

REVIEWED CONSOLIDATED RESULTS AND DIVIDEND DECLARATION FOR THE PERIOD ENDED 27 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	Reviewed Period to December 2018 R'000	Audited year to December 2017 R'000
	5 187	6 203
Interest received	(3 701)	(2 320)
Administrative expenses	(15 949)	–
Impairment on assets held for sale	(4 248)	(2 223)
Expenses related to discontinuation of business	(2 874)	–
Loss on sale of investment	2 880	2 299
Rental income	(18 705)	3 959
(Loss)/Profit for the year before taxation	8	(623)
Taxation	(18 697)	3 336
(Loss)/Profit for the year	(18 697)	3 336
Total comprehensive (loss)/profit for the year	(18 697)	3 336
Attributable to equity holders of parent company		
(Loss)/Profit for the year	(18 697)	3 336
Total comprehensive (loss)/profit for the year	(18 697)	3 336
Attributable (loss)/earnings per share (cents)		
– basic and diluted	(38,0)	6,8

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Reviewed Period to December 2018 R'000	Audited year to December 2017 R'000
ASSETS		
Current assets		
Trade and other receivables	582	808
Bank balances and cash	77 998	80 649
Non-current assets held for sale	–	25 949
Total assets	78 580	107 406
EQUITY AND LIABILITIES		
Total shareholders funds	76 773	95 352
Current liabilities		
Trade and other payables	1 807	3 283
Short-term provisions	–	8 763
Taxation payable	–	8
Total equity and liabilities	78 580	107 406

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed Period to December 2018 R'000	Audited year to December 2017 R'000
Cash utilised by trading	(4 951)	(2 244)
Movement in current and non-current provision	(8 763)	(7 273)
Decrease/(Increase) in working capital	2 423	(19 393)
Cash utilised by operations	(11 291)	(28 910)
Net interest received	5 187	6 203
Taxation paid	–	(474)
Cash outflow from operating activities	(6 104)	(23 181)
Proceeds on sale of investment	12 500	–
Net increase/(decrease) in cash and cash equivalents	6 396	(23 181)
Bank balances and cash at beginning of period	80 649	103 830
Cash included in sale of share transaction	(9 047)	–
Bank balances and cash at end of period	77 998	80 649

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital and premium R'000	Accumulated profit R'000	Total R'000
Balance at 27 December 2016 – audited	4 856	87 160	92 016
Profit for the year	–	3 336	3 336
Balance at 27 December 2017 – audited	4 856	90 496	95 352
Loss for the year	–	(18 697)	(18 697)
Prior year unclaimed dividend reversed	–	118	118
Balance at 27 December 2018 – reviewed	4 856	71 917	76 773

NOTES

	Reviewed Period to December 2018 R'000	Audited year to December 2017 R'000
1. Reconciliation between attributable (loss)/ earnings and headline earnings		
Attributable (loss)/profit after taxation	(18 697)	3 336
Impairment on assets held for sale	15 949	–
Loss on sale of investment	2 874	–
Headline earnings attributable to ordinary shareholders	126	3 336
Number of shares in issue	49 166	49 166
Weighted number of shares in issue	49 166	49 166
Attributable headline earnings per share		
– basic and diluted	0,26	6,80
Weighted number of shares in issue ('000)	49 166	49 166
Net assets value per share (cents)	156	194

2. Basis of presentation

The Group is domiciled in South Africa. The reviewed consolidated financial results at and for the period ended 27 December 2018 comprise the company and its subsidiaries (the 'Group').

The Group's principal accounting policies have been applied consistently over the current and prior financial periods.

On 5 March 2014, the company announced that the board of directors had taken the decision, subject to approval by the company's shareholders, to discontinue the operations in a phased and orderly manner during 2014 and to realise value for the company's assets during 2014 to 2018. The decision was approved at the Annual General Meeting of the company held on 9 May 2014. The company will be wound down and de-registered in due course. The above information highlights that the going concern principle is not applicable in the preparation of the company's financial statements. When the company ceases trading the directors are of the conclusion that the company will be in a position to discharge all of its liabilities, due to the company's cash resources and to recover the assets at their carrying amounts. The effect, if any, of preparing the financial statements, other than on the going-concern basis will be negligible. Consequently the financial statements have been prepared on a basis consistent with International Financial Reporting Standards (IFRS) which among other things, requires writing assets down to their recoverable amounts. It also requires recognising a liability for contractual commitments that may have become onerous as a consequence of the decision to cease trading. The company has considered the implication of IFRS 9 and IFRS 15 on the results and concluded that it will have no material effect.

3. Basis of preparation

The Group's consolidated reviewed financial results have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for Interim Financial Statements in accordance with and containing the information required by IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

The auditors, Deloitte & Touche, have issued their review conclusion on the consolidated financial statements for the period ended 27 December 2018. The review was conducted in accordance with International Standards on Review Engagements (ISRE) 2410. A copy of the review conclusion is available for inspection at the Company's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the Company's auditors. The auditor's report does not necessarily report on all of the information contained in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the company's registered office.

4. Subsequent events

The directors are not aware of any events subsequent to 27 December 2018, not arising in the normal course of business, which are likely to have a material effect on the financial information contained in the condensed consolidated financial statements.

COMMENTARY

During the last quarter of 2018, the Group successfully completed the sale of 2 129 101 ordinary par value shares of R1 each in EMD Investments (Pty) Ltd (constituting the entire issued share capital of EMD Investments (Pty) Ltd) to Viridi Developments (Pty) Ltd, which in turn resulted in the indirect disposal of the Nelspruit Plant Site held by Delta EMD South Africa (Pty) Ltd, (a wholly owned subsidiary of EMD Investments (Pty) Ltd).

The Group realised a loss on the sale of R2.9 million, and earlier during 2018 had impaired the value of the Nelspruit plant site by R15.9 million. Consequently, the Group realised a loss for the year of R18.7 million (2017: Profit R3.3 million).

The Group's expenses related to the discontinuation of the business primarily included management costs of R2.2 million (2017: R2.1 million); site operating costs of R3.1 million (2017: R4.0 million); and administration costs of R1.3 million (2017: R2.1 million). Profit resulting from the reversal of provisions totalled R2.4 million (2017: R6.1 million).

Net cash utilised by operations during the year totalled R11.3 million (2017: R28.9 million).

The Group's year-end cash balances decreased by R2.6 million from R80.6 million to R78.0 million, reflecting the proceeds on sale of investment of R12.5 million and the cash included in the sales transaction of R9.0 million.

Total assets employed by the Group at year-end, including cash balances, totalled R78.6 million (2017: R107.4 million). Net asset value per share at year-end was 156 cents (2017: 194 cents).

PROSPECTS

With the sale of EMD Investments (Pty) Ltd now completed, the Group's only remaining asset is its cash balances. The Group intends to seek shareholder approval to distribute its remaining cash balances, delist its shares from the JSE Limited, and commence a voluntary liquidation during 2019.

Declaration of Interim Special Dividend

Notice is hereby given that the directors of Delta EMD Limited have approved and declared an interim special dividend of 70 cents (gross) per Delta EMD Limited share from distributable reserves. From an exchange control and JSE Limited perspective this dividend constitutes a "special dividend". SARB approval has been obtained for the declaration of the special dividend.

The salient dates for the payment of the dividend are as follows:

Declaration date	Friday, 29 March 2019
Last day to trade <i>cum</i> dividend	Monday, 15 April 2019
Trading <i>ex-dividend</i> commences	Tuesday, 16 April 2019
Record date	Thursday, 18 April 2019
Payment date	Tuesday, 23 April 2019

Share certificates may not be dematerialised or rematerialised between Tuesday, 16 April 2019 and Thursday, 18 April 2019, both days inclusive.

In terms of legislation applicable to Dividends Tax ("DT") the following additional information is disclosed:

- The special dividend shall constitute a "dividend" as defined in the Income Tax Act, 58 of 1962.
- The local DT rate is 20%.
- The DT amounts to 14 cents per share, calculated at the local DT rate.
- The net local dividend amount is 56 cents per share for all shareholders who are not exempt from the DT.
- The number of ordinary shares in issue at the date of the declaration is 49 165 553.
- Delta's income tax reference number is 9375057719.

In terms of DT legislation, any DT amount due will be withheld and paid over to the South African Revenue Service by a nominee company, stockbroker or Central Securities Depository Participant (collectively "regulated intermediary") on behalf of shareholders. All shareholders should declare their status to their regulated intermediary as they may qualify for a reduced DT rate or exemption.

DIRECTORATE

No change.

PREPARER OF FINANCIAL STATEMENTS

These condensed consolidated financial statements have been prepared by EJ Nel CA(SA) in her capacity as Financial Director of the Group.

AVAILABILITY OF COMPLETE SET OF FINANCIAL STATEMENTS

Shareholders are advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review report together with the accompanying set of financial statements from the registered office of the Delta EMD Limited.

TG Atkinson

29 March 2019

EJ Nel (Financial director)

DELTA EMD LIMITED

Registration number: 1919/006020/06
Income tax number: 9375057719
Share code: DTA ISIN: ZAE000132817
("DELTA EMD" or "the Group")

Registered office

15 Heyneke Street, Industrial Site, Nelspruit, 1200

Transferred Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Directors:

Independent non-executive: AC Hicks, BR Wright, L Matteucci

Non-executive: P Baijnath

Executive chairman: TG Atkinson* (Chairman) *USA

Executive: EJ Nel CA(SA) (Financial director)

Sponsor: Deloitte & Touche Sponsor Services Proprietary Limited