



LABAT AFRICA LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1986/001616/06)

("Labat Africa" or "the Company")

ISIN Code: ZAE 000018354 Share code: LAB

CHANGE STATEMENT, POSTING OF INTEGRATED REPORT, NOTICE OF ANNUAL GENERAL MEETING AND BROAD-BASED BLACK ECONOMIC EMPOWERMENT CERTIFICATE

Change Statement

Shareholders are advised that Labat Integrated Report incorporating, *inter alia*, the audited annual financial statements for the year ended 31 August 2019 ("**the Financial Statements**") and a notice of annual general meeting ("**AGM**") will be made available during the course of the day on the Company's website, www.labat.co.za.

The Financial Statements contain changes to the Consolidated Group Statement of Comprehensive Income and the Consolidated Group Statement of Financial Position contained in the Reviewed Provisional Condensed Consolidated Financial Results for the Year Ended 31 August 2019 published on SENS on 31 December 2019 ("**SENS Announcement**"), as disclosed below. These changes resulted in changes to the earnings and headline earnings per share information contained in the SENS Announcement.

The reason for the restatements to the items below are set out in the Notes below:

	31-Aug-19 R'000 Audited	31-Aug-19 R'000 Reviewed	Variance R'000	Notes
Revenue	616 432	614 035	2 397	1
Gains on bargain purchase	715	-	715	2
Other income	7 447	6 625	822	3
Impairments	(49 921)	(49 206)	(715)	4
Operating expenses	(69 444)	(64 768)	(4 676)	5
Operating loss	(65 296)	(63 840)	(1 456)	6
Attributable to:				
Owners of the parent:				
(Loss)/Profit for the year	(72 943)	(71 487)	(1 456)	
Total comprehensive (loss)/income for the year	(72 943)	(71 487)	(1 456)	
Per share information:				
Basic and diluted earnings per share (cents)	(25.22)	(24.71)	(0.51)	7
Weighted average shares in issue (net of treasury shares) ('000)	289 257	289 257	-	

Notes:

- 1 **Revenue**
Reclassification of Revenue to Other Income.
- 2 **Gains on Bargain purchase**
Reclassification from Impairments to "Gains on Bargain Purchase".
- 3 **Other Income**
Reclassification of Other income to Revenue and Operating expense.
- 4 **Impairments**
Reclassification from Impairments to "Gains on Bargain Purchase".
- 5 **Operating Expenses**
Some reclassification expenses Revenue and Operating Expenses
Other additional expenses under-provided for had to be adjusted.
Derecognition of motor vehicles
Additional salary provisions for key executives.
- 7 **Basic and diluted earnings per share (cents)**
Difference as a result of increase in costs as per point 6 above.

Statement of Financial Position

	31-Aug-19	31-Aug-19		
	Audited	Reviewed	Variance	Notes
	R'000	R'000		
Property, plant and equipment	27 090	27 614	(524)	1
Trade and other receivables	56 080	55 031	1 049	2
Reserves	214	257	(43)	3
Accumulated loss	(108 742)	(107 329)	(1 413)	4
Other financial liabilities	80 833	73 703	7 130	5
South African Revenue Services	9 232	6 537	2 695	6
Trade and other payables	91 787	90 739	1 048	7
Provisions	13 071	21 965	(8 894)	8
Number of ordinary shares in issue (net of treasury shares) ('000)	289 699	289 699	(442)	9
Net asset value per share (cents)	(11.89)	(11.38)	(0.51)	
Net tangible asset value per share (cents)	(34.14)	(33.63)	(0.51)	

Notes**1. Property, Plant and Equipment**

Derecognition of motor vehicles

2. Trade Receivables

Reclassification between Trade Receivables and Trade Payables (Debtors with credit balances)

3. Reserves

Incorrect amount disclosed on SENS (31 Dec)

4. Accumulated Loss

Increase in operating costs as previously reported

5. Other Financial Liabilities

Reclassification between Provisions and Other Financial Liabilities

6. Trade and other payables

Reclassification between Trade Receivables and Trade Payables (Debtors with credit balances)

7. Provisions

Reclassification between Provisions and Other Financial Liabilities

Reclassification between Provisions and Taxation payable

Additional salary provisions

8. No of ordinary shares

Recalculation of weighted number of shares in issue

9. NAV per share

Recalculation of NAV after adjustments

The salient features of the Audited Abridged Consolidated Financial Results for the Year Ended 31 August 2019 highlighting the change to the SENS Announcement are set out below.

Short-Form Announcement

Extracted from the Audited Consolidated Financial Statements

	31 August 2019 Audited R '000	31 August 2019 Reviewed R '000	Difference R '000
Revenue	616 432	614 035	2 397
Operating (loss)/profit	(65 296)	(64 772)	(524)
Headline earnings per share (cents)	(7.89)	(7.57)	(0.32)
Earnings per share (cents)	(25.22)	(24.71)	(0.51)

The full audit report is unmodified and is available on the Company's website at the following link.

<https://labat.co.za/investor-relations/>

The audit report contains an emphasis of matter relating to a material uncertainty as to going concern and includes a key audit matter around the impairment of goodwill. The emphasis of matter draws attention as follows:

"...which indicates that the Group's total liabilities exceeded its total assets by R 34 million (2018: total assets exceeded total liabilities by R 25 million), the Group had accumulated losses of R 109 million (2018: R 35 million), the Group's current liabilities exceeded its current assets by R 46 million (2018: current assets exceeded current liabilities by R 7 million) and the Group incurred a loss after taxation of R 73 million (2018: profit after taxation of R 13 million).

It should be noted that the largest liability in the group is in Force Fuel Proprietary Limited in respect of Standard Bank, for which separate third party guarantees to the amount of R 103 million are held.

The short-form announcement is the responsibility of the directors and is only a summary of information in the full announcement which is available on the Company's website (www.labat.co.za). This announcement does not contain full or complete details and any investment decisions by investors and/or shareholders should be based on consideration of the published SENS available on: <https://senspdf.jse.co.za/documents/2020/JSE/ISSE/LAB/LABAUDFY19.pdf>

Notice of Annual General Meeting and Amendment thereto

Notice is hereby given that the annual general meeting of ordinary shareholders will be held at 10:00 on Tuesday, 17 March 2020, at 23 Kroton Avenue, Weltevreden Park, to transact the business as stated in the notice of annual general meeting forming part of the Integrated Report.

Record Dates

The record date on which shareholders of the Company must be registered as such in the Company's securities register in order to attend and vote at the annual general meeting is Tuesday, 17 March 2020. The last day to trade in order to be eligible to vote at the annual general meeting will accordingly be Tuesday, 3 March 2020.

The record date for shareholders to receive the Annual Report is Friday, 24 January 2020.

Availability of Broad-Based Black Economic Empowerment Annual Compliance Report

Shareholders are hereby notified that in accordance with the JSE Listings Requirements, the Company's annual compliance report in terms of section 13G(2) of the Broad-Based Black Economic Empowerment Act 53 of 2003 read with the Broad-Based Black Economic Empowerment Amendment Act 46 of 2013, the Company's BEE certificate, which is valid for the 2018/2019 period, is available on the Company's

website, www.labat.co.za.

Johannesburg
4 February 2020

Sponsor

Arbor Capital Sponsors Proprietary Limited

