



# Unaudited Interim Results

for the six months ended 30 June 2022

Trencor Limited  
(Incorporated in the Republic of South Africa)

Registration number 1955/002869/06 | Share code: TRE | ISIN: ZAE000007506 | ("Trencor" or "the company")

## COMMENTARY

- Basic loss and headline loss for the six months ended 30 June 2022 was 0,3 cents per share (2021: basic loss and headline loss 9,2 cents per share).
- The SA rand to US dollar exchange rate at 30 June 2022 was R16,21 (2021: R14,28). The average SA rand to US dollar exchange rate for the six months to 30 June 2022 was R15,44 (2021: R14,60).
- Based on the relevant spot exchange rates listed below, the net asset value ("NAV") of Trencor at the dates below was as follows:

	30 June 2022	31 December 2021
Spot exchange rate US\$1	<b>16,21</b> R million	15,87 R million
TAC (book NAV)	<b>794</b>	777
Cash (excluding in TAC)	<b>431</b>	432
Other net assets	<b>2</b>	1
Total NAV	<b>1 227</b>	1 210
	<b>R per share</b>	R per share
TAC (book NAV)	<b>4,58</b>	4,48
Cash (excluding in TAC)	<b>2,48</b>	2,49
Other net assets	<b>0,01</b>	-
Total NAV per share	<b>7,07</b>	6,97

### Notes:

- The values at a reporting period-end are actual values converted at the applicable exchange rate.
- Included in the book NAV of TAC at 30 June 2022 are cash and cash equivalents of US\$49 million (31 December 2021: US\$49 million).
- Included in cash (excluding in TAC) at 30 June 2022 are cash deposits held in escrow of US\$17 million (31 December 2021: US\$17 million).
- The NAV table is updated each month on Trencor's website.

## DIVIDEND

For the reasons outlined in the Joint Report by the Chairman and Chief Executive Officer in Trencor's 2020 and 2021 integrated annual reports, no dividend has been declared.

## PREPARATION OF FINANCIAL STATEMENTS

These unaudited interim condensed consolidated financial statements have been prepared under the supervision of the financial director, Ric Sieni CA(SA), and have not been audited or reviewed by Trencor's external auditors. The directors take full responsibility for the preparation of the interim results.

On behalf of the board

Ric Sieni  
Chief Executive Officer and Financial Director

16 August 2022

**Directors:**  
Independent non-executive: David Nurek (Chairman), Eddy Oblowitz, Roddy Sparks  
Executive: Ric Sieni (Chief Executive Officer and Financial Director)  
**Secretaries:** Trencor Services Proprietary Limited  
**Registered office:** 13th Floor, The Towers South, Heerengracht, Cape Town 8001  
**Transfer Secretaries:** Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 (Private Bag X9000 Saxonwold 2132)  
**Sponsor:** Investec Bank Limited

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2022

	Unaudited 30 June 2022 Rm	Unaudited 30 June 2021 Rm	Audited 31 December 2021 Rm
<b>ASSETS</b>			
Property, plant and equipment	1	1	1
Deferred tax assets	1	2	2
Restricted cash (note 5)	278	246	273
Total non-current assets	280	249	276
Trade and other receivables	2	2	3
Cash and cash equivalents (note 3)	947	865	936
Total current assets	949	867	939
Total assets	1 229	1 116	1 215
<b>EQUITY</b>			
Share capital	1	1	1
Reserves	1 226	1 110	1 209
Total equity attributable to shareholders of the company	1 227	1 111	1 210
<b>LIABILITIES</b>			
Lease liability	–	1	–
Deferred tax liabilities	–	1	–
Total non-current liabilities	–	2	–
Trade and other payables	1	3	3
Current tax liabilities	–	–	1
Lease liability	1	–	1
Total current liabilities	2	3	5
Total liabilities	2	5	5
Total equity and liabilities	1 229	1 116	1 215

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2022

	Unaudited Six months ended 30 June 2022 Rm	Unaudited 30 June 2021 Rm	Audited Year ended 31 December 2021 Rm
<b>Cash flows from operating activities</b>			
Cash utilised by operations	(12)	(20)	(30)
Finance income received	5	4	7
Income tax (paid)/refunded			
Normal tax	–	(1)	–
Dividends tax	1	–	–
Net cash outflow from operating activities	(6)	(17)	(23)
<b>Cash flows from investing activities</b>			
Decrease in restricted cash	1	1	1
Net cash inflow from investing activities	1	1	1
<b>Net decrease in cash and cash equivalents before exchange rate fluctuations</b>	(5)	(16)	(22)
Cash and cash equivalents at the beginning of the period	936	895	895
Effects of exchange rate fluctuations on cash and cash equivalents	16	(14)	63
Cash and cash equivalents at the end of the period (note 3)	947	865	936

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2022

	Six months ended 30 June 2022 Rm	Year ended 30 June 2021 Rm	31 December 2021 Rm
Other operating income	6	–	22
Employee benefits expense	(3)	(7)	(10)
Other operating expenses	(8)	(14)	(15)
Operating loss before finance income	(5)	(21)	(3)
Finance income	5	4	7
(Loss)/Profit before tax	–	(17)	4
Income tax (expense)/credit	–	(1)	2
<b>(Loss)/Profit for the period</b>	–	(16)	6
<b>Other comprehensive income/(loss)</b>			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation gains/(losses)	17	(14)	63
<b>Total comprehensive income/(loss) for the period</b>	17	(30)	69
<b>(Loss)/Earnings per share</b>			
Basic (loss)/earnings per share (cents)	(0,3)	(9,2)	3,4
Diluted (loss)/earnings per share (cents)	(0,3)	(9,2)	3,4
Number of shares in issue (million)	173,5	173,5	173,5
Weighted average number of shares in issue (million)	173,5	173,5	173,5
Period-end rate of exchange: SA rand to US dollar	16,21	14,28	15,87
Average rate of exchange for the period: SA rand to US dollar	15,44	14,60	14,85

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2022

	Share capital Rm	Foreign currency translation reserve Rm	Retained income Rm	Total Rm
Unaudited				
<b>Six months ended 30 June 2022</b>				
<b>Balance at 1 January 2022</b>	1	443	766	1 210
<b>Total comprehensive income for the period</b>				
Profit for the period	–	–	–	–
Other comprehensive profit for the period				
Foreign currency translation differences	–	17	–	17
Total comprehensive income for the period	–	17	–	17
<b>Balance at 30 June 2022</b>	1	460	766	1 227
<b>Six months ended 30 June 2021</b>				
<b>Balance at 1 January 2021</b>	1	380	760	1 141
<b>Total comprehensive loss for the period</b>				
Loss for the period	–	–	(16)	(16)
Other comprehensive loss for the period				
Foreign currency translation differences	–	(14)	–	(14)
Total comprehensive loss for the period	–	(14)	(16)	(30)
<b>Balance at 30 June 2021</b>	1	366	744	1 111

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2022

1. The interim condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports and the requirements of the Companies Act of South Africa. The Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the Financial Reporting Guides and Financial Pronouncements as issued by Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of these interim financial statements are in terms of IFRS and are consistent with those applied in the consolidated annual financial statements for the year ended 31 December 2021.

	Unaudited 30 June 2022 Rm	Unaudited 30 June 2021 Rm	Audited Year ended 31 December 2021 Rm
<b>2. Headline (loss)/earnings</b>			
(Loss)/Profit attributable to shareholders	–	(16)	6
Headline (loss)/earnings	–	(16)	6
Weighted average number of shares in issue (million)	173,5	173,5	173,5
Headline (loss)/earnings per share (cents)	(0,3)	(9,2)	9,4
Diluted headline (loss)/earnings per share (cents)	(0,3)	(9,2)	9,4

	Unaudited 30 June 2022 Rm	Unaudited 30 June 2021 Rm	Audited 31 December 2021 Rm
<b>3. Cash and cash equivalents</b>			
Bank balances	5	5	5
Money market instruments and call and term deposits *	942	860	931
	947	865	936

\* Refer to indemnity provided by Tencor in relation to the Halco Trust indemnitees in note 6.

	Unaudited 30 June 2022 Carrying amount Rm	Unaudited 30 June 2022 Fair value Rm	Unaudited 30 June 2021 Carrying amount Rm	Unaudited 30 June 2021 Fair value Rm	Audited 31 December 2021 Carrying amount Rm	Audited 31 December 2021 Fair value Rm
<b>4. Financial instruments</b>						
The carrying amounts and fair values of financial assets and financial liabilities are as follows:						
<b>Assets:</b>						
Financial assets carried at amortised cost:						
Restricted cash	278	278	246	246	273	273
Cash and cash equivalents	947	947	865	865	936	936
	1 225	1 225	1 111	1 111	1 209	1 209
<b>Liabilities:</b>						
Financial liabilities at amortised cost:						
Lease liability	1	1	1	1	1	1
Trade and other payables	1	1	3	3	3	3
	2	2	4	4	4	4

Impairment on restricted cash and cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The group considers that these restricted cash and cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties, therefore the expected credit loss allowance for these financial assets is nil.

	Unaudited 30 June 2022 Rm	Unaudited 30 June 2021 Rm	Audited 31 December 2021 Rm
<b>5. Restricted cash</b>			
The escrow account in relation to the Halco Trust indemnitees will be held until the indemnity terminates or otherwise falls away prior to 31 December 2024 (refer to note 6)	278	246	273

## 6. Indemnity provided by Tencor in relation to the Halco Trust indemnitees

On 20 February 2018, Tencor, as a nominated beneficiary of the Halco Trust, received a vesting and distribution from the Halco Trust of the entire issued share capital of Halco Holdings Inc ("Halco"), which in turn held the shares in Textainer and TAC. Before the vesting and distribution were effected, Tencor was required to provide an indemnity in a negotiated amount of US\$62 million, *inter alia*, to the trustee of the Halco Trust, *in lieu* of the indemnity the trustee enjoyed under the Deed of Settlement of the Halco Trust at the time.

In terms of this indemnity, Tencor indemnifies the indemnitees detailed below against certain events, which include the incurrence of liabilities by the indemnitees, and against the incurrence of costs and expenses by the indemnitees in connection with the indemnity and the processes thereunder. The indemnity extends to liabilities, costs and expenses incurred by the indemnitees in relation to the administration and/or the termination of the Halco Trust, the liquidation of the corporate trustee of the Halco Trust, the escrow arrangements contemplated by the indemnity, liabilities, costs and expenses by the directors and shareholder of the corporate trustee of the Halco Trust associated with the aforementioned liabilities and other liabilities, costs and expenses incurred by the indemnitees pursuant to any joint matter in terms of the indemnity. The indemnitees include the corporate trustee of the Halco Trust, the directors and shareholder of such trustee, their respective successors in title, and the directors and shareholders of such shareholder and their respective successors in title, as well as any liquidator of the corporate trustee.

The indemnity terminates on 31 December 2024 and Tencor's maximum potential exposure under such indemnity is US\$62 million (2021: US\$62 million), for which an amount of US\$17 million (2021: US\$17 million) is currently held in accordance with the terms of an escrow agreement by an independent escrow agent in an interest-bearing escrow account in Liechtenstein (refer to note 5). The escrow balance will be so held until the indemnity terminates or otherwise falls away prior to 31 December 2024. Tencor is contractually required in terms of the escrow arrangement linked to the indemnity to retain sufficient cash and other liquid assets equal to the full face value of the maximum potential exposure under the indemnity of US\$62 million, in effecting any distribution or corporate reorganisation. Restricted cash of US\$17 million (2021: US\$17 million) (refer to note 5) and cash and cash equivalents in TAC of US\$45 million (2021: US\$45 million) (refer to note 3) have been currently earmarked against any such maximum potential exposure.

No contingent liability has been disclosed for this indemnity in the financial statements for the six months ended 30 June 2022, as the directors believe that the possibility of an outflow of resources in relation to the indemnity, other than for costs and expenses, is remote.

## 7. Use of estimates and judgements

Judgements and estimates are consistent with those in the consolidated annual financial statements as at and for the year ended 31 December 2021.

## 8. Financial risk management

The group's financial risk management objectives and policies are consistent with those disclosed in the consolidated annual financial statements as at and for the year ended 31 December 2021.

## 9. COVID-19

As Tencor is currently invested only in cash and other liquid assets, the impact of COVID-19 has not had, and is not expected to have, any material effect on the going concern status of Tencor.