a 36,000 m³ heated tank system with a 4.8km aboveground pipeline linking the Port of Ngqura. It enables efficient offloading and transport of carbon black oil to local manufacturing facilities.

Stellantis Automotive Manufacturing Plant (Zone 2)

Bulk earthworks completed for a 53,000 m² facility on a 32.5-hectare site. The platform is ready for vertical construction, supporting Stellantis' global operations and Mzansi's growing auto industry.

SEZ Security Infrastructure

Implementation of an integrated security system including 9.8km of electric fencing, thermal radars, LPR systems, boom gates, and real-time surveillance—enhancing operational safety and investor confidence.

PROJECTS UNDER CONSTRUCTION (2024/25)

These projects align with the Coega SEZ Water Security Programme and CDC's strategic priorities:

Water & Sewer Infrastructure in Zones 3 & 4

Addressing rising demand through new pipelines and upgraded sewer systems; 87% complete.

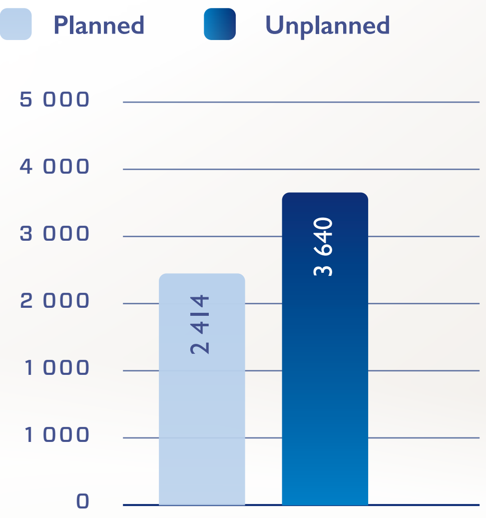
Bulk Sewer Infrastructure East of the Coega River

Linking future investor zones (6–13) to the main sewer network; currently 80% complete.

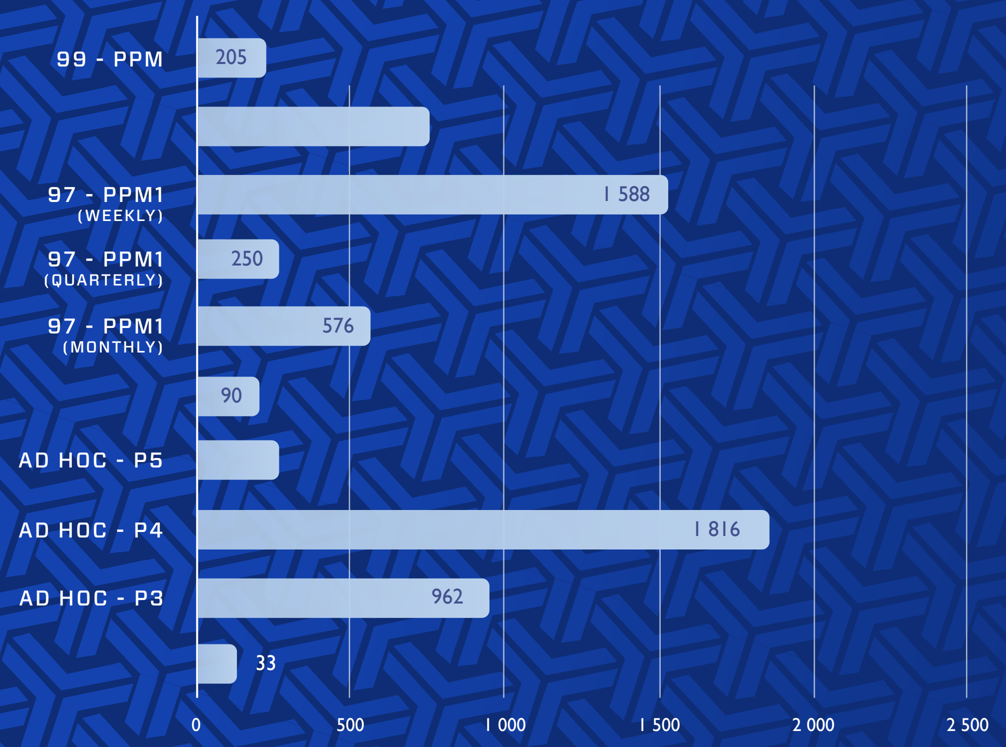
Maintenance & Facilities Management

PDM operates a dedicated Call Centre and CMMS platform to manage both planned and ad-hoc maintenance. In 2023/24, over 6,000 service calls were addressed, categorised by urgency (P1–P5 for ad-hoc, PPM1–PPM2 for preventative). This ensures asset longevity, operational readiness, and tenant satisfaction.

CMMS ALL CALLS - PLANNED VS UNPLANNED



TOTAL CALLS - MAINTENANCE



COEGA SEZ OPERATIONS

OUTLOOK

The 2023/24 period saw steady progress in SEZ infrastructure development. To maintain momentum, bulk infrastructure planning and funding—particularly for desalination and return effluent schemes—remains essential to unlock future growth, not only for Coega but for the broader Nelson Mandela Bay Metro.

TRADE FACILITATION

The Trade Facilitation Unit (TFU), under CDC's Operations Business Unit, is a catalyst of trade efficiency—advancing investor success across the Coega SEZ and the Nelson Mandela Bay Logistics Park (NMBLP).

Structured into three key areas—Investor Support Services, Customs and Incentive Services, and Logistics and Warehousing—the TFU supports the full investor trade value chain by streamlining regulatory processes, reducing administrative burdens, and enabling "plug-and-play" commercial logistics solutions.

Centrally located in the One-Stop-Shop (OSS) in Zone 1, the TFU collaborates with government departments to deliver fast-tracked services and retain investor confidence. This integrated approach reinforces Coega's role as a preferred destination for trade and investment, and a strategic gateway to African and global markets.

TFU Highlights from the 2024/25 Financial Year

During the 2024/25 financial year, the TFU achieved several key milestones:

- **Enhanced Investor Satisfaction.** Improved service experience, as reflected in the Coega Customer Satisfaction Survey.
- **Strengthened Government Collaboration**. Deepened partnerships to accelerate regulatory alignment and streamline approvals.
- **Expanded Revenue Streams.** Broadened logistics services to support operational sustainability and unlock new income sources.

INVESTOR SERVICES

As a core pillar of investor retention and experience, the Investor Services team manages strategic engagements and post-investment support via the Coega One Stop Shop (OSS), ensuring streamlined service delivery and responsive resolution of investor needs.

Key Initiatives in 2024/25:

- SARS Employee Tax Support Services
- DHA services: smart IDs, passports, birth certificates
- Road Safety Awareness Campaigns (CBRTA)
- Publication of the 2024/25 Coega Census Report
- Monitoring investor job creation and satisfaction

CUSTOMS AND INCENTIVE SERVICES

Supporting regulatory compliance within Customs-Controlled Areas (CCAs), this team provides expert guidance, unlocks SEZ incentive value, and builds capacity among investors and stakeholders.

2024/25 Highlights:

- Registration of two new CCA Enterprises (total now 6)
- R13.3 million in cumulative incentives accessed
- Targeted workshops and training on customs and SEZ incentives

LOGISTICS AND WAREHOUSING

The Logistics Services team manages the CDC Cargo Depot and Laydown Area, delivering efficient, integrated logistics solutions that strengthen trade infrastructure and investor support.

Commercial Offerings:

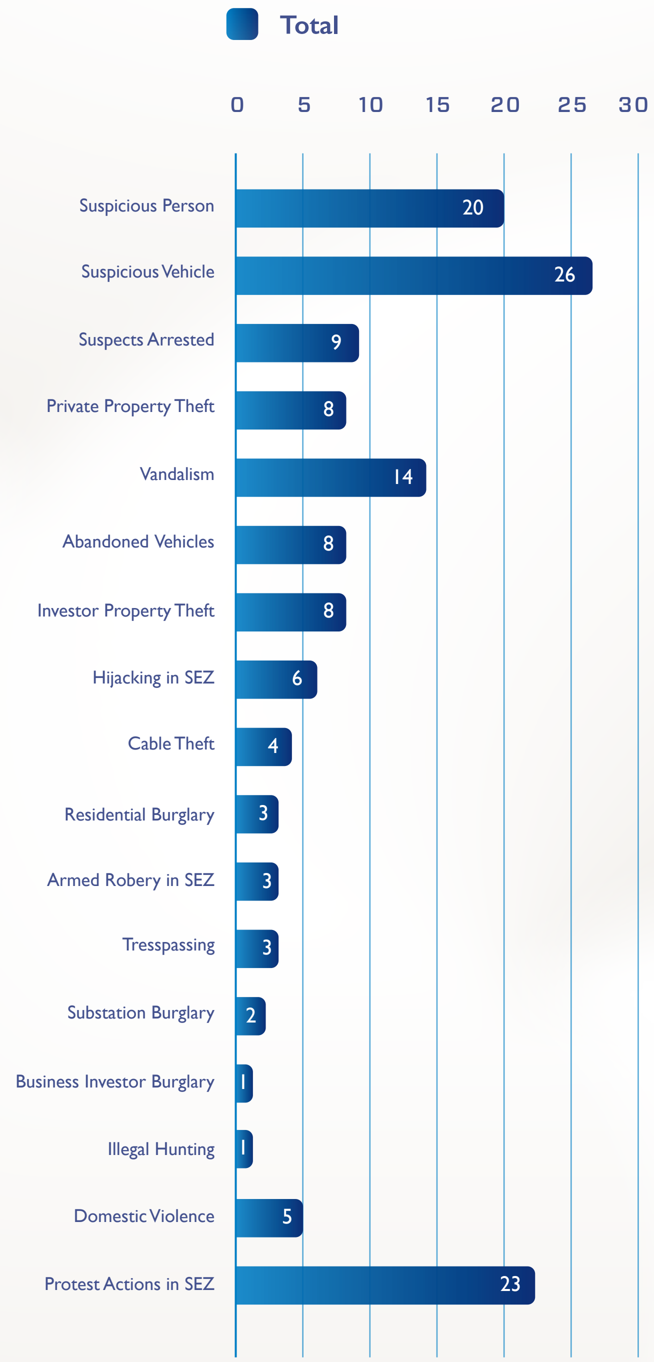
- Short-/long-term cargo and container storage
- Client transport and distribution
- Port container collection, unpacking, and damage reporting
- Stock and bonded goods management
- Cargo repacking and project cargo handling
- Customs compliance and technical support

In 2024/25, strong revenue growth from new commercial clients earned CDC the **"Best Provider of Service to Exporters – Merit Award for New Contracts"** at the ExporterEC Awards.

SECURITY SERVICES

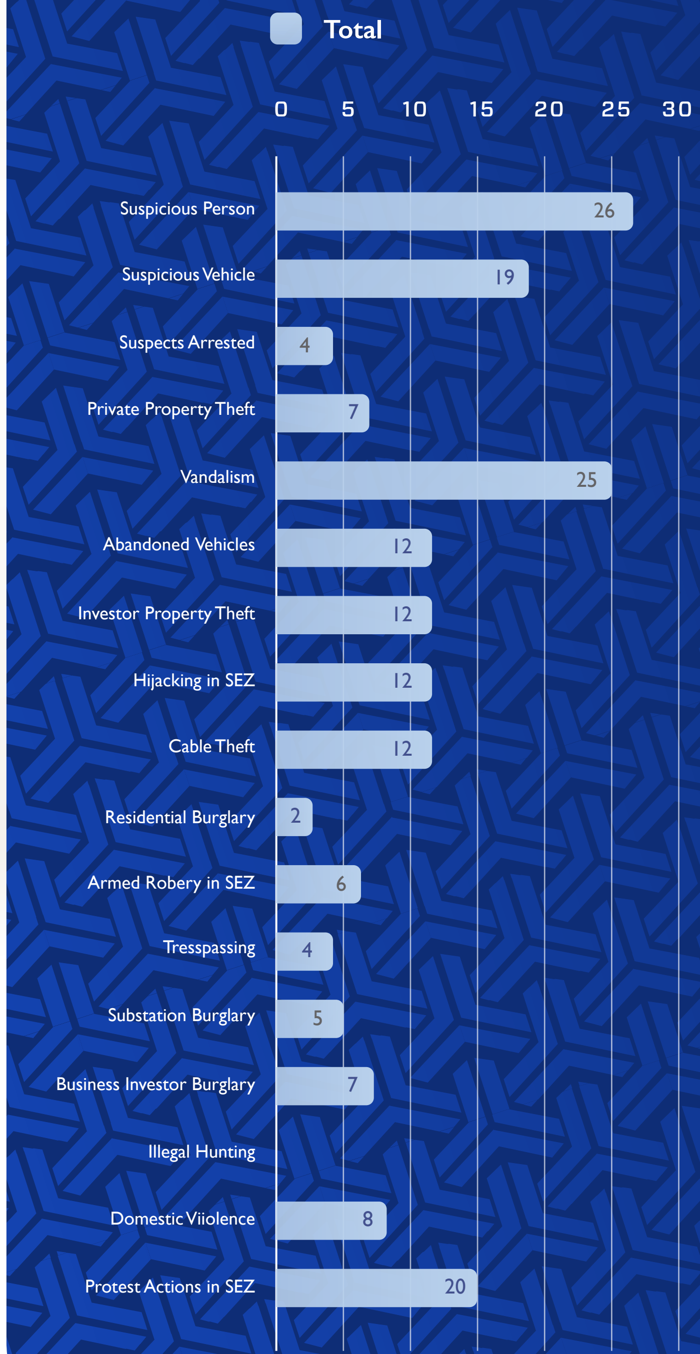
Coega SEZ Security adopts an enterprise-wide, risk-based approach to physical asset protection, aligned with international best practices in security and information management standards. Its **Physical Asset Protection (PAP)** programme systematically identifies threats and vulnerabilities to ensure the safety of personnel, property, investors, contractors, and visitors.

COEGA SECURITY INCIDENT STATS 2024/25



Below is a comparison of our 2023/24 stats vs 2024/25 stats in certain categories. The significant reduction in hijacking within the SEZ of a drop of 50% is welcome. Cable theft reduced by 66% whilst vandalism reduced from 15 incidents to 14.

COEGA SECURITY INCIDENT STATS 2023/24



COEGA SEZ OPERATIONS

Key initiatives and achievements include:

- **Integrated Security Systems**
  Phases 1 and 2 of the dtic-funded upgrades addressed aging infrastructure and laid the groundwork for long-term security sustainability. A comprehensive risk survey is guiding plans for further enhancements and a new funding application.
- **Command and Control Centre**
  Advanced software and integrated access control systems are fully operational at the Business Centre in Zone 1, enabling real-time monitoring and response.
- **Partnerships and Guarding Services**
  Falcon Security Group continues to deliver manned guarding, perimeter patrols, and access control support across the SEZ, complementing Coega's internal security strategy.
- **Support Beyond the SEZ**
  Coega extends security design and advisory support to external programmes, maintaining high standards across all its operations.
- **Innovation in Enforcement**
  Introduction of speed cameras and awareness campaigns under the MOU with the Cross-Border Road Transport Agency (CBRTA) strengthen road safety and regulatory compliance.
- **Intelligence and Surveillance Enhancements**
  Online intelligence tools and intrusion detection mechanisms support data-informed risk management. Upgrades to electric fencing are also under consideration for priority zones.
- **Collaboration with Law Enforcement**
  Regular security risk assessments for high-profile events and active participation in the Coega Security Forum—together with tenants, SAPS, and other agencies—have fostered a proactive, united front in crime prevention.

Coega SEZ Security ensures a secure, resilient environment that supports sustainable investment and operational excellence.

SPATIAL DEVELOPMENT UNIT

Coega's Spatial Development Unit (SDU) plays a strategic role in shaping balanced, sustainable land use across the SEZ—aligning local, provincial, and national development goals. Through spatial planning, cutting-edge spatial technologies, and integrated land management, the SDU ensures that Coega remains a well-structured catalyst of industrial progress.

Spatial Planning

Guided by national and municipal frameworks, spatial planning enables the organised development of land, infrastructure, and investment zones to support long-term socio-economic growth.

Spatial Technologies

Innovative tools—including drone mapping and GIS integrated with 4IR technologies—provide real-time insight into land use, environmental impact, and infrastructure expansion.

Drawing Management

A centralised drawing register stores and updates all "as built" CAD drawings from consultants, ensuring accurate infrastructure documentation and easy access for future developments.

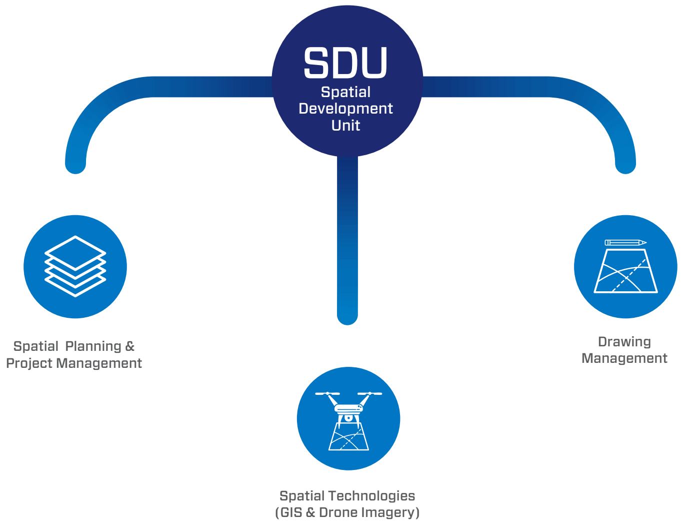
Integrated Development

Compliance with Nelson Mandela Bay Metro regulations ensures that all Coega SEZ developments align with broader urban development policies and land use frameworks.

Spatial Development Objectives

- **Land Management Process**
  Implements town planning principles and environmental regulations to guide site-specific development and ensure compatibility through cluster-based zoning, architectural guidelines, and environmental authorisations.
- **Site Allocation Process**
  Evaluates the suitability of land parcels for investment projects, considering factors such as master planning alignment, environmental impact, infrastructure availability, and visual integrity.

SPATIAL DEVELOPMENT UNIT COMPONENTS



BLUEWATER BAY SUNRISE HOTEL (BWBSH)

Milestones & Media Exposure
Celebrating its third anniversary in March 2024, BWBSH gained extensive media coverage via Umhlobo Wenene, TruFM, and social media, expanding its reach beyond the Eastern Cape and attracting guests from outside the province.

Flagship Events & Programming
Popular events like the Mothers' Day Lunch, Women's Day Hats and Heels High Tea (featuring actress Unati Guma), Christmas Lunch, New Year's Eve Party, Valentine's Dinner, and a newly launched Heritage Lunch were all successful and well-attended. The hotel also hosted year-end corporate functions, including a fourth consecutive event for Bluewater Bay Klinicare Pharmacy.

Market Expansion & Partnerships
BWBSH showcased at Africa Travel Indaba and Meetings Africa, sourcing leads especially in the Chinese market, targeting international clients. Site visits were hosted for key travel agents such as Harvey World and Khumzi Travel, strengthening booking pipelines and partnerships.

Key Hosting & Recognition
BWBSH positioned itself as the preferred accommodation and catering provider for Coega SEZ visitors, hosting prominent delegations including the Northern Cape Premier and Eastern Cape Premier for an MOU signing. Events for Nelson Mandela Bay Municipality, ABASA, Orion SA launch, and media campaigns boosted its profile. The hotel was a finalist in the Nelson Mandela Bay Accommodation Awards.

Community & Tourism Engagement
Strong support came from local churches and the Eastern Cape Parks and Tourism Agency (ECPTA), with BWBSH's GM Ms. Sisonke Mapuma featured as a guest speaker and program director at key tourism events and campaigns.

Media Campaigns & Publicity
Extensive radio campaigns on TruFM, Umhlobo Wenene, Nkqubela FM, and Bay FM promoted BWBSH events, alongside newspaper features and a spot on DSTV Mzansi Magic's reality show The Bala Family.

Staff Changes & Team Growth
Despite senior staff departures and the loss of a team member, BWBSH absorbed interns into key roles and welcomed new team members, strengthening its operational capacity.

Entertainment & Events
BWBSH partnered with local event organisers and hosted notable musicians including DJ Cleo, Ntsika from the Soil, DJ Thela, and Donald, reviving ties with the Ebubeleni Music Festival to position the hotel as the preferred accommodation.

Financial Performance
The year ended strong with 100% occupancy for two and a half months, hosting major clients such as Advanced Maritime Transport and Dormac. Profitability improved markedly from a 28% loss the previous year to a 19% profit, reflecting the team's dedication and solid growth trajectory.

"For the past four years, I have channelled my passion and dedication into my role as Chef de Partie at the Bluewater Bay Sunrise Hotel. My culinary journey began with formal catering studies and a lifelong love for the culinary arts. This opportunity arrived at a pivotal moment in my life, offering a fulfilling path after a period of unemployment. Each day, I am grateful to immerse myself in a profession I truly love. A standout highlight of my career was catering for the Presidential visit to Gqeberha in April, where I had the honour of cooking for the President and other dignitaries. My work here is not just a job; it is a constant source of joy; allowing me to continually learn and grow in a field I am deeply passionate about."

AMANDA MAGQAZA
Chef De Partie
Bluewater Bay
Sunrise Hotel

COEGA SEZ OPERATIONS

COEGA CORPORATE TRAVEL (CCT) ACHIEVEMENTS FOR FY 2024/25

Coega Corporate Travel (CCT)

CCT was established to provide reliable, cost-effective travel management tailored to CDC's dynamic needs. Evolving from an internal support unit into a strategic, revenue-generating division, CCT now optimises internal travel spend and drives external revenue through Service Level Agreements (SLAs) with public sector clients, reinforcing its commercial credibility beyond CDC.

Accredited by the International Air Transport Association (IATA) since 2007, CCT consistently outperformed revenue targets in 2024/25, generating R51 million against a target of R33 million. This reflects strong growth, especially in Q2 and Q3, and a sustained upward trajectory since 2020/21—from R6.55 million to over R51 million in 2024/25—demonstrating resilience and strategic expansion post-pandemic.

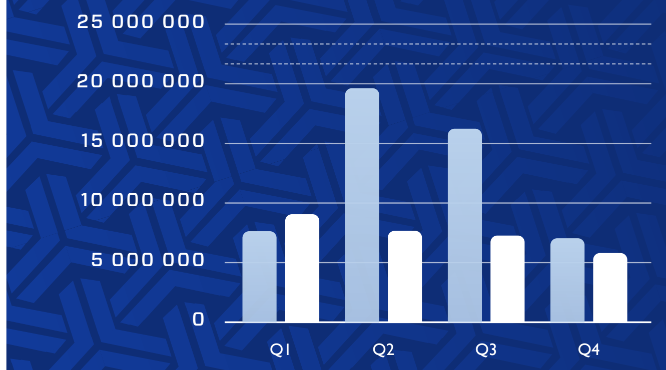
To boost visibility, CCT engaged in industry expos like the Tourism Business Council and plans further internal campaigns and collaborations with tourism boards and event organisers to expand market reach.

Aligned with CDC's integrated business solutions, CCT aims to enhance investor mobility and SEZ accessibility by integrating seamless travel systems. Key priorities for 2025/26 include:

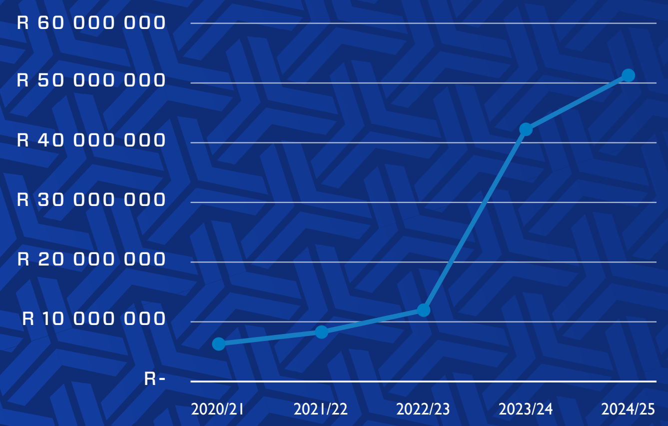
- Delivering client-focused travel services combining business and leisure
- Leveraging technology for automated bookings, approvals, and reporting
- Building trusted stakeholder partnerships to maximize value
- Improving policy compliance while driving cost efficiencies

5-Year: Revenue Achieved (ZAR)	
2020/21	R6 555 553,42
2021/22	R8 936 619,51
2022/23	R11 557 323,50
2023/24	R42 940 500,31
2024/25	R51 025 701,10

ACTUAL REVENUE VS TARGETS 2024/25

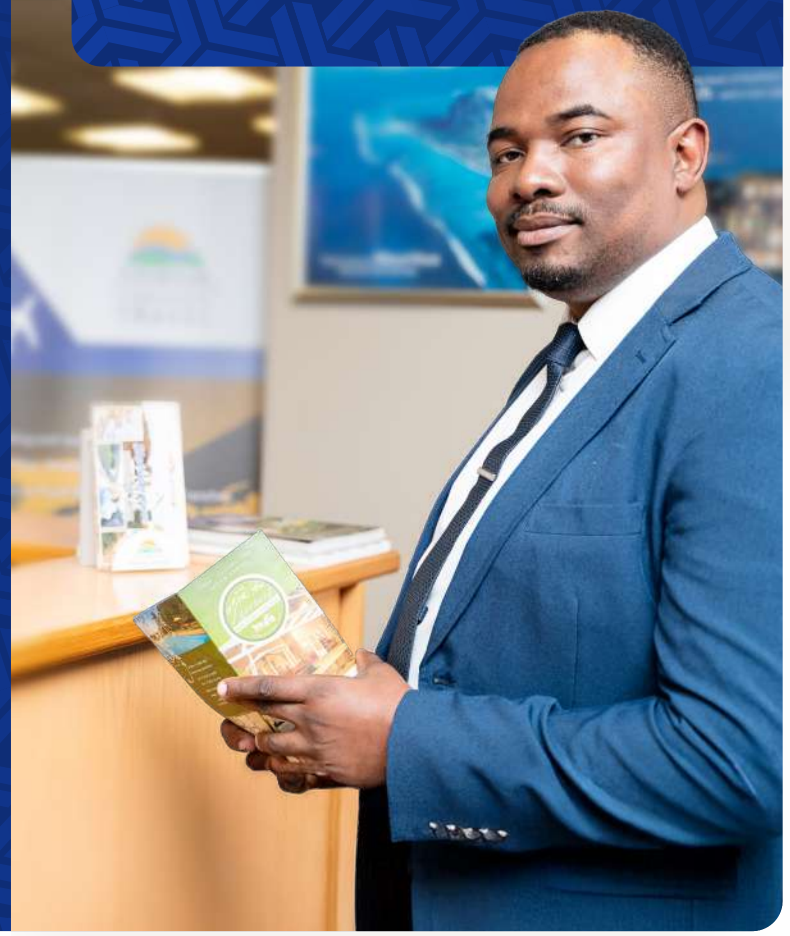


CCT 5-YEAR REVENUE GROWTH



"In my current role, extensive international travel is a given. Navigating the complexities of government operations often means working within a framework of established policies. While these policies are crucial for ensuring accountability, they can sometimes present challenges when working with external service providers. This is where my experience with Coega Corporate Travel stands out. As their client, we consistently experience an exceptional level of care, service, and understanding. They have proven to be a true catalyst for our growth, transforming what could be a burdensome process into an efficient one. Their dedication to client care is truly commendable. When you book through Coega Corporate Travel, you can rest easy, knowing that every detail is expertly handled."

MR. LULAMILE MOOLMAN
Head of International and Intergovernmental Relations Nelson Mandela Bay Municipality and Coega Corporate Travel Client



Vulindlela Accommodation and Conference Centre (VACC)

The 2024/25 financial year marked a strong recovery and strategic repositioning for VACC as a key enabler of CDC's developmental goals post-COVID-19. Highlights included:

- **Return of Rig Accommodation:**
  Hosted Dormac's Siapem Rig workers for three months, generating R12.6 million and restoring VACC's industrial client reputation.
- **Partnership with DALRRD:**
  Secured accommodation contracts for CDC Skills Centre learners, generating over R4.1 million and formalised via a three-year MOU supporting skills and youth development programs.

These partnerships expanded VACC's role beyond hospitality, contributing to CDC's socio-economic impact and supporting youth employment initiatives by cross-subsidising related CDC units.

Operationally, VACC maintained high occupancy during peak periods and improved client satisfaction, demonstrating commitment to service excellence and continuous improvement.

Financially, VACC delivered R45.9 million in revenue with a net profit of R15 million (33% margin), surpassing projections and signaling a strong turnaround.

Looking ahead, VACC aims to deepen its strategic impact through a diversified client base, enhanced systems, and new business opportunities aligned with CDC's growth agenda.

COEGA SEZ OPERATIONS

TRADE FACILITATION

Trade Facilitation Unit (TFU)

The TFU, under CDC's Operations Business Unit, enhances trade efficiency in the Coega SEZ and Nelson Mandela Bay Logistics Park through Investor Support, Customs and Incentive Services, and Logistics and Warehousing. It accelerates trade by reducing administrative barriers, supporting investor retention, streamlining regulatory processes, and offering commercial logistics "plug-and-play" solutions. Based in the Coega One-Stop-Shop (OSS) facility, the TFU fosters collaboration with government, reinforcing Coega as a prime gateway to African and global markets.

TFU Highlights from the 2024/25 Financial Year

- **Investor Satisfaction:** Improved through the Coega Customer Satisfaction Survey.
- **Government Collaboration:** Strengthened partnerships to enhance service delivery and compliance.
- **Revenue Generation:** Expanded logistics services, creating new revenue streams and sustainability.

Investor Services

The team manages investor engagement and post-investment support via the OSS platform, central to Coega's investor retention strategy.

Key Initiatives in 2024/25:

- Coega One-Stop-Shop activations.
- Employee Tax Support with SARS.
- Home Affairs services (ID cards, passports, birth certificates).
- Road Safety Awareness with CBRTA.
- Publication of the 2024/25 Coega Census Report.
- Monitoring investor job growth and satisfaction.

Customs and Incentive Services

Supports compliance within Customs-Controlled Areas (CCAs), guiding enterprises on obligations, incentives, and training.

- Registered two new Customs-Controlled Area Enterprises (CCAEs), total now 6.
- Cumulative incentives accessed amount to R13.3 million.
- Led workshops on customs procedures, SEZ incentives, and stakeholder capacity building.

Logistics and Warehousing

Manages CDC Cargo Depot and Laydown Area, essential to Coega's logistics infrastructure.

Commercial Services Offered:

- Short- and long-term cargo storage.
- Transport and distribution services.
- Container collection from Port of Ngqura.
- Container unpacking and cargo reporting.
- Stock management and reporting.
- Bonded storage facilities.
- Cargo repacking for export readiness.
- Project cargo management (e.g., wind turbines).
- Customs technical support.
- Achieved significant revenue growth via new commercial clients.
- Awarded "Best Provider of Service to Exporters – Merit Award for New Contracts" at ExporterEC awards.

The TFU remains committed to innovation, operational excellence, and enhancing investor satisfaction to build on its successes in the coming years.

" For over five years at Coega, I have established a reputation for being trustworthy, loyal, and hardworking. My journey began in Makanda (Grahamstown), where I first encountered the world of construction. This experience led me to the Maintenance Department at Rhodes University, and eventually, I relocated to Gqeberha to join the Coega Development Corporation. As a dedicated father and the sole provider for my family, my commitment to my work is unwavering. My family and my faith in God are my pillars of strength and resilience. My greatest asset is my relentless willingness to go the extra mile for this organisation. I am always ready to lend a hand, support my colleagues, and grow as a valuable member of the team."

CLIFTON GROATS
Handyman
Coega Development Corporation

LABOUR STABILITY AND SOCIO-ECONOMIC DEVELOPMENT

Coega Human Capital Solutions (Coega HCS) delivers integrated human capital and labour management services to the Coega SEZ and CDC's non-SEZ projects, helping to mitigate labour and community risks on large-scale infrastructure developments. With a 22-year track record across complex projects—from hospitals and roads to harbours and schools—Coega HCS has played a pivotal role in advancing project success.

Its enduring presence within the Coega SEZ, designed with a 50+ year development horizon, has enabled the team to refine and evolve specialised solutions—positioning Coega HCS as a consistent catalyst of progress in managing workforce challenges across South Africa's infrastructure landscape.

INTERNATIONAL BEST PRACTICE

Coega HCS aligns its socio-economic and labour risk management protocols with international benchmarks, including the Equator Principles and IFC Performance Standards, both of which guide responsible environmental and social practices in infrastructure development.

Coega HCS's two core mandates are:

a. Creating a stable labour environment for SEZ investors:

Since 2002, Coega HCS has maintained a 99.9% construction uptime in the Coega SEZ, with under 0.1% of days lost to labour or community unrest—well below national averages. In 2024/25, this track record continued, reinforcing the SEZ's reputation as a global best-practice site, as recognised by the ILO's Fair Labour Standards Working Group.

b. Ensuring access to skilled local labour:

In 2024/25, Coega HCS facilitated training for 4,589 people in the Eastern Cape and achieved a 91% average local labour absorption rate on its supported projects.

In support of CDC's financial sustainability goals, Coega HCS expanded its consulting portfolio, contributing to reduced SEZ service costs despite economic headwinds. Strategic plans include growing its labour management, social facilitation, and conflict resolution offerings, while leveraging digital tools and Software-as-a-Service models to help external clients achieve similar labour stability and project success.

A second initiative is to actively pursue partnerships and collaborations as a meaningful contribution to addressing the 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.

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.

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

- Delivered consistent results in local labour absorption, labour peace, and community support across all implemented projects.
- Offered cost-effective, flexible, and competitively priced services adaptable to diverse project needs.

Ongoing system enhancements, packaging for third-party use, and integration of advanced analytics will further scale the model's impact and profitability—diversifying clients and strengthening business resilience.

Coega HCS remains the primary contributor to the organisation's corporate training targets.

To date, over 92,000 individuals have benefited from training interventions.

However, meeting the annual target presents challenges:

Coega HCS operates without a corporate funded training budget. Instead, through a network of external funders and partnerships with top-tier South African institutions, it continues to deliver relevant training aligned to labour market demands—supporting youth employment and economic transformation.

Coega's decision not to directly deliver training is based on strategic considerations:

- Partnering with leading providers ensures the best outcomes for investors. Coega focuses on leveraging and amplifying excellence through sustained collaboration with education and training institutions.

Workplace integration and relevance remain key challenges in South Africa's training system.

With its recruitment centre and broad client base, Coega helps bridge this gap—facilitating access to supervised workplace experience for trainees.

Similarly, by working closely with investors and partners on major projects, Coega provides top-performing graduates the chance to engage with new technologies and large-scale development efforts.

To address shifting industry needs and weak forecasting:

Coega HCS collaborates with universities, TVET colleges, and international partners to align curricula with emerging demands. This includes support for placement programmes, technology transfer, and modernised skills delivery.

Coega also advances foresight-based planning to prepare the workforce for the Fourth Industrial Revolution (4IR) and mitigate job displacement in low-skilled segments. This work continues in coordination with the Eastern Cape HRD Council and SETAs.

The focus is on expanding partnerships to support Coega's involvement in new growth sectors—green energy (e.g., green ammonia), offshore oil and gas, advanced manufacturing, and agri-tech for regenerative agriculture, including soil and water restoration, advanced genetics, and aquaculture.

LOOKING AHEAD

The outlook for Coega HCS remains positive, with continued interest in its services and consulting portfolio revenues supporting developmental impact. Looking ahead, the team will expand its reach and capabilities to meet evolving market needs—remaining at the forefront of social facilitation and design. In doing so, Coega HCS reinforces its role as a catalyst of progress in advancing inclusive development.

CORPORATE SOCIAL INVESTMENT (CSI)

As a responsible corporate citizen and catalyst of progress, Coega Development Corporation (CDC) recognises the value of community investment in driving long-term development. Guided by its CSI Programme, Coega focuses on education, human capital development, and the upliftment of disadvantaged communities—particularly in the Eastern Cape and other areas of operation. These efforts are aligned with the King IV Code, ESG principles, and global best practices, supporting the UN Sustainable Development Goals. Through targeted, measurable initiatives, the CDC ensures its CSI efforts contribute meaningfully to societal advancement and sustainable impact.

Maths & Science Programme

The Coega Development Corporation's Maths and Science Programme (MSP), established 12 years ago as a flagship CSI initiative, offers a second chance to Grade 12 learners from disadvantaged communities to pursue STEM-related tertiary studies. Hosted at the Coega Skills Development Centre in Gqeberha, the programme has empowered over 1,200 learners to date. In 2024, the MSP achieved a 100% pass rate in both Mathematics and Physical Science for the third consecutive year, with strong subject averages and 13 distinctions—demonstrating the programme's impact as a catalyst for educational progress and opportunity.

The 12-year anniversary of the Maths and Science Programme (MSP) was marked by a special event celebrating the Class of 2024, with keynote remarks from MEC Nonkqubela Pieters, who emphasised its role in driving socio-economic development. Looking ahead, the MSP plans to scale its reach through technology and partnerships—unlocking greater STEM opportunities for youth across the Eastern Cape and beyond.

Nelson Mandela Day 2024

To mark International Nelson Mandela Day on 18 July 2024, Coega's CSI Programme aligned with the Nelson Mandela Foundation's theme, "It's still in our hands to combat poverty and inequality." In partnership with key stakeholders, Coega implemented sustainable interventions at Vulumzi Senior Secondary School in Motherwell, including a food garden, tree planting, waste management support, and a community clean-up. These efforts, supported by active staff participation, reinforced a culture of servant leadership and long-term community impact rooted in Mandela's legacy.

Coega Back-to-School

Coega's 2025 Back-to-School initiative, delivered in partnership with Dormac, provided critical support to 80 learners across four schools in the Motherwell/Wells Estate areas of Gqeberha. The learners received school shoes, uniforms, and stationery packs—helping them start the academic year with dignity and confidence. Employee donations further amplified the impact, reflecting a culture of compassion and collective responsibility. The initiative is a strong example of how partnerships and staff engagement act as catalysts of progress in advancing educational access and social equity.

Looking Ahead

Coega remains committed to fostering meaningful social transformation through its CSI Programme, which plays a vital role in advancing inclusive development. The Maths and Science Programme (MSP), a cornerstone of this approach, will be expanded to broaden STEM opportunities in underserved communities—harnessing collaboration and innovation to extend its impact.

To respond to growing food insecurity, Coega will also introduce a scalable food security initiative, building on the success of the Vulumzi School Garden. The programme will support the development of a network of local gardeners and practitioners to strengthen resilience at community level.

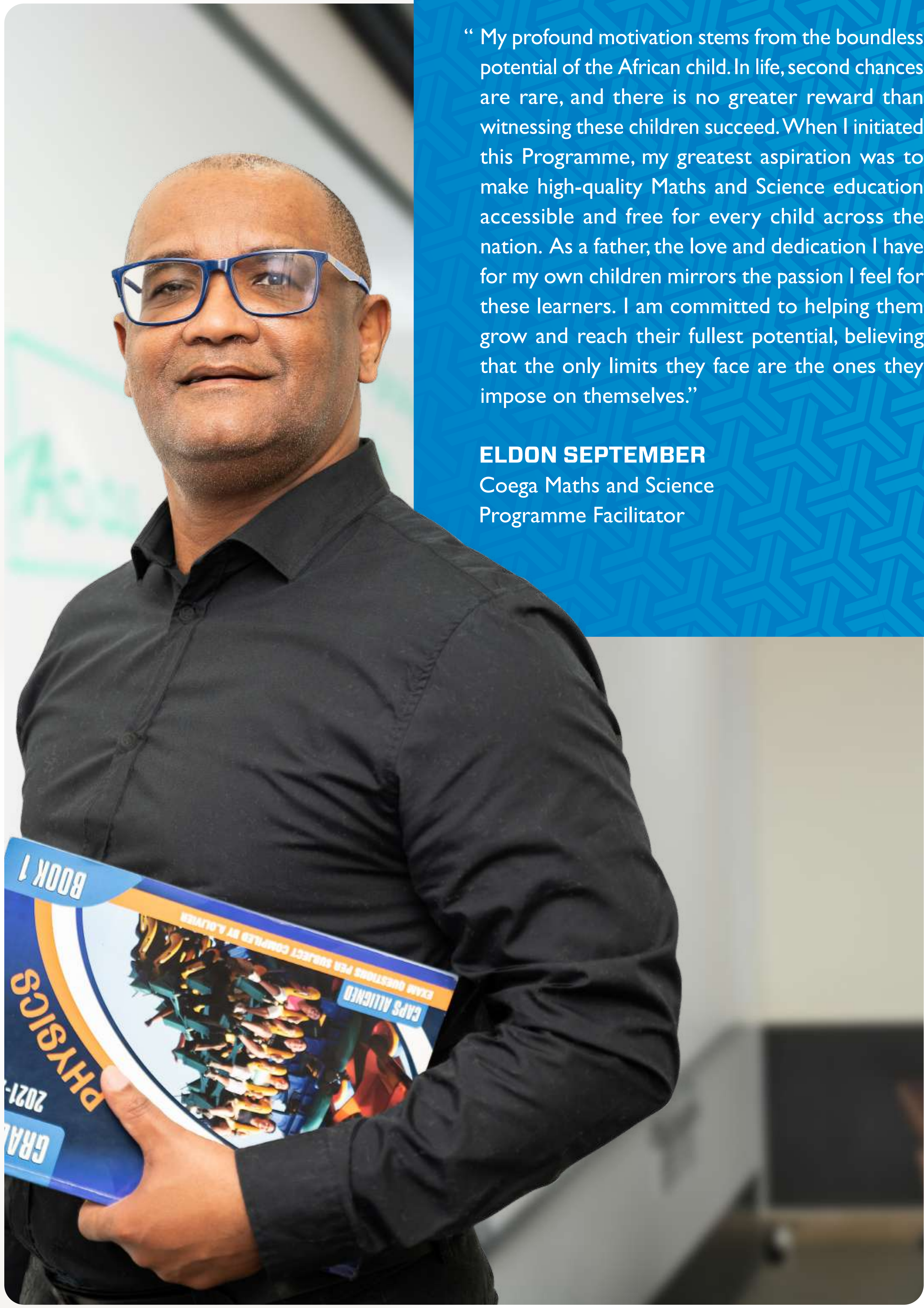
By investing in education and food security, and supporting grassroots organisations, Coega continues to lay the groundwork for sustainable change—quietly but steadily enabling the conditions that spark progress where it is needed most.

TABLE 1: 2024 MSP LEARNERS PERFORMANCE IN MATHEMATICS (FINAL RESULTS)

Levels & Percentages	Level 1 (0-29%)	Level 2 (30-39%)	Level 3 (40-49%)	Level 4 (50-59)	Level 5 (60-69)	Level 6 (70-79)	Level 7 (80-100%)
2024 Entry results	15	39	30	6	4	0	0
2024 Exit results	0	2	9	24	28	19	9

TABLE 2: 2024 MSP LEARNERS PERFORMANCE IN PHYSICAL SCIENCE (FINAL RESULTS)

Levels & Percentages	Level 1 (0-29%)	Level 2 (30-39%)	Level 3 (40-49%)	Level 4 (50-59)	Level 5 (60-69)	Level 6 (70-79)	Level 7 (80-100%)
2024 Entry results	10	37	36	8	3	0	0
2024 Exit results	0	2	16	30	33	6	4



" My profound motivation stems from the boundless potential of the African child. In life, second chances are rare, and there is no greater reward than witnessing these children succeed. When I initiated this Programme, my greatest aspiration was to make high-quality Maths and Science education accessible and free for every child across the nation. As a father, the love and dedication I have for my own children mirrors the passion I feel for these learners. I am committed to helping them grow and reach their fullest potential, believing that the only limits they face are the ones they impose on themselves."

ELDON SEPTEMBER
Coega Maths and Science Programme Facilitator

SMALL, MEDIUM AND MICRO-SIZED ENTERPRISES

BBBEE PROGRAMME

The CDC's B-BBEE Programme is guided by the revised Codes of Good Practice and measured against the Specialised Scorecard for public entities, focusing on management control, employment equity, skills development, and socio-economic development. Through ongoing initiatives, Coega remains committed to transformation and inclusive economic participation. In 2024/25, Coega maintained its Level 1 B-BBEE status, reflecting its continued leadership in empowerment and compliance.

SMME DEVELOPMENT PROGRAMME

The Coega Development Corporation's SMME Development Programme supports Black-owned SMMEs (51% or more) with CIDB gradings of 1-7, recognising their role in economic growth, transformation, and job creation. The programme includes:

Training, covering:

- Tendering for construction contracts
- Applying basic business concepts
- Workplace health and safety
- Business finance fundamentals

In 2024/25, **331 SMMEs** benefited:

- 83 received **CETA-accredited training**
- 251 received **non-accredited training**

Mentorship outcomes included:

- **80%** contract completion rate among participating SMMEs
- **83 SMMEs** upgraded their CIDB grades

The total value of contracts awarded through the programme was R77.1 million.

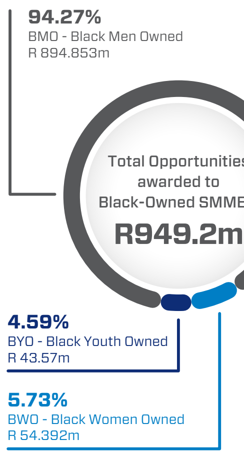
Economic Empowerment of SMMEs

Access to economic opportunities remains central to Coega's commitment to SMME development. With a corporate target of 33% procurement spend allocated to SMMEs across all projects, the organisation exceeded expectations in 2024/25 — achieving 47.88%, with a total spend of R949 million. This performance reflects Coega's continued drive to expand inclusive participation in its value chain and serve as a catalyst for small business growth.

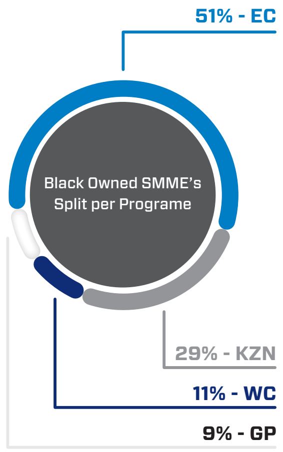
LOOKING AHEAD

SMMEs are widely recognised as vital contributors to South Africa's economic development, particularly in job creation and local growth. With government as the largest procurer of goods and services, public sector procurement plays a key role in expanding SMME participation. As an empowerment-driven organisation, Coega continues to reduce barriers to entry and champion initiatives that unlock opportunities for small businesses—especially in the infrastructure and construction sectors—strengthening inclusive economic progress.

TOTAL OPPORTUNITIES AWARDED TO BLACK-OWNED SMMES



SMME SPLIT PER PROVINCE FOR 2024/25



In pursuit of realising the development of the small business sector and skills to go with it, the SMME unit will be rolling out 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 business 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 business;
  - 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 central to advancing SMME development. In line with its commitment to inclusive growth, Coega aims to facilitate, promote, and drive the meaningful inclusion of SMMEs in procurement opportunities—helping position them as catalysts of broader economic progress.

" Nkululeko Senior Secondary isn't just a school; it's a testament to growth and community. With the help of Coega, this facility was built from the ground up, replacing our old facility with one that truly dignifies learning. Now, our students thrive in an environment equipped with state-of-the-art labs and a dedicated dining hall. For educators, these spaces have not only restored but multiplied our passion. The impact extends beyond our classrooms as the community played a vital role in our construction, with local small businesses contributing to its creation. This collaborative spirit has fostered a deep appreciation for the school and a massive improvement in enrolment, allowing us to educate even more learners and shape brighter futures."

MRS. LULU RESHA
Deputy Principal
Nkululeko Senior Secondary School

NON-SEZ SERVICES

INFRASTRUCTURE PROGRAMMES

The Coega Development Corporation (CDC) continues to demonstrate its role as a catalyst of progress by diversifying revenue streams and expanding its impact beyond the Coega Special Economic Zone (SEZ). Since 2003, CDC has operated as an Infrastructure Implementing Agent under Section 236 of the Constitution, offering a suite of non-SEZ services that include technical advisory, industrial park development, and full-spectrum project management across engineering, procurement, and construction.

These services extend both nationally and across the continent, with CDC delivering infrastructure solutions in countries such as Senegal, Cameroon, Zimbabwe, and the Central African Republic. In the 2024/25 financial year, the organisation welcomed new clients into its growing portfolio, further affirming its value as a trusted public sector partner.

By deepening state capacity and accelerating infrastructure delivery through Agency Agreements and competitive tenders, CDC continues to unlock socio-economic potential—driving sustainable development and reinforcing its position as a catalyst of progress at home and across Africa.

Performance Results

The non-SEZ services Portfolio signed the following clientele by the end of the 2024/25 Financial year:

New Implementing Agent Work Secured during the 2024/25 FY				
	Client Name	**Scope of Work**	**Estimated Value**	**Type of Work**
1	Cross border Roads Agency	Truck Staging, Driver Training, SME Conferencing, Infrastructure Implementation	At Prefeasibility Stage, costs being established	Implementing Agent and Project Management
2	Aspen	The dtic extension of Coega SEZ	At Prefeasibility Stage, costs being established	Coega is the Landlord
3	Bhisho Precint	Building a 52000 sqm office to house seven EC Government Offices with 1600 parking bays	R1 600 000 000	Private Partnership on a Concession
4	Airports Company South Africa	Procurement of projects for Airports Company South Africa	Not yet costed, continuous allocation	Procurement of ACSA Projects
5	KSD TVET College	Feasibility, Planning, Design and Construction of a new Mngazi TVET College	At Prefeasibility Stage, costs being established	Implementing Agent and Project Management

WILD COAST SEZ PROGRAMME

The Wild Coast Industrial Park, soon to be designated a Special Economic Zone (SEZ), stands as a catalyst of progress for the eastern region of the Eastern Cape. Positioned to bridge the long-standing East/West economic divide, this strategic development is set to unlock industrial growth, job creation, and regional revitalisation.

Phase 1, currently underway, involves the installation of bulk infrastructure—sanitation, water, electricity, and network fibre—funded by a R49.5 million investment from the Department of Trade, Industry and Competition (the dtic). Completion is expected by January 2026. Backed by a confirmed R1.75 billion in investment, the project is being driven by the Coega Development Corporation (CDC), leveraging 25 years of experience, ISO-certified systems, and a strong track record in infrastructure delivery to deepen state capacity and enhance service delivery.

The 255-hectare site, adjacent to Mthatha Airport, is ideally located near major transport routes (R61 and N2) and sits centrally among the Alfred Nzo, OR Tambo, and Amathole District Municipalities. Its proximity to the most populous municipality in the region, combined with its logistics potential, positions it as a future transshipment hub.

The Park's key objectives are to expand agro-processing, promote beneficiation and manufacturing, and reindustrialise Mthatha as a regional economic centre. As Phase 2 approaches, further funding will be essential to scale bulk infrastructure and fully realise the Park's vision—cementing its role as a driver of inclusive, sustainable development in the Eastern Cape.

255
hectares

R1.75 billion
confirmed in investment

January 2026 expected Phase 1 completion

NON-SEZ SERVICES

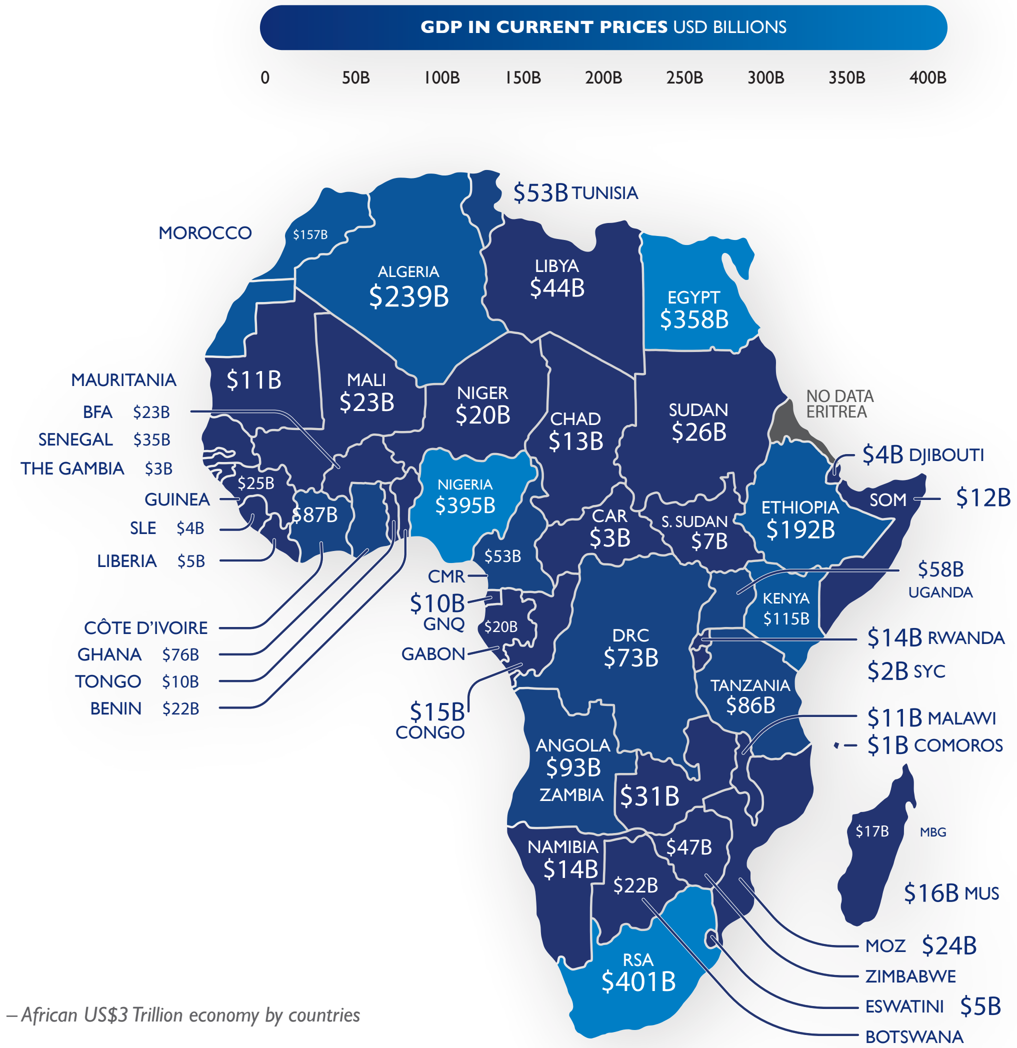
COEGA AFRICA PROGRAMME

Africa, home to 1.4 billion people and the world's youngest population, is rapidly emerging as a hub for consumer markets and supply chains. With South Africa leading as the continent's most diversified economy, Africa's vast reserves of critical minerals, along with the global shift toward clean energy, position it as a vital contributor to the world's future. However, challenges in infrastructure and logistics remain barriers to full potential.

Special Economic Zones (SEZs) are becoming catalysts of progress, playing a key role in Africa's economic transformation. Aligned with the African Continental Free Trade Area (AfCFTA), SEZs help shorten supply chains, promote industrialisation, and enhance Africa's competitiveness. The AfCFTA offers a strategic opportunity to increase intra-African trade, lower business costs, and scale production, aligning with Agenda 2063's vision of a stable and industrialised Africa. For South Africa, this also presents new export markets and regional integration prospects.

With 25 years of experience, the Coega Development Corporation (CDC) is leveraging its expertise to support these developments. As a leading Implementing Agent, CDC is expanding across the continent, providing infrastructure, engineering, and SEZ development services that align with AfCFTA priorities. Recent engagements have included missions to the Central African Republic, Senegal, Zimbabwe, and Cameroon, as well as high-level forums and summits focused on mineral beneficiation and energy transition.

Key milestones include CDC's participation in the African Union's SME Mining Conference (Sept 2024), the AEZO Annual Meeting (Nov 2024), and a bilateral summit between South Africa and Nigeria (Dec 2024). Strategic partnerships are forming, such as with Global Auxiliaries Group in Nigeria and Greenville Agro Park in Zambia, further entrenching CDC as a partner in Africa's economic rise.



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

Key milestones

African Union Mining Conference
September 2024

Africa Economic Zones Corporation (AEZO) Annual Meeting
November 2024

Bilateral summit between South Africa and Nigeria
December 2024

LOOKING AHEAD

CDC will continue to pursue opportunities in free zones, dry ports, and industrial parks across the continent—unlocking trade routes, boosting non-SEZ service portfolios, and enabling South African businesses to scale up continental exports. As the AfCFTA gains momentum, CDC is well-positioned to remain a key catalyst of progress in Africa's industrial and economic future.

- Implementing agent of public infrastructure (schools, clinics, roads)
- Last frontier for industrial growth
- Advisory / Joint Venture Partnership: Special Economic Zones, Industrial Parks, Logistics Bases
- Advisory Services
- AfCFTA: Africa is the last frontier for growth
- Demographics Dividends
- Partnership for similar objectives
- Risk Management

OUTLOOK

STRATEGIC ALIGNMENT AND VISION

The Coega Development Corporation's Strategic Plan (2020–2025) is aligned with the national priorities of South Africa's sixth administration:

Priority 1	Economic transformation and job creation
Priority 2	Education, skills, and health
Priority 3	Reliable, quality basic services
Priority 4	Spatial integration 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 pursuit of its mandate as a catalyst of progress, the CDC has prioritised three core outcomes:

- Financial sustainability
- Strategic economic advantage for targeted industries
- Economic opportunities for the marginalised

Guided by the NDP 2030, National Infrastructure Plan 2050, SEZ policies, and governance frameworks, CDC translates policy into measurable outcomes through fit-for-purpose systems, governance, and performance.

STRATEGIC FOCUS AREAS

1. Financial and Operational Resilience

Despite economic headwinds, CDC has remained focused on value creation through investor retention, market share growth, service excellence, and portfolio diversification—including non-SEZ services and commercial ventures. The shift toward increased revenue generation and capital access is key to implementing its 2025–2030 "Consolidate for Growth and Sustainability" strategy.

2. Capital Raising and Strategic Investments

Through its Capital, Funding, and Investment Unit, CDC seeks to:

- Fund catalytic infrastructure projects across Africa
- Diversify revenue and improve returns
- Originate high-value public-private infrastructure deals

Flagship projects include:

- Boegoebaai Port and Rail (R54bn)
- Bhisho Office Precinct (R1.86bn)
- Fatick (Senegal) and Kabalega (Uganda) Industrial Zones
- Digital Infrastructure (R5.8bn)

These reflect CDC's ability to unlock large-scale investment and translate development into progress.

3. New Opportunities and Investor Appeal

CDC has secured interest from domestic and global investors, financiers, and development institutions—drawn by its proven ability to scale in green energy, industrial innovation, digital infrastructure, and the Coega Africa Programme. Investment-ready opportunities include:

- Biofibre Cluster (R1.015bn)
- Gas-to-power infrastructure (R4bn)
- Coega Return Effluent Scheme (R1.8bn)
- Aquaculture, green hydrogen, and automotive localisation initiatives

INVESTMENT PROMOTION AND ECONOMIC OUTLOOK

Investment attraction remains central to CDC's SEZ mandate. Despite global FDI declines, CDC aims to:

- Convert pipeline opportunities into operational projects
- Drive income through rentals and construction-linked deals
- Retain existing investors and increase tenant conversion

Targeted sectors include:

- Agro-processing
- Automotive and advanced manufacturing
- Energy (renewables and gas)
- Aquaculture
- ICT & BPO
- Tourism & hospitality

Strategic partnerships and active community engagement remain pivotal in reinforcing CDC's reputation as a credible investment destination.

NON-SEZ SERVICES AND EXPANSION

CDC's non-SEZ portfolio continues to gain traction by delivering infrastructure for both public and private sector clients across South Africa and the continent. As a trusted implementing agent, Coega will scale services in:

- Infrastructure development and maintenance
- Coega Africa Programme
- Social and economic infrastructure

SOCIAL IMPACT AND DEVELOPMENTAL AGENDA

Driven by its vision as a champion of socio-economic development, CDC remains committed to inclusion and transformation. Key focus areas:

- Empowering youth, women, and people with disabilities
- SMME support and enterprise development
- Skills training and job creation

These interventions anchor CDC as a real catalyst of progress — broadening participation, reducing inequality, and advancing development where it is needed most.

SUSTAINABILITY PRACTICES

By embracing sustainable practices, CDC endeavours to contribute in mitigating climate change risks, support economic innovation, and foster resilience, growth, and long-term success in a changing world.

- Air Quality Management and Greenhouse Gas Emissions (GHG) Monitoring
- Water Stewardship
- Green Open Spaces and Eco-Recreation Trails
- Biodiversity Conservation OSMP for biodiversity conservation and nature-based solutions to emissions reduction
- Certified ISO SHEQ Management Systems (14001:2015, 45001:2018, 9001:2015)
- Sustainable and renewable energy transition solutions, including 4MW solar PV rooftop
- SEZ Green Building Promotion through implementation of green building architectural guidelines for energy efficiency and sustainable building design

These outcomes go beyond milestones. They are tangible expressions of the CDC's catalytic impact. From every completed project to every empowered individual, the CDC's commitment to inclusive development is made real, ensuring its progress is measured not just in numbers, but in the lives it transforms.

06

INTEGRITY THAT DRIVES CONFIDENCE

Strong, ethical governance remains the engine behind the CDC's sustainable progress—powering performance, enabling transparency, and reinforcing investor and stakeholder confidence.

REVIEW BY THE CHAIRPERSON: AUDIT AND RISK COMMITTEE (ARC)

SIBUSISO NDUNA

CHAIRPERSON

CATALYSTS OF PROGRESS: ENABLING SOUND GOVERNANCE AND ACCOUNTABILITY

On behalf of the Audit and Risk Committee (ARC), I present this report for the financial year ending 31 March 2025, outlining how the Committee discharged its responsibilities in financial reporting, performance oversight, internal controls, risk management, and regulatory compliance.

Throughout a year shaped by transformation and transition, the ARC remained steadfast. Membership changes included my appointment (effective 01 November 2024) following Mr. Nene's resignation in October 2024, with thanks extended for his contribution.

Dr. Sithebe was also requested to join and to chair quarterly, the management Risk Management and Ethics Committee meeting, in preparation for the ARC meeting.

These shifts did not hinder the ARC's role as a trusted guardian of ethical leadership and governance.

We see ourselves as active enablers, catalysts of progress, driving transformation through sound financial governance, effective risk mitigation, and a robust integrated assurance model. These pillars underpin the CDC's credibility as a transparent, high-performing, and future-ready institution.

Our work is grounded in legislation and governance codes, including the Companies Act (No. 71 of 2008), the PFMA (No. 1 of 1999), King IV, and the Protocol on Corporate Governance (2002). Every decision is rooted in ethical and accountable practice.

This report reflects more than compliance; it highlights how good governance unlocks value and enables the CDC's long-term sustainability.

COMPANY SECRETARY AND PROFESSIONAL ADVICE

The ARC convened five times, with four sessions attended in full. These meetings ensured value-adding and forward-looking oversight. All directors had unrestricted access to the Company Secretary and professional advice.

A change in Company Secretary occurred during the year, with both incumbents serving the CDC well.

FINANCIAL OVERSIGHT: UPHOLDING ACCURACY AND ACCOUNTABILITY

The ARC maintained strong oversight of financial reporting. It reviewed the Annual Financial Statements and confirmed they fairly represent CDC's position per IFRS, and the Companies Act. No material audit findings were reported.

QUARTERLY MANAGEMENT ACCOUNTS

The ARC reviewed quarterly accounts with a focus on revenue, cost containment, and expenditure. Revenue exceeded targets by 5.6%, showing improved income generation, although cash flow from operations was constrained by delayed receipts and funding cycles.

CASH FLOW MANAGEMENT

Cash flow remains a key sustainability metric. The Committee continues to monitor management's actions to improve liquidity and working capital.

EXTERNAL AUDIT

The ARC engaged closely with external auditors to ensure independence and audit scope. We welcome the unqualified audit opinion and are satisfied that management is addressing all recommendations.

INTERNAL CONTROL: STRENGTHENING OUR ORGANISATIONAL BACKBONE

Strong internal controls are the foundation of good governance. Working with internal audit and management, the Committee assessed control effectiveness and acted where gaps were found. Alignment with ISO standards supported performance, compliance, and continuous improvement.

INTERNAL AUDIT

In line with its oversight responsibilities, the Committee reviewed and approved the Internal Audit Strategy, Charter, and Audit Plans.

It received quarterly updates on audit progress, risk exposures, and management responses. The Committee also ensured the independence of the audit function and supported the Chief Audit Executive in resource planning and performance evaluation.

The Internal Audit unit conducted reviews as per the approved coverage plan for 2024/25 to assess the adequacy and effectiveness on Governance, Risk and Internal Controls and to provide assurance to the CDC Board and Management.

The coverage plans for the year 2024/25 financial year included the following areas:

- IT Related Audits;
- Quarterly Performance: Information Audit;
- Review of the Annual Financial Statements;
- Finance Related Audit;
- Operations Audit;
- IPD/Programme Audits;
- Business Development Audit;
- ESG Audit; and
- Follow-Up Audits (2023/24 FY).

Based on the conclusions of the audits as indicated above, the overall assessment of governance, risk and internal controls for 2024/25 FY were generally satisfactory except for a 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 of achieving a 100% resolution.

RISK MANAGEMENT: A STRATEGIC COMPASS

The ARC provided oversight of CDC's enterprise risk framework, ensuring structured, proactive risk identification and mitigation. A dynamic risk register, aligned to strategic objectives, was regularly reviewed. Risk appetite was evaluated in conjunction with management, with each meeting including in-depth risk reporting.

We see ourselves as active enablers, catalysts of progress, driving transformation through sound financial governance, effective risk mitigation, and a robust integrated assurance model.

We remain committed to cultivating a responsive risk culture that supports resilience and long-term value creation.

COMBINED ASSURANCE: ENHANCING CONFIDENCE AND CLARITY

A maturing control environment, underpinned by ISO standards, is now embedded in the CDC's operational culture. Regular audits, risk reviews, and assurance activities confirmed that key systems are functional. Continuous improvement remains a priority, but the foundation is sound and strengthening.

ETHICS, COMPLIANCE AND WHISTLEBLOWING: BUILDING A CULTURE OF INTEGRITY

The ARC actively monitored ethical conduct and regulatory compliance. Whistleblowing reports, fraud prevention initiatives, and ethics reviews were conducted, with no significant irregularities noted. Corrective action was taken where necessary.

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.

CONCLUSION

As Chairperson, I am satisfied that the Committee fulfilled its mandate. The CDC's internal control systems, financial governance, and risk management remain robust, with continuous improvement in focus.

In the year ahead, we will enhance governance resilience, embrace digital assurance, and align oversight with the CDC's Vision 2030.

We are proud to stand as one of the catalysts of progress, enabling the CDC's mission to create sustainable development across the region.

AUDIT & RISK COMMITTEE MEMBERS

SIBUSISO NDUNA

CHAIRPERSON

Appointed: 2023; and 2024 (Chairperson)

PHELISA NKOMO

Appointed: 2021

RAKESH BHIKA

Appointed: 2022

DR. TEBOGO SETHIBE

Appointed: 2022

ZIYANDA POTELWA

Appointed: 2023

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.

For an in-depth profile of each committee member, see the **Board Members** section.

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

DR. LUVUYO BONO

Appointed: 2024

SAKHIWO GLEN ZAMISA

Appointed: 2019

SOCIAL & ETHICS COMMITTEE

PHELISA NKOMO

CHAIRPERSON

Appointed: 2019

SAKHIWO GLEN ZAMISA

Appointed: 2019

NOMONDE MTEMBU

Appointed: 2019

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.

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.

ZIYANDA POTELWA

CHAIRPERSON

Appointed: 2023

SIYABULELA LAZARUS

Appointed: 2023

DR. LUVUYO BONO

Appointed: 2024

SIBUSISO NDUNA

Appointed: 2023

" My Masters in Business Administration (MBA) studies journey began as a personal challenge, fuelled by a desire to achieve my goals even in the face of immense adversity after the passing of my son. He was my biggest cheerleader, incredibly proud of my career milestones. With the unwavering support of my employer and loved ones, I've not only achieved what I set out to do but have also created a lasting tribute to his memory. My MBA is a powerful testament to my growth in overcoming life's profound challenges, and I live by the mantra:You don't have to be great to start, but you must start to be great."

NADIA KASSIM
Accounts Receivable Manager
Coega Development Corporation

GOVERNANCE STRUCTURE

Robust governance is the foundation of CDC's ability to create lasting value, providing stakeholders and investors with confidence in its stability and sustainability. The CDC Board sets the strategic vision, steering the organisation's five-year plan and regularly reviewing progress to ensure adaptability in a changing environment.

Board members bring a diverse blend of expertise, networks, and deep insight into business, economics, infrastructure, and socio-economic development challenges—particularly those facing the Eastern Cape and South Africa. This collective knowledge acts as a catalyst of progress, enabling informed guidance across CDC's complex mega projects, such as the Coega SEZ.

Strong, transparent governance systems, supported by the Company Secretary, ensure consistent accountability and uphold CDC's leadership in corporate governance excellence.

The Board's four committees—Audit and Risk, Human Resources and Remuneration, Social and Ethics, and Capital Allocation—meet quarterly to address strategic, operational, and social priorities efficiently, accelerating decision-making that drives progress.

Attendance schedule of Board and Committee meetings 2024/25 FY

Members	Meeting 24 May 2024	Special board meeting 25 June 2024	Special board meeting 25 July 2024	Meeting 22 Aug 2024	Extended board strategy 03 & 04 Oct 2024	Meeting 28 Nov 2024	Board strategy session 03 & 04 Feb 2025	Meeting 27 Feb 2025	Special meeting 17 March 2025
Ms B Damoyi	Apology	Apology	Resigned	Resigned	Resigned	Resigned	Resigned	Resigned	Resigned
Dr L Bono	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr S Nduna	Y	Y	Y	Y	Y	Y	Y	Y	Y
Ms N Mtembu	Y	Y	Y	Y	Y	Y	Y	Y	Y
Ms P Xuza	Y	Y	Y	Y	Apology	Resigned	Resigned	Resigned	Resigned
Ms Z Potelwa	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr S Lazarus	Y	Y	Y	Y	Y	Y	Y	Y	Y
Ms P Nkomo	Y	Y	Y	Y	Y	Y	Y	Y	Y

Audit and Risk Committee attendance schedule 2024/25 FY

Members	Meeting 27 May 2024	Special board meeting 25 June 2024	Special meeting 18 July 2024	Meeting 15 Aug 2024	Extended board strategy 03 & 04 Oct 2024	Meeting 21 Nov 2024	Meeting 15 Feb 2025
Mr L Nene	Y	Y	Y	Y	Apology	Resigned	Resigned
Dr T Sethibe	Apology	Y	Y	Y	Y	Y	Y
Ms P Nkomo	Y	Y	Y	Y	Y	Y	Y
Mr R Bhika	Y	Y	Y	Y	Y	Y	Y
Mr S Nduna	Y	Y	Y	Y	Y	Y	Y
Ms Z Potelwa	Y	Y	Y	Y	Y	Y	Y

Operational execution is led by the CEO and Executive Management Committee, who implement Board directives and maintain open, transparent communication channels.

This integrated approach ensures seamless alignment between strategy and delivery, reinforcing CDC's role as a catalyst for sustainable socio-economic advancement.

Anchored in integrity and accountability, the CDC's governance framework continues to shape its credibility and impact. This unwavering commitment not only builds trust and attracts investment—it ensures the organisation remains a reliable, future-focused catalyst of progress.

Social and Ethics Committee attendance schedule 2024/25 FY

Members	Meeting 14 May 2024	Meeting 06 Aug 2024	Extended board strategy 03 & 04 Oct 2024	Meeting 13 Nov 2024	Meeting Feb 2025
Ms P Xuza	Y	Y	Apology	Resigned	Resigned
Ms N Mtembu	Y	Y	Y	Y	Y
Ms P Nkomo	Y	Y	Y	Y	Y
Mr S G Zamisa	Y	Y	Y	Y	Y

Human Resources and Remuneration Committee attendance schedule 2024/25 FY

Members	Meeting 16 May 2024	Meeting 07 Aug 2024	Extended board strategy 03 & 04 Oct 2024	Meeting 14 Nov 2024	Meeting 13 Feb 2025
Ms N Mtembu	Y	Y	Y	Y	Y
Mr S G Zamisa	Y	Y	Y	Y	Y
Ms P Xuza	Y	Y	Apology	Resigned	Resigned
Dr L Bono*		Y	Y	Y	Y

*Dr Bono appointed after the 16 May meeting.

Capital Allocation Committee attendance schedule 2024/25 FY

Members	Meeting 21 May 2024	Meeting 07 Aug 2024	Extended board strategy 03 & 04 Oct 2024	Meeting 14 Nov 2024	Meeting 13 Feb 2025
Ms B Damoyi	Apology	Resigned	Resigned	Resigned	Resigned
Mr S Nduna	Y	Y	Y	Y	Y
Ms Z Potelwa	Y	Y	Y	Y	Y
Mr S Lazarus	Y	Y	Y	Y	Y
Dr L Bono*	Y	Y	Y	Y	Y

*Dr Bono appointed after the 16 May meeting.

07

FINANCIAL STATEMENTS

"Accountable, Transparent, Trusted"
We present more than just the numbers, but what they mean—a financially disciplined, mission-aligned organisation committed to developmental returns.

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 2025
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

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

GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS	Special Economic Zone and Services
DIRECTORS	N. P. Mtembu P. Nkomo S. Lazarus S. Nduna Z. Potelwa T. Koza (Chief Executive) L. Bono (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	U. Tshikovhi

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

DIRECTORS' RESPONSIBILITIES AND APPROVAL

Consolidated Annual Financial Statements for the year ended 31 March 2025

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 2026 and, in light of this review and the current financial position, they are satisfied that the group will have access to adequate resources to continue in operational existence for the foreseeable future.

The consolidated annual financial statements set out on pages 106 to 169, which have been prepared on the going concern basis, were approved by the board of directors on 31 July 2025 and were signed on their behalf by:

Dr. L. Bono Board Chairperson	Mr. T. Koza Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT

REPORT OF THE AUDITOR-GENERAL TO 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 114 to 167, which comprise the consolidated statement of financial position as at 31 March 2025, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated 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 consolidated financial position of the group as at 31 March 2025 and their consolidated financial performance and consolidated 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 112, 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 against predetermined objectives for the selected material performance objectives 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 SEZ investment services presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measures the entity's performance on its primary mandated functions and that is 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 selected material performance indicators 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 and is comparable and understandable.
    - there is adequate supporting evidence for the achievements reported.

14. I performed the procedures for the purpose of reporting 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 achievements.

Report on compliance with legislation

18. 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.

19. 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.

20. 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.

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

Other information in the annual report

22. The accounting authority is responsible for the other information included in the annual report, which includes the directors' report, the audit committee's report and the company secretary's certificate, as required by the Companies Act of South Africa. The other information does not include the consolidated financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported on in this auditor's report.

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

24. 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.

25. 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.

26. I have nothing to report in this regard.

Internal control deficiencies

27. 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.

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

Auditor General

East London
30 July 2025

AUDITOR-GENERAL
SOUTH AFRICA
Auditing to build public confidence

"The Coega Maths and Science Programme was more than just a course; it was a blueprint for my future growth. From the moment I attended the first class and learned the phrase 'Carpe Diem,' I realised that my destiny was in my own hands. This phrase ignited a fire within me, demonstrating that I could become anyone I aspired to be. Even today, that motivation drives me to improve myself daily, propelling me towards building a truly successful career."

MS. KHONA DUNJWA
Industrial Engineer Volkswagen and Coega Maths and Science Programme Alumna

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

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

Auditor-general's responsibility for the audit

PROFESSIONAL JUDGEMENT AND PROFESSIONAL SCEPTICISM

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated financial statements and the procedures performed on reported performance information for selected programme 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 units within the group as a basis for forming an opinion on the group's financial statements. I am responsible for the direction, supervision and review of audit work performed for purposes of the group's 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	Section, regulation or paragraph
Public Finance Management Act No. 1 of 1999	Section 50(3)(b); 51(1)(a)(iii); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 52(b); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(d); 66(5); 67
Treasury Regulations, 2005	Regulation 29.1.1; 29.1.1(a); 29.1.1(c); 29.2.1; 29.2.2; 29.3.1; 31.1.2(c); 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 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)
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
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 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; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	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 2025.

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*

			2025 Number of Shares	2024 Number of Shares
Authorised				
Ordinary shares			1,000,000	1,000,000
Class A ordinary shares			1	1
	2025 R '000	**2024 R '000**	**2025 Number of Shares**	**2024 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 approval of the consolidated annual financial statements are as follows:

Y.B. B. Damoyi	(outgoing Chairperson)	Non-executive Independent	South African	Resigned 13 June 2024
N. P. Mtembu		Non-executive Independent	South African	
P. Nkomo		Non-executive Independent	South African	
K.V. Tiya	(outgoing Chief Executive)	Executive	South African	Resigned 19 December 2024
P. Xuza		Non-executive Independent	South African	Resigned 02 October 2024
S. Lazarus		Non-executive Independent	South African	
S. Nduna		Non-executive Independent	South African	
Z. Potelwa		Non-executive Independent	South African	
T. Koza	(Chief Executive)	Executive	South African	Appointed 01 April 2025
L. Bono	(Chairperson)	Non-executive Independent	South African	

4. *Events after the reporting period*

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

5. *Litigation statement*

The group becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. Other than the matters referred to in note 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 2025.

7. *Company Secretary*

The company secretary is Adv. U. Tshikovhi.

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 2025

		2025	2024
	Notes	R'000	R'000
ASSETS			
Non-current assets			
Property, plant and equipment	2	313,467	326,468
Right-of-use assets	3	1,692	2,215
Investment property	4	8,315,822	6,062,347
• Fair value of Investment properties	4.1	8,067,236	5,843,748
• Straight-line rental accrual	4.2	248,586	218,599
Intangible assets	5	17,376	64,659
Deferred tax	7	9,737	9,613
		8,658,094	**6,465,302**
Current assets			
Inventories	8	702	660
Loans and advances	9	70,227	63,116
Trade and other receivables	10	237,352	171,462
Prepayments	38	17,515	13,518
Cash and cash equivalents	11	591,805	837,057
		917,601	**1,085,813**
Total assets		**9,575,695**	**7,551,115**
EQUITY			
Share capital	12	1,264,558	1,264,558
Retained income		6,513,505	4,842,887
		7,778,063	**6,107,445**
LIABILITIES			
Non-current liabilities			
Finance lease liabilities	3	584	952
Deferred income	16	405,731	476,007
Deferred tax	7	687,696	178,585
Income received in advance	14	15,378	15,774
		1,109,389	**671,318**
Current liabilities			
Trade and other payables	15	629,731	720,073
Finance lease liabilities	3	1,331	1,411
Current tax payable	17	1,263	1,263
Provisions	13	55,522	49,209
Income received in advance	14	396	396
		688,243	**772,352**
Total liabilities		**1,797,632**	**1,443,670**
Total equity and liabilities		**9,575,695**	**7,551,115**

STATEMENT OF PROFIT OR LOSS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

		2025	2024
	Notes	R'000	R'000
Revenue	18	758,063	642,710
Cost of sales	19	(15,394)	(14,870)
Gross profit		**742,669**	**627,840**
Other operating income	20	395,938	196,280
Movement in credit loss allowances	21	(18,921)	(1,207)
Other operating expenses	21	(853,563)	(791,014)
Operating profit	**21**	**266,123**	**31,899**
Investment income	24	39,061	32,457
Finance costs	25	(23,823)	(22,013)
Other non-operating gains (losses)	26	1,898,332	(41,334)
Profit before taxation		**2,179,693**	**1,009**
Taxation	27	(509,072)	24,936
Profit for the year		**1,670,621**	**25,945**

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2025

	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 2023	7	1,264,551	1,264,558	4,816,942	6,081,500
Loss for the year	-	-	-	25,945	25,945
Balance at 1 April 2024	7	1,264,551	1,264,558	4,842,884	6,107,442
Profit for the year	-	-	-	1,670,621	1,670,621
Balance at 31 March 2025	7	1,264,551	1,264,558	6,513,505	7,778,063
Note(s)	12	12	12		

STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 R'000	2024 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		2,179,693	1,009
Adjustments for non-cash items:			
Depreciation, amortisation, impairments and reversals of impairments		29,808	28,905
Losses on sale of assets and liabilities		33,641	3,510
Fair value (gains) losses		(1,931,973)	37,824
Movements in provisions		6,313	(10,956)
Changes in operating lease assets		(29,987)	39,671
Net impairments and movements in credit loss allowances		18,921	1,207
Deferred income released to income		(393,525)	(186,185)
Other non-cash items (including asset write offs)		12,905	1,191
Income received in advance		(396)	(7,340)
Adjust for items which are presented separately:			
Interest income		(39,061)	(32,457)
Finance costs		23,823	22,013
Changes in working capital:			
(Increase) decrease in inventories		(42)	184
(Increase) decrease in trade and other receivables		(69,652)	(28,276)
(Increase) decrease in prepayments		(3,997)	10,690
Increase (decrease) in trade and other payables		(193,716)	(47,441)
(Increase) decrease in loans and advances		(8,952)	(9,304)
Cash generated from (used in) operations		**(366,197)**	**(175,755)**
Interest income	24	39,061	32,457
Finance costs	25	(23,823)	(22,013)
Tax received (paid)	28	(85)	(17)
Net cash from operating activities		**(351,044)**	**(165,328)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	2	(22,742)	(22,198)
Proceeds from sale of property, plant and equipment	2	10,026	6,087
Purchase of investment properties	4	(201,513)	(114,390)
Purchase of intangible assets	5	(1,750)	(28,882)
Net cash from investing activities		**(215,979)**	**(159,383)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Government grants received		312,173	290,840
Interest earned on deferred income funds		11,076	16,297
Cash repayments on lease liabilities	3	(1,477)	(1,104)
Net cash from financing activities		**321,772**	**306,033**
Total cash movement for the year		(245,251)	(18,678)
Cash and cash equivalents at the beginning of the year		837,056	855,735
Cash and cash equivalents at the end of the year	11	**591,805**	**837,057**

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 2025 were authorised for issue in accordance with a resolution of the directors on 31 July 2025.

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, IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) 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 material accounting policies set out below. They are presented in Rands, rounded to the nearest thousand, 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 in order to determine the appropriate rate at which to measure deferred tax. Investment property is measured at fair value. The manner of recovery of the carrying amount, i.e. through use or sale, affects the determination of the deferred tax assets or liabilities. IFRS assumes that the carrying amount of investment property is recovered through sale rather than through continued use. Management considered the business model of the portfolio and concluded that the assumption is rebutted and that the deferred taxation should be measured on the continued use basis.

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 of 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

Investment Property as well as certain other assets and liabilities of the company 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 every 3 years for the determination of appropriate valuation techniques and inputs. The revaluation of investment property requires judgement in the estimation of future cash flows and an appropriate reversionary capitalisation rate. Information about the specific techniques and inputs of investment property is disclosed in note 4.

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 assess 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 13.

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 of 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 33 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 9) 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 24).

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 21).

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 33).

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 10).

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 24).

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 21).

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 10) and the financial instruments and risk management note (note 33).

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 15), 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 25).

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk. Refer to note 33 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 comprise cash on hand and demand deposits, and other short-term highly liquid investments with original maturities of 3 months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

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

Financial liabilities

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

Reclassification

Financial assets

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

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

Financial liabilities

Financial liabilities are not reclassified.

1.9 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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

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

A deferred tax asset is recognised for the carry forward of unused tax losses 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 21) 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 3 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 21).

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 25).

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 18).

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 30.

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 29.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

2. PROPERTY, PLANT AND EQUIPMENT

	2025			2024		
	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	393,507	(193,834)	199,673	400,390	(180,744)	219,646
Marine vessels and equipment	-	-	-	9,531	(2,879)	6,652
Furniture and fixtures	13,910	(6,356)	7,554	13,003	(5,490)	7,513
Motor vehicles	33,780	(21,879)	11,901	35,395	(21,260)	14,135
IT equipment	14,883	(8,039)	6,844	14,473	(7,444)	7,029
Hospitality equipment	45	(25)	20	45	(20)	25
Other property, plant and equipment	42,070	(12,646)	29,424	36,441	(10,570)	25,871
Capital - Work in progress	29,501	-	29,501	17,047	-	17,047
Total	**556,246**	**(242,779)**	**313,467**	**554,875**	**(228,407)**	**326,468**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Other adjustments	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Land	28,550	-	-	-	-	-	28,550
Buildings	219,646	-	(3,877)	(16,096)	-	-	199,673
Marine vessels and equipment	6,652	-	(6,129)	(523)	-	-	-
Furniture and fixtures	7,513	1,161	(125)	(676)	(319)	-	7,554
Motor vehicles	14,135	-	(964)	(1,270)	-	-	11,901
IT equipment	7,029	2,776	(202)	(2,759)	-	-	6,844
Hospitality equipment	25	-	-	(5)	-	-	20
Other property, plant and equipment	25,871	6,269	(409)	(2,312)	-	5	29,424
Capital - Work in progress	17,047	12,536	-	-	-	(82)	29,501
Total	**326,468**	**22,742**	**(11,706)**	**(23,641)**	**(319)**	**(77)**	**313,467**

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 vessel	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**

Property, plant and equipment encumbered as security

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

Changes in estimates

The company reassesses the useful lives and residual values of items of company at the end of each reporting period, in line with the accounting policy and IAS 16 Property, plant and equipment. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information. No significant adjustments to carrying values were made as a result of the reassessments.

Details of properties

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the group.

3. RIGHT OF USE ASSETS AND LEASE LIABILITIES

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

Net carrying amounts of right-of-use assets

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

	2025	2024
	R'000	R'000
PPE subject to operating lease arrangements	1,692	2,215

Additions to right-of-use assets 2025

	Opening balance	Write off	Additions	Depreciation	Closing balance
	R'000	R'000	R'000	R'000	R'000
Leasehold Property	2,215	-	-	(998)	1,217
IT Equipment	-	-	736	(261)	475
	2,215	**-**	**736**	**(1,259)**	**1,692**

Lease liability movements 2025

	Opening balance	Additions	Interest Expense	Cash Flows	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Leasehold Property	2,363	-	217	(1,169)	1,411
IT Equipment	-	736	76	(308)	504
	2,363	**736**	**293**	**(1,477)**	**1,915**

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:	2025	2024
	R'000	R'000
Within one year	1,331	1,411
Two to five years	584	952
	1,915	**2,363**
Non-current liabilities	584	952
Current liabilities	1,331	1,411
	1,915	**2,363**

4. INVESTMENT PROPERTY

4.1 Fair value of investment properties

	2025			2024		
	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	8,067,236	-	8,067,236	5,843,748	-	5,843,748

Reconciliation of investment properties - 2025

	Opening balance	Additions	Other changes, movements	Fair value adjustments	Total
	R'000	R'000	R'000	R'000	R'000
Investment properties	5,843,748	291,568	(53)	1,931,973	**8,067,236**

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

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 2025 by independent external valuers Marsh (Pty) Ltd, who are registered as Professional Valuers in terms of section 22 of the Property Valuers Profession Act, 2000 (No 47 of 2000).

The individual land components within Zones 1 to 5 have been based on fully serviced land and leasehold improvements. Zone 6 was valued based on partially serviced land. Zones 7-14 were based on bulk land plus the value of improvements (top structures).

During the year under review, the qualified external valuers revalued 1072 hectares of unserviced land that were previously benchmarked against farmland sale prices with an average rate of R10 per square meter, based on higher market rates for sales of unserviced industrial land with an average rate of R78 per square meter. This contributed significantly to the overall fair value adjustment of R1.9 billion recognised during the financial year, in line with the accounting policy and reporting standards that require prospective application.

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 2025 is a cumulative amount of R84 million (2024 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:	2025	2024
	R'000	R'000
Rental income from investment properties	374,562	332,635

Direct operating expenses for investment properties are included in total operating expenditure. The detailed income statement on page 169 provides a detailed breakdown of operating expenditure including specific direct operating expenses such as repairs and maintenance and municipal expenses.

4.2 Straight-line rental accrual

	2025	2024
	R'000	R'000
Operating lease smoothing asset (net)	248,586	218,599

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 Company'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. The net lease smoothing asset of R248,6m (2024: R218,6m) reflects the cumulative aggregate amount by which rental income in the statement of profit or loss and other comprehensive income has been adjusted. In 2024/25 rental income was increased by R30,0 million (2023/24 decreased by R39,7m) as a result of straight lining.

5. INTANGIBLE ASSETS

	2025			2024		
	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	70,062	(54,982)	15,080	114,388	(52,025)	62,363
Intangible assets under development	2,296	-	2,296	2,296	-	2,296
Total	**72,358**	**(54,982)**	**17,376**	**116,684**	**(52,025)**	**64,659**

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Disposals	Amortisation	Total
	R'000	R'000	R'000	R'000	R'000
Computer software, other	62,363	1,750	(44,441)	(4,592)	15,080
Intangible assets under development	2,296	-	-	-	2,296
Total	**64,659**	**1,750**	**(44,441)**	**(4,592)**	**17,376**

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**

Change in estimate

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.

6. INTERESTS IN GROUP COMPANIES

Subsidiaries

	% voting power 2025	% voting power 2024	Carrying amount 2025	Carrying amount 2024
Rapid Infrastructure Development Agency (Pty) Ltd	100	100	-	-
Coega Development Foundation NPC	100	100	-	-

7. DEFERRED TAX

Deferred tax liability

	2025	2024
	R'000	R'000
Temporary Differences - refer to analysis below	(687,696)	(178,585)
Deferred tax liabilities		
Investment properties	(691,778)	(170,146)
Operating lease smoothing	(67,119)	(59,022)
Right of use assets	(458)	(599)
Property, plant and equipment	(12,654)	(14,136)
Prepaid expenses	(3,802)	(3,613)

Deferred tax liability (continued)

	2025	2024
	R'000	R'000
Deferred tax assets		
Provision for performance incentive payments	8,874	6,692
Provision for leave pay	6,117	6,594
Expected credit losses	6,647	3,880
Income received in advance	21,213	15,838
Lease liability	516	637
Assessed loss	44,748	35,290
Total deferred tax liability balance	**(687,696)**	**(178,585)**
Deferred tax liability	(687,696)	(178,585)
Deferred tax asset	9,737	9,613
Total net deferred tax liability	**(677,959)**	**(168,972)**
Deferred tax liabilities		
Right of use assets	(334)	(334)
Deferred tax assets		
Lease liability	442	442
Expected credit losses	3,524	3,226
Assessed loss	6,105	6,279
Total deferred tax asset balance	**9,737**	**9,613**

Reconciliation of deferred tax asset / (liability)

	2025	2024
	R'000	R'000
At beginning of year	(168,972)	(193,925)
(Originating) reversing temporary difference on investment property	(521,632)	10,212
Reversing temporary difference on operating lease smoothing asset	(8,097)	10,712
Reversing (originating) temporary difference on IFRS 16 right of use asset	141	(532)
Reversing (originating) temporary difference on provision for performance incentives	2,182	(3,392)
Reversing (originating) temporary difference on provision for leave pay	(477)	434
Reversing (originating) temporary difference on expected credit losses	3,065	195
Reversing temporary difference on income received in advance	5,375	(2,451)
Originating temporary difference on IFRS 16 Lease liability	(121)	322
Originating (reversing) temporary difference on assessed loss	9,284	10,614
Reversing (originating) temporary difference on property, plant and equipment	1,482	(1,211)
Reversing (originating) temporary difference on prepaid expenses	(189)	50
	(677,959)	**(168,972)**

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% (2024: 22%) is used. If the expected manner of recovery is through indefinite use the normal tax rate of 27% (2024: 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:

R692 million (2024: R170 million) at the normal tax rate.

8. INVENTORIES

	2025	2024
	R'000	R'000
Other inventories for sale (consumables)	702	660

9. LOANS AND ADVANCES

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

	2025	2024
	R'000	R'000
Loans and advances	70,227	63,116
Split between non-current and current portions		
Current assets	70,227	63,116

Exposure to credit risk

Loans and advances inherently exposes 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

Exposure to credit risk (continued)

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:

2025

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)	91,977	(21,750)	70,227

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

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):

	2025	2024
	R'000	R'000
Opening balance	19,910	18,294
Charge for the year	1,840	1,616
Closing balance	**21,750**	**19,910**

Fair value of loans and advances

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

10. TRADE AND OTHER RECEIVABLES

	2025	2024
	R'000	R'000
Financial instruments:		
Trade receivables	264,085	186,207
Loss allowance	(42,241)	(25,161)
Trade receivables at amortised cost	221,844	161,046
Deposits	1,249	992
Sundry debtors	29	38
Other receivable	7,836	5,977
Non-financial instruments:		
VAT	6,394	3,409
Total trade and other receivables	**237,352**	**171,462**

Split between non-current and current portions

	2025	2024
	R'000	R'000
Current assets	237,352	171,462

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

	2025	2024
	R'000	R'000
At amortised cost	230,958	168,053
Non-financial instruments	6,394	3,409
	237,352	**171,462**

Exposure to credit risk

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

Reconciliation of loss allowances

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

	2025	2024
	R'000	R'000
Opening balance	(25,161)	(25,569)
Charge for the year	(17,080)	408
Closing balance	**(42,241)**	**(25,161)**

Fair value of trade and other receivables

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

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2025	2024
	R'000	R'000
Cash on hand	14	20
Bank balances	145,591	379,074
Short-term deposits	446,200	457,963
	591,805	**837,057**

The bank and cash balances above include funds held which are not available to the company amounting to R570 million (2024: R816 million). R426 million (2024: R434 million) of this are funds earmarked for special projects, and of which the corresponding liability is disclosed as deferred grant income.

12. SHARE CAPITAL

	2025	2024
	Rands	Rands
Authorised		
1,000,000 ordinary shares of 1c each	10,000	10,000
1 "A" class share of R1	1	1
	10,001	**10,001**

	2025	2024
	R'000	R'000
Issued		
Ordinary	7	7
	1,264,558	**1,264,558**

13. PROVISIONS

Reconciliation of provisions - 2025

2025	Opening balance	Additions	Utilised during the year	Paid out during the year	Adjustments	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Provision for performance incentives	24,786	32,329	-	(24,248)	-	32,867
Provision for leave pay	24,423	32,072	(33,541)	(2,576)	2,277	22,655
	49,209	**64,401**	**(33,541)**	**(26,824)**	**2,277**	**55,522**

Reconciliation of provisions - 2024

2024	Opening balance	Additions	Utilised during the year	Paid out during the year	Adjustments	Total
	R'000	R'000	R'000	R'000	R'000	R'000
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**

Note: the provision for performance incentives is a non-guaranteed employee benefit - it is an estimate of the benefits that will probably be paid to employees for the current financial year based on historical practices and on estimates of the company's achievement of its key performance objectives and individual staff performance scores, which will only be finally determined after year end.

Leave pay is an employee benefit the value of which is based on leave days due to employees at 31 March 2025 at prevailing remuneration levels.

14. INCOME RECEIVED IN ADVANCE

	2025	2024
	R'000	R'000
Non-current portion		
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.	15,378	15,774

14. INCOME RECEIVED IN ADVANCE (CONTINUED)

	2025	2024
	R'000	R'000
Current portion		
On the 1st of February 2015, the company concluded a 50 year agreement with MSC, who made an upfront payment of R19.8million for the lease contract.	396	396

15. TRADE AND OTHER PAYABLES

	2025	2024
	R'000	R'000
Financial instruments:		
Trade payables	424,049	294,829
Project payables	112,992	356,437
Deposits received	55,332	44,547
Other payables	37,358	24,260
	629,731	**720,073**

Exposure to liquidity risk

Refer to note 33 Financial instruments and financial risk management for details of liquidity risk exposure and management.

Exposure to interest rate risk

Refer to note 33 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.

16. DEFERRED INCOME

	2025	2024
	R'000	R'000
Government grants		
At the beginning of the year	476,007	355,055
Grants received during the year	312,173	290,840
Interest earned on unspent grant funds received	11,076	16,297
Released to income/utilised during the year	(393,525)	(186,185)
- operating costs	(83,034)	(79,629)
- adjustments	(105)	-
- capital projects	(310,386)	(106,556)
	405,731	**476,007**

Deferred income continued...

Funding of R312 million (2024: R291 million) was received during the year and R393 million (2024 :R186 million) was utilised during the year. The unused portion of R406 million (2023: R476 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.

	2025	2024
	R'000	R'000
Government grants	405,731	476,007

17. CURRENT TAX PAYABLE (RECEIVABLE)

	2025	2024
	R'000	R'000
Normal tax	(1,263)	(1,263)
Net current tax receivable (payable)		
Current liabilities	**(1,263)**	**(1,263)**

18. REVENUE

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

	2025	2024
	R'000	R'000
Revenue from contracts with customers		
Sale of goods	12,703	12,617
Rendering of services	344,271	279,642
Royalty income	194	194
Donations received	-	3
	357,168	**292,456**
Revenue other than from contracts with customers		
Rental Income	374,562	332,635
Interest received (trading)	26,333	17,619
	400,895	**350,254**
	758,063	**642,710**

Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

	2025	2024
	R'000	R'000
Sale of goods		
Food and beverage revenue	12,703	12,617
Rendering of services		
Administration and management fees received	248,330	186,020
Marine services	206	457
Other revenue from rendering of services	95,735	93,165
	344,271	**279,642**
Royalty income		
Royalty income	194	194
Total revenue from contracts with customers	**357,168**	**292,456**

Timing of revenue recognition

	2025	2024
	R'000	R'000
At a point in time		
Sale of goods	12,703	12,617
Marine services	206	457
Donations received	-	3
	12,909	**13,077**
Over time		
Rendering of services	248,330	186,020
Construction contracts	**95,735**	**93,165**
Royalty income	194	194
	344,259	**279,379**
Total revenue from contracts with customers	**357,168**	**292,456**

19. COST OF SALES

	2025	2024
	R'000	R'000
Sale of goods	15,394	14,870
Sale of goods		
Sale of goods - catering and bar sales	**15,394**	**14,870**

20. OTHER OPERATING INCOME

	2025	2024
	R'000	R'000
Sundry income	1,908	10,330
Government grants	394,030	185,950
	395,938	**196,280**

21. OPERATING PROFIT (LOSS)

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

	2025	2024
	R'000	R'000
Auditor's remuneration - external		
Audit fees	5,067	4,851
Remuneration, other than to employees		
Consulting and professional services	24,571	16,826
Employee costs		
Salaries, wages, bonuses and other benefits	403,383	352,207
Insurances	191	157
Allowances	1	-
Other short-term costs	7,298	6,643
Retirement benefit plans: defined contribution expense	29,071	26,879
Termination benefits	-	750
Total employee costs	**439,944**	**386,636**
Leases		
Short-term leases	1,357	1,529
Total lease expenses	**1,357**	**1,529**
Depreciation and amortisation		
Depreciation of property, plant and equipment	23,641	23,415
Depreciation of right-of-use assets	1,259	946
Amortisation of intangible assets	4,592	4,427
Total depreciation and amortisation	**29,492**	**28,788**
Impairment losses		
Property, plant and equipment	319	117
Movement in credit loss allowances		
Trade and other receivables and loans and advances	18,921	1,207
Other		
Research and development costs	1,067	868

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:

	2025	2024
	R'000	R'000
Cost of sales	15,394	14,870
Employee costs	439,944	386,636
Lease expenses	1,357	1,529
Depreciation, amortisation and impairment	29,811	28,905
Other expenses	382,451	373,944
	868,957	**805,884**

22. EMPLOYEE COSTS

	2025	2024
	R'000	R'000
Employee costs		
Basic	348,331	321,118
Performance incentives	32,330	7,030
Medical aid - company contributions	15,948	14,431
UIF	1,019	1,013
WCA	752	707
SDL	3,916	3,598
Leave pay provision charge	1,087	4,310
Funeral scheme benefits	191	157
Allowances	1	-
Other short term costs	7,298	6,643
Retirement benefit plans	29,071	26,879
Termination benefits	-	750
	439,944	**386,636**
Total employee costs		
Indirect employee costs	-	-
Direct employee costs	439,944	439,944
	439,944	**439,944**

Analysis of employee costs paid (excluding directors and board committee members, refer to note 32 for analysis of directors remuneration)

	Salary	Other short term benefits	Performance incentive paid	Total cost to company 2025	Total cost to company 2024
	R'000	R'000	R'000	R'000	R'000
Executive management and programme directors	46,307	6,346	5,882	58,626	53,860
Other employees	298,891	50,076	18,377	367,345	341,346
	345,198	**56,422**	**24,259**	**425,971**	**395,206**

Key management personnel cost paid (other than directors)

	Salary	Other short term benefits	Performance incentive paid	Total cost to company 2025	Total cost to company 2024
	R'000	R'000	R'000	R'000	R'000
A Chetsanga	1,874	250	193	2,316	-
T Ngxekana	2,067	259	270	2,595	2,586
A Xawuka	2,322	358	404	3,085	3,069
Z Kunene	2,029	265	277	2,570	2,443
T Poswa	2,007	260	111	2,378	2,348
R Hill	2,823	425	505	3,753	3,512
T Chauke	977	124	-	1,102	2,489
Z Mqhathu	2,242	294	317	2,853	2,597
S Simayi	2,429	308	320	3,058	2,683
M Sebothoma	2,851	410	191	3,451	3,154
F Ndema	2,007	254	217	2,478	2,009
T Koza	3,693	498	587	4,778	4,150
D Lefutso	2,590	385	437	3,412	3,106
N Mouchilli	2,002	260	246	2,507	2,321
M Mawasha	-	-	-	-	1,683
C Mbande	2,547	498	475	3,520	3,106
V Heynes	2,013	268	297	2,579	2,439
G Moyo	1,979	256	104	2,339	2,245
B Madyibi	1,794	243	-	2,038	-
A van Jaarsveldt	1,498	20	195	1,712	2,069
T Jack	1,756	383	245	2,386	2,285
M Mabula	2,808	417	489	3,715	3,566
	46,308	**6,435**	**5,880**	**58,625**	**53,860**

Number of persons employed during the year:

	2025	2024
	R'000	R'000
Fixed term contract	29	160
Permanent	437	297
	466	457

23. DEPRECIATION, AMORTISATION AND IMPAIRMENT LOSSES

	2025	2024
	R'000	R'000
Depreciation		
Property, plant and equipment	23,641	23,415
Right-of-use assets	1,259	946
	24,900	**24,361**
Amortisation		
Intangible assets	4,592	4,427
Impairment losses		
Property, plant and equipment	319	117
Total depreciation, amortisation and impairment		
Depreciation	24,900	10,330
Amortisation	4,592	185,950
Impairment losses	319	196,280
	29,811	**28,905**

24. INVESTMENT INCOME

Interest income

	2025	2024
	R'000	R'000
Investments in financial assets:		
Bank and other cash	39,061	32,457

25. FINANCE COSTS

	2025 R'000	2024 R'000
Trade and other payables	23,468	21,771
Late payment of tax (Tax authorities)	61	-
Other interest paid	294	242
Total finance costs	**23,823**	**22,013**

26. OTHER NON-OPERATING GAINS (LOSSES)

	Note	2025 R'000	2024 R'000
Gains (losses) on disposals, scrappings or settlements			
PPE and intangible assets		(33,641)	(3,510)
Fair value gains (losses)			
Investment property	4	1,931,973	(37,824)
Total other non-operating gains (losses)		**1,898,332**	**(41,334)**

27. TAXATION

Major components of the tax (income) expense

	2025 R'000	2024 R'000
Current		
Local income tax - prior period (over) under provision	85	17
Deferred		
Originating and reversing temporary differences	508,987	(24,953)
	509,072	**(24,936)**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense. Operating leases – as lessor (income)

	2025 R'000	2024 R'000
Accounting profit	2,179,693	1,009
Tax at the applicable tax rate of 27% (2024: 27%)	588,517	272
Tax effect of adjustments on taxable income		
Prior year tax charge	85	17
Donations received	-	(1)
Current year tax losses not recognised	-	2
Non taxable profit on sale of building	(182)	-
Non deductible expenses	6,003	5,242
Exempt income: Government grants	(85,351)	(30,468)
	509,072	**(24,936)**

No provision has been made for 2025 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R187,4m (2024: R153m).

28. TAX REFUNDED (PAID)

	2025 R'000	2024 R'000
Balance at beginning of the year	(1,263)	(1,263)
Current tax recognised in profit or loss	(120)	(17)
Balance at end of the year	1,298	1,263
	(85)	**(17)**

29. COMMITMENTS

Authorised capital expenditure

	2025	2024
	R'000	R'000
Already contracted for but not provided for		
Property, plant and equipment	10,355	14,898
Investment property	271,286	268,394
Intangible assets	266	2,706

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)

	2025	2024
	R'000	R'000
Minimum lease payments due		
- first year	244,092	217,025
- second year	235,890	205,458
- third year	234,371	196,613
- fourth year	228,981	193,960
- fifth year	177,001	196,749
- sixth year and onwards	2,952,461	3,066,572
	4,072,796	**4,076,377**

30. 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 R23,4 million (2024: R10.0 million).

Contingent asset - counter claim against the Nelson Mandela Bay Municipality:

Included in trade and other payables is an amount of R246 million (2024: R195 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 R167 million (2024: R150 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 (2024: 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 (2024 R350 000), petrol cards to the value of R1 200 000 (2024: R1 200 000) held with Wesbank.

31. 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 20 and 16. 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 22 and 32.

Relationships

Subsidiaries: Refer to note 6

Related party balances

	2025	2024
	R'000	R'000
Loan accounts - Owing (to) by related parties		
Rapid Infrastructure Development Agency (Pty) Ltd	103,630	95,637
Expected credit loss provisions held against above loan accounts	(24,840)	(22,913)
Amounts included in loan accounts regarding related parties		
Expenses paid on behalf of Rapid Infrastructure Development Agency (Pty) Ltd	6,877	6,383
Rental income received from Rapid Infrastructure Development Agency (Pty) Ltd	1,115	975
Other related party transactions - grants received		
Eastern Cape Department of Economic Development, Environmental Affairs and Tourism	308,442	279,587

32. DIRECTORS' EMOLUMENTS

Executive

2025		
	R'000	R'000
Directors' emoluments	Emoluments	Total
Services as director or prescribed officer		
K.V. Tiya (outgoing Chief Executive)	**4,007**	**4,007**

Director's Emoluments continued...

2024		
	R'000	R'000
Directors' emoluments	Emoluments	Total
Services as director or prescribed officer		
K.V. Tiya (outgoing Chief Executive)	**5,290**	**5,290**

T. Koza acted as CEO during the year ended 31 March 2025 and was formally appointed as CEO on 1 April 2025. His remuneration and benefits are disclosed as part of note 22.

Non-executive

2025		
	R'000	R'000
Directors' emoluments	Directors fees	Total
Services as director or prescribed officer		
N. P. Mtembu	450	450
P. Nkomo	330	330
P. Xuza	133	133
S. Nduna	584	584
Z. Potelwa	333	333
L. Bono (Chairperson)	476	476
	2,306	**2,306**

2024		
	R'000	R'000
Directors' emoluments	Directors fees	Total
Services as director or prescribed officer		
A. Mjekula	51	51
Y.B.B. Damoyi	209	209
N. P. Mtembu	354	354
P. Nkomo	281	281
P. Xuza	323	323
S. Nduna	314	314
Z. Potelwa	265	265
	1,797	**1,797**

33. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Categories of financial instruments

Categories of financial assets

2025				
		R'000	R'000	R'000
	Notes	Amortised cost	Total	Fair value
Loans and advances	9	70,227	70,227	70,227
Trade and other receivables	10	230,958	230,958	230,958
Cash and cash equivalents	11	591,805	591,805	591,805
		892,990	**892,990**	**892,990**

2024				
		R'000	R'000	R'000
	Notes	Amortised cost	Total	Fair value
Loans and advances	9	63,116	63,116	63,116
Trade and other receivables	10	168,053	168,053	168,053
Cash and cash equivalents	11	837,057	837,057	837,057
		1,068,226	**1,068,226**	**1,068,226**

Categories of financial liabilities

2025					
		R'000	R'000	R'000	R'000
	Notes	Amortised cost	Leases	Total	Fair value
Trade and other payables	15	629,731	-	629,731	629,731
Finance lease obligations	3	-	1,915	1,915	1,915
		629,731	**1,915**	**631,646**	**631,646**

2024					
		R'000	R'000	R'000	R'000
	Notes	Amortised cost	Leases	Total	Fair value
Trade and other payables	15	720,073	-	720,073	720,073
Finance lease obligations	3	-	2,363	2,363	2,363
		720,073	**2,363**	**722,436**	**722,436**

Pre tax gains and losses on financial instruments

Gains and losses on financial assets

2025			
		R'000	R'000
	Notes	Amortised cost	Total
Recognised in profit or loss:			
Interest income	24	39,061	39,061
Movement in credit loss allowances	21	(18,921)	(18,921)
Net gains (losses)		**20,140**	**20,140**

2024			
		R'000	R'000
	Notes	Amortised cost	Total
Recognised in profit or loss:			
Interest income	24	32,457	32,457
Movement in credit loss allowances	21	(1,207)	(1,207)
Net gains (losses)		**31,250**	**31,250**

Gains and losses on financial liabilities

2025			
		R'000	R'000
	Note	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	25	(23,823)	(23,823)

2024			
		R'000	R'000
	Note	Amortised cost	Total
Recognised in profit or loss:			
Finance costs	25	(22,013)	(22,013)

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:

		2025	2024
	Notes	R'000	R'000
Lease liabilities		1,915	2,363
Trade and other payables	15	629,729	720,073
Deferred income	16	405,731	476,007
Income received in advance	14	15,774	16,170
Total borrowings		**1,053,149**	**1,214,613**
Cash and cash equivalents	11	(591,805)	(837,056)
Net borrowings		**461,344**	**377,557**
Equity		7,778,063	6,107,445
Gearing ratio		6 %	6 %

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:

		2025			2024		
		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	9	91,977	(21,750)	70,227	83,026	(19,910)	63,116
Operating lease asset	4.2	248,586	-	248,586	218,599	-	218,599
Trade and other receivables	10	279,593	(42,241)	237,352	196,623	(25,161)	171,462
Cash and cash equivalents	11	591,805	-	591,805	837,057	-	837,057
Total		**1,211,961**	**(63,991)**	**1,147,970**	**1,335,305**	**(45,071)**	**1,290,234**

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.

2025		Less than 1 year	1 to 2 years	Total	Carrying amount
	Notes	R'000	R'000	R'000	R'000
Non-current liabilities					
Lease liabilities		-	584	584	584
Current liabilities					
Trade and other payables	15	629,731	-	629,731	629,731
Lease liabilities	3	1,331	-	1,331	1,331
		631,062	**584**	**631,646**	**631,646**
Current assets					
Trade and other receivables	10	230,958	-	230,958	230,958
Loans and advances	9	70,227	-	70,227	70,227
		301,185	-	301,185	301,185
		(329,877)	(584)	(330,461)	(330,461)

2024		Less than 1 year	1 to 2 years	Total	Carrying amount
	Notes	R'000	R'000	R'000	R'000
Non-current liabilities					
Lease liabilities		-	952	952	952
Current liabilities					
Trade and other payables	15	720,073	-	720,073	720,073
Lease liabilities	3	1,411	-	1,411	1,411
		721,484	**952**	**722,436**	**722,436**
Current assets					
Trade and other receivables	10	168,053	-	230,958	230,958
Loans and advances	9	63,116	-	70,227	70,227
		231,169	-	301,185	301,185
		(490,315)	(952)	(491,267)	(491,267)

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.

	2025	2025	2024	2024
	R'000	R'000	R'000	R'000
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Bank and cash 1% (2024: 1%)	5,918	(5,918)	8,371	(8,371)

34. 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

		2025	2024
	Note	R'000	R'000
ASSETS			
Investment property	4	8,315,822	6,062,347
Total		8,315,822	6,062,347

35. 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 2024/25 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 2025. 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.

36. IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

	2025	2024
	R'000	R'000
Irregular expenditure incurred during the year	243	521

No fruitless or wasteful expenditure has been recognised in the period under review.

37. 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 2025, the CDC embarked on a process of being measured for B-BBEE compliance with the BBBEE 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.

38. PREPAYMENTS

Prepayments mainly comprises amounts billed in advance by the Nelson Mandela Bay municipality for service charges.

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	2025 R'000	2024 R'000
REVENUE			
Sale of goods		12,703	12,617
Rendering of services		344,271	279,642
Royalty income		194	194
Rental income on investment properties		341,080	294,506
Levies and other income on investment properties		33,482	38,129
Interest received (trading)		26,333	17,619
Donations		-	3
	18	**758,063**	**642,710**
Cost of sales			
Opening stock		(660)	(844)
Purchases		(15,436)	(14,686)
Closing stock		702	660
	19	**(15,394)**	**(14,870)**
Gross profit		**742,669**	**627,840**
Other operating income			
Other income		1,908	10,330
Government grants		394,030	185,950
	20	395,938	196,280
Movement in credit loss allowances	21	(18,921)	(1,207)
EXPENSES (REFER TO PAGE 169)		**(853,563)**	**(791,014)**
Operating profit	21	**266,123**	**31,899**
Investment income	24	39,061	32,457
Finance costs	25	(23,823)	(22,013)
Other non-operating gains (losses)			
Losses on disposal of assets or settlement of liabilities		(33,641)	(3,510)
Fair value gains (losses)		1,931,973	(37,824)
Profit before taxation		**2,179,693**	**1,009**
Taxation	27	(509,072)	24,936
Profit for the year		**1,670,621**	**25,945**

The supplementary information presented does not form part of the consolidated annual financial statements and is unaudited.

Detailed Income Statement continued...

	Notes	2025 R'000	2024 R'000
OTHER OPERATING EXPENSES			
Advertising		(1,284)	(3,126)
Amortisation	23	(4,592)	(4,427)
Auditor's remuneration - external audit	21	(5,067)	(4,851)
Bad debts		(4,963)	(8,941)
Bank charges		(581)	(574)
Cleaning		(3,645)	(3,012)
Computer expenses		(99)	-
Accounting fees		(1)	(9)
Consulting and professional fees - general		(12,413)	(10,347)
Consulting and professional fees - legal fees		(12,157)	(6,470)
Consumables		(333)	(933)
Delivery expenses		(92)	(76)
Depreciation	23	(24,900)	(24,361)
Employee costs	22	(439,944)	(386,636)
Entertainment		(289)	(94)
Other		(2,802)	(1,901)
Lease rentals - operating leases		(363)	(2,156)
Temporary workers		(7,582)	(7,046)
Direct contract costs		1,259	(7)
Health and safety		(8,017)	(7,304)
Project costs		(7,704)	(9,322)
CSI		(2)	-
Programme training expenses		(245)	(3,708)
Asset write offs		(12)	(13)
Gifts		(8)	-
Impairment		(319)	(117)
Insurance		(12,243)	(10,004)
IT expenses		(10,745)	(13,247)
Short-term leases		(1,357)	(1,529)
Motor vehicle expenses		(3,768)	(4,395)
Municipal expenses		(112,628)	(111,918)
Placement fees		(382)	(1,092)
Printing and stationery		(1,221)	(1,160)
Promotions		(2,850)	(2,594)
Repairs and maintenance		(28,850)	(31,130)
Research and development costs		(1,067)	(868)
Security		(38,324)	(28,637)
Staff welfare		(5,083)	(3,580)
Subscriptions		(2,728)	(1,971)
Telephone and fax		(26,159)	(26,108)
Training		(5,535)	(8,038)
Travel - local		(64,370)	(58,698)
Travel - overseas		(98)	(614)
		(853,563)	(791,014)

The supplementary information presented does not form part of the consolidated annual financial statements and is unaudited.

ABBREVIATIONS & ACRONYMS

(Pty) Ltd	Proprietary Limited
4IR	Fourth Industrial Revolution
<IR>	Integrated Reporting Framework
ABASA	Advancement of Black Accountants of Southern Africa
ADB	African Development Bank
AEZO	Africa Economic Zones Organization
AGRISETA	Agricultural Sector Education Training Authority
AIDC	Automotive Industry Development Centre
APG	African Pioneer Group
ARC	Audit and Risk Committee
AfCFTA	African Continental Free Trade Area
B-BBEE	Broad-Based Black Economic Empowerment
BD	Business Development
BEE	Black Economic Empowerment
BFI	Blended Finance Initiative
BMF	Black Management Forum
BPO	Business Process Outsourcing
BRICS	Brazil, Russia, India, China, South Africa
BWBSH	Bluewater Bay Sunrise Hotel
C-Level	Chief Level
CAC	Capital Allocation Committee
CAP	Coega Africa Programme
CAPEX	Capital Expenditure
CBRTA	Cross-Border Road Transport Agency
CCAE	Customs-Controlled Area Enterprise
CCAs	Customs-Controlled Areas
CCMA	Commission for Conciliation, Mediation and Arbitration
CCT	Coega Corporate Travel
CDC	Coega Development Corporation
CETA	Construction Education and Training Authority
CFA	Carbon Footprint Analysis
CIDB	Construction Industry Development Board
CMMS	Computerised Maintenance Management System
COGTA	Cooperative Governance and Traditional Affairs
CSI	Corporate Social Investment
CSIR	Council for Scientific and Industrial Research
CSS	Central Support Services
Coega HCS	Coega Human Capital Solutions
DALRRD	Department of Agriculture, Land Reform and Rural Development
DBSA	Development Bank of Southern Africa
DDI	Domestic Direct Investment
DEDEAT	Department of Economic Development, Environmental Affairs and Tourism
DFIs	Development Finance Institutions
DHA	Department of Home Affairs
DHET	Department of Higher Education and Training
DMRE	Department of Mineral Resources and Energy
DPWI	Department of Public Works and Infrastructure
DRDLR	Department of Rural Development and Land Reform
DSD	Department of Social Development
DSRAC	Department of Sport, Recreation, Arts and Culture
DoE	Department of Education
DoH	Department of Health
dtic	Department of Trade, Industry and Competition
DTP	Driver Training Programme
EBS	E-Business Suite
EC	Eastern Cape
ECGGP	Eastern Cape Gross Geographic Product
EC-PDP	Eastern Cape Provincial Development Plan
ERM	Enterprise Risk Management
ESD	Enterprise and Supplier Development
ESG	Environmental, Social, Governance
EXMA	Executive Management Committee
EY	Ernst & Young
FAW	First Automotive Works
FDI	Foreign Direct Investment
FY	Financial Year
G20	Group of Twenty
GB	Governing Body
GDP	Gross Domestic Product
GGP	Gross Geographic Product
GIBS	Gibbs Institute Business School
GRDP	Gross Regional Domestic Product
GVA	Gross Value Added
HCS	Human Capital Solutions
HR	Human Resources
HRD	Human Resource Development
HRRC	Human Resources and Remuneration Committee
HVAC	Heating, Ventilation and Air Conditioning
ICT	Information and Communication Technology
IDC	Industrial Development Corporation
IDP	Infrastructure Delivery Programme
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IMF	International Monetary Fund
ISO	International Organization for Standardization
IT	Information Technology
KPI	Key Performance Indicator
King IV	King IV Report on Corporate Governance
LPR	License Plate Recognition
MBA	Master's in Business Administration
MDDA	Media Development & Diversity Agency
MEC	Member of the Executive Council
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MRP	Material Requirements Planning
MSC	Mediterranean Shipping Company
MSP	Maths and Science Programme
MTEF	Medium-Term Expenditure Framework
MW	Megawatt
MWh	Megawatt Hour
NAFCOC	National African Federated Chamber of Commerce and Industry
NARYSEC	National Rural Youth Service Corps
NDP	National Development Plan
NDPW	National Department of Public Works
NEV	New Energy Vehicle
Nedlac	National Economic Development and Labour Council
NGOs	Non-Governmental Organisations
NMBLP	Nelson Mandela Bay Logistics Park
NMBM	Nelson Mandela Bay Municipality
NMU	Nelson Mandela University
OEC	Orion Engineered Carbons
OEM	Original Equipment Manufacturer
OPEX	Operational Expenditure
OSS	One-Stop-Shop
OXFAM	Oxford Committee for Famine Relief
PAP	Physical Asset Protection
PFMA	Public Finance Management Act
PIC	Public Investment Corporation
PPM	Planned Preventative Maintenance
PPPs	Public-Private Partnerships
PUE	Power Usage Effectiveness
PV	Photovoltaic
PwC	Price Waterhouse Cooper
Plc	Public Limited Company
R	South African Rand
R&D	Research and Development
RDB	Relational Database
SA	South Africa
SAICA	South African Institute of Chartered Accountants
SANSA	South African National Space Agency
SAPS	South African Police Service
SARS	South African Revenue Service
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDU	Spatial Development Unit
SDC	Skills Development Centre
SEC	Social and Ethics Committee
SEDA	Small Enterprise Development Agency
SETA	Sector Education and Training Authority
SETAs	Sector Education and Training Authorities
SEZ	Special Economic Zone
SLA	Service Level Agreement
SME	Small and Medium Enterprise
SMME	Small, Medium and Micro-sized Enterprise
SOC	State-Owned Company
STEM	Science, Technology, Engineering and Mathematics
TBC	To Be Confirmed
TFU	Trade Facilitation Unit
TVET	Technical and Vocational Education and Training
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
US$	United States Dollar
VACC	Vulindlela Accommodation and Conference Centre
VWSA	Volkswagen South Africa
WECONA	Women's Economic Assembly

GQEBERHA HQ

Coega Development Corporation,
Coega SEZ Business Centre,
Corner Alycon Road & Zibuko Street, Zone 1, Coega SEZ,
Gqeberha, 6100

Tel: +27 (0)41 403 0400

EAST LONDON

Harraway House,
12 Pearce Street, Berea,
East London, 5241

Tel: +27 (0)43 711 1608

DURBAN

18 Cranbrook Crescent,
Umhlanga, 4051

Tel: +27 (0)31 584 1760

PRETORIA

145 Herbert Road,
East Wood, Arcadia,
Pretoria, 0083

Tel: +27 (0)12 451 8331

CAPE TOWN

1101, 11th Floor,
South African Reserve Building,
Cape Town, 8001

Tel: +27 (0)21 481 9967

MTHATHA

76 Blakeway Road,
Mthatha, 5099

Tel: +27 (0)47 531 1245

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:
Complains Management Office
Coega Development Corporation
Private Bag X8009
Gqeberha, 6000

TIP-OFF ANONYMOUS

Blow the whistle on fraud, corruption, theft, blackmail, bribery, intimidation, other unethical behaviour

Call Toll-Free TODAY: 0800 007 035 and remain anonymous

Free Fax: 0800 200 798
Email: hotline@kpmg.co.za
Website: thornhill.co.za/kpmgfaircallreport

Postal Address:
BNT 371,
PO Box 13871
Sinoville, 0129

The Tip-Off Anonymous hotline is currently independently managed by KPMG.

COEGA
• right PLACE • right TIME • right CHOICE

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

Physical Address

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

Postal Address

Coega Development Corporation
P/B X6009, Gqeberha, 6000,
South Africa

Contact Us

Tel: +27 (0)41 403 0400
Fax: +27 (0)41 403 0401

Email: stakeholders@coega.co.za
Website: coega.co.za