

**RH Bophelo Limited**

Incorporated in the Republic of South Africa

(Registration number: 2016/533398/06)

JSE share code: RHB, ISIN: ZAE000244737

("RHB" or "the Company")




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**UNAUDITED CONDENSED CONSOLIDATED INTERIM HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2017**


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**INTRODUCTION**

The board of directors ("the Board") of the Company is pleased to present the results for the six months ended 31 August 2017.

RHB was incorporated on 13 December 2016 and successfully listed as a Special Purpose Acquisition Company ("SPAC") on the Johannesburg Stock Exchange ("JSE") on 12 July 2017, raising R500 000 000 through the issue of 50 000 000 "A" ordinary shares at R10 a share.

The purpose of RHB whilst it is a SPAC is to pursue the acquisition of viable healthcare assets.

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 AUGUST 2017**

	<b>Aug-17 Group R</b>	<b>Aug-17 Company R</b>	<b>Feb-17 Company R</b>
Administrative and other operating expenditure	(965 911)	(954 511)	-
Finance income	6 606 885	6 606 885	-
Profit before taxation	<u>5 640 974</u>	<u>5 652 374</u>	-
Taxation	-	-	-
Income for period	<u>5 640 974</u>	<u>5 652 374</u>	-
Other comprehensive income	-	-	-
Total comprehensive income for the period	<u><u>5 640 974</u></u>	<u><u>5 652 374</u></u>	-
<b>Earnings per share (cents)</b>			
Basic earnings per share (cents)	0,407	0,408	-
WANOS	13 858 696	13 858 696	-

Note: There are no dilutive instruments in issue

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2017

	Aug-17 Group R	Aug-17 Company R	Feb-17 Company R
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	493 841 039	493 841 039	1
<b>Total assets</b>	<u>493 841 039</u>	<u>493 841 039</u>	<u>1</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital	487 577 373	487 577 373	1
Retained income	5 640 974	5 652 374	-
<b>Total equity</b>	<u>493 218 347</u>	<u>493 229 747</u>	<u>1</u>
Other payables	622 692	611 292	-
<b>Current liabilities</b>			
<b>Total equity and liabilities</b>	<u>493 841 039</u>	<u>493 841 039</u>	<u>1</u>
Number of shares in issue	50 000 000	50 000 000	1
Net Asset Value per share (R)	9,86	9,86	1

**CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 AUGUST 2017**

<b>Group</b>	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>R</b>	<b>R</b>	<b>R</b>
Issue of share capital	1	-	1
			-
Balance as at 28 February 2017	1	-	1
Shares issued	500 000 000	-	500 000 000
Transactional costs	(12 422 628)		(12 422 628)
Total comprehensive profit for the period	-	5 640 974	5 640 974
Balance at 31 August 2017	<u>487 577 373</u>	<u>5 640 974</u>	<u>493 218 347</u>

**Company**

Issue of share capital	1	-	1
			-
Balance as at 28 February 2017	1	-	1
Shares issued	500 000 000	-	500 000 000
Transactional costs	(12 422 628)		(12 422 628)
Total comprehensive profit for the period	-	5 652 374	5 652 374
Balance at 31 August 2017	<u>487 577 373</u>	<u>5 652 374</u>	<u>493 229 747</u>

CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2017

	Aug-17 Group R	Aug-17 Company R	Feb-17 Company R
<b>Cash generated from operating activities</b>	5 640 974	5 652 374	-
Changes in working capital			
Increase in payables	622 692	611 292	-
<b>Net cash inflow from operating activities</b>	6 263 666	6 263 666	-
 <b>Cash flow from financing activities</b>			
Proceeds on share issue	487 577 372	487 577 372	1
<b>Net cash inflow from financing activities</b>	487 577 372	487 577 372	1
 <b>Net movement in cash and cash equivalents</b>	493 841 038	493 841 038	1
 Cash and cash equivalents at beginning of the period	1	1	-
 <b>Cash and cash equivalents at the end of the period</b>	493 841 039	493 841 039	1

## SEGMENTAL REPORTING

The Board has considered the implications of IFRS 8: Operating segments and are of the opinion that the current operations of the Company constitute one operating segment.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### Basic and Headlines earnings per share

#### From continuing operations (cents per share)

Basic earnings per share was based on profit after tax of R5 640 974 (Company: R5 652 374) and weighted average number of ordinary shares of 13 858 696 issued and subscribed on 12 July 2017.

At reporting date RHB had not concluded a viable asset acquisition, therefore the income earned in the current year is not indicative of the Company's prospects.

	Group	Company
Headline earnings per share (cents)	0,407	0,408
<b>Reconciliation between earnings and headline earnings</b>		
Earnings and headline earnings (R)	5 640 974	5 652 374

## RELATED PARTIES

RH Bophelo Management Company Proprietary Limited provides Management Services to RHB. RH Managers Proprietary Limited owns 30% of RH Bophelo Management Company Proprietary Limited, therefore has significant influence on the affairs and operations of RHB. Some of the directors of RH Bophelo Management Company Proprietary Limited and RH Managers Proprietary Limited are also executive directors of RHB.

## COMPARATIVE INFORMATION

The Company was incorporated on 13 December 2016. Accordingly, the comparative information for the prior financial year has been enclosed.

## BASIS OF PREPARATION

The interim results have been prepared in accordance with the framework concepts and the recognition and measurement principles of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Committee presented in accordance with the minimum content, including disclosures, prescribed by IAS 34: Interim Financial Reporting applied to year-end reporting, the Companies Act of South Africa, and the JSE Limited's Listings Requirements ("Listings Requirements").

These condensed financial results have been extracted from the interim financial statements of RHB which have been prepared under the supervision of the Financial Director, Dion Mhlaba CA(SA). These condensed annual financial results and any forward-looking statements in this announcement have not themselves been audited nor reviewed by the auditors. The Board takes full responsibility for the preparation of this report and ensuring that the financial information has been correctly prepared.

## **ACCOUNTING POLICIES**

The accounting policies applied in the preparation of these interim results for the six months ended 31 August 2017 are in terms of IFRS and will be consistent with those applied in the preparation of the annual financial.

## **FINANCIAL OVERVIEW**

### **Financial Performance**

The key financial results reflected in these inaugural interim financial results are:

- RHB recorded an operating group profit of R5 640 974 (Company: R5 652 374) for its first period of operation, comprised almost entirely of costs associated with the listing of the Company on the JSE and interests earned from the funds raised. In keeping with the JSE's Listings Requirements governing SPAC's, the Company was precluded from commercial trading until such time that its listing was approved and achieved.
- Basic earnings per share and headline earnings per share amounted 0,408 cents respectively. The reported net income should be viewed in the context of the following:
  - RHB listed on the JSE on 12 July 2017, and did not engage in any commercial trade prior to listing;
  - Apart from the 50 000 000 shares issued in preparation of the listing, no other shares were issued;
  - The subscription amount of R500 million less all permissible expenses is kept at the escrow account until the company has been declassified as a SPAC;
  - The expenses reported for this period is therefore comprised of permissible expenses incurred to advance and achieve RHB's JSE listing, and operational expenses of R12 422 628 and R965 912 respectively;
  - The Company had no taxable income; and
  - RHB has not as yet acquired a viable asset and therefore any income earned is not indicative of the Company's future prospects.

Before listing, the Board made it known to the market that the Company was seeking the acquisition of a viable asset in the Healthcare industry. Since the listing, management has been diligently reviewing various potential acquisition opportunities and is continuously engaging with potential vendors on propositions that could satisfy the Company's vision and values. The Company has sufficient resources to make a significant investment, using cash, equity and debt, or any combination thereof as deemed appropriate by management and the Board.

The JSE Listings Requirements entitle the shareholders of RHB to approve the acquisition of a viable assets. Accordingly, shareholders of RHB will be informed of any proposed acquisition, and their approval will be duly sought as and when the Company is in the position to do so.

The funds raised through listing are mainly held in escrow with Rand Merchant Bank (a division of First Rand bank) and yielded an interest return for the period under review of R6 606 885.

## **SUBSEQUENT EVENTS**

There are no subsequent events.

## **GOING CONCERN**

The Board has undertaken a detailed review of the going concern capability of the Company with reference to certain assumptions and plans underlying various internal cash flow forecasts.

The Board has not identified any events or conditions that individually or collectively cast significant doubt on the ability of the Company to continue as a going concern.

## **DIVIDENDS**

No dividend has been declared during the period under review.

On behalf of the Board

Quinton Zunga

CEO

Johannesburg

21 November 2017

### **Registered Office**

3rd floor, 18 Melrose Boulevard

Melrose Arch, Melrose North

Johannesburg, 2076

South Africa

### **Directors**

Q Zunga (Chief executive officer)

KD Mhlaba (Chief financial officer)

VP Nomvalo (Executive director)

MP Mehlaphe (Chief operating officer)

Dr. SG Motuba (Lead independent non-executive Director)

Dr. KR Ntshwana (Independent non-executive Director)

JR Oliphant (Non-executive chairman)

Dr. PD Sekete (Non-executive Director)

### **Company Secretary**

Corporate Vision Consulting Proprietary Limited

(Registration number 2015/006536/07)

3 Decotah, Canart Street, Kyalami Hills

Johannesburg, 1684

South Africa

### **Transfer Secretaries**

Computershare Investor Services Proprietary Limited

(Registration number 2004/003647/07)

Rosebank Towers,

15 Biermann Ave, Rosebank,

Johannesburg, 2196

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### **Sponsor**

Deloitte & Touche Sponsor Services Proprietary Limited

(Registration number 1996/000034/07)

The Woodlands, Woodlands Drive

Woodmead, Sandton

Johannesburg, 2196

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