Transpaco
LIMITED

JUNE 2024

INTEGRATED ANNUAL REPORT

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www.transpaco.co.za

01 INTRODUCTION

ABOUT THIS REPORT

We are pleased to present our integrated annual report which covers the financial year ended 30 June 2024. The report's primary purpose is to communicate Transpaco's strategic framework for creating and sustaining value for shareholders in the short, medium and long-term. Our aim is to provide a concise explanation of the key opportunities and risks in our markets, along with our financial, and non-financial performance over the year and expectations for the year ahead.

SCOPE OF THIS REPORT

This report presents the financial results and the economic, environmental, social, and governance performance of the group for the year 1 July 2023 to 30 June 2024 and follows our integrated report for the previous year published in October 2023. Content, including the company's consolidated financial statements as set out on pages 46 to 87, covers all divisions and subsidiaries of the company, as illustrated on pages 9 to 11, across all regions of operation in South Africa.

The report is targeted primarily at current stakeholders and potential investors. In compiling the report, we were guided by international and South African reporting guidelines and best practice including King IV™* and the International Integrated Reporting Framework, as well as South African legislation including:

- Companies Act
- JSE Listings Requirements
- IFRS Accounting Standards
- SAICA Financial Reporting Guides as issued by the Accounting Practices Committee

CORPORATE INFORMATION

The group's executive directors are Phillip Abelheim (CEO), Louis Weinberg (CFO), and Charly Bouzaglou. They can be contacted at the registered office of the company.

For feedback regarding the content and usability of this report, you can contact the company secretary Hendrik van Niekerk. See inside back cover of this integrated report for contact details. This integrated annual report is available online at https://www.transpaco.co.za/investors/annual-report

KEY COMPANY DATA

Transpaco Limited registration number:
1951/000799/06

ISIN:
ZAE000007480

JSE Main Board:
Containers and Packaging sector

Share code:
TPC

Listing date:
1987

Shares in issue (30 June 2024):
28 839 388

THE SIX CAPITALS

The International Integrated Reporting Framework introduced the concept of reporting in terms of the six capitals which impact on value creation and contraction in a business. The group's activities and performance relating to the capitals are covered throughout the report.

Financial capital
Relates to the financial resources deployed by a company.

Manufactured capital
Relates to the physical infrastructure used in the manufacture and distribution of our products.

Intellectual capital
Relates to organisational knowledge, systems, protocols and intellectual property.

Human capital
Deals with the competency, capability and experience of the board, management and employees.

Social and relationship capital
Deals with stakeholder engagement.

Natural capital
Relates to the natural resources we use.

ASSURANCE

We undertake the following assurance to ensure reporting integrity:

Business process	Nature of assurance	Assurance provider
External audit	Financial statements	BDO South Africa Incorporated
Internal audit	System of internal controls	Audit & risk committee
B–BBEE	B-BBEE audit verification	MSCT BEE Services

BOARD RESPONSIBILITY STATEMENT

The Transpaco board confirms its responsibility for the integrity of the integrated annual report, the content of which has been collectively assessed by the directors who believe that all material issues as identified and discussed at board meetings have been addressed and are fairly presented. The board confirms that it has approved this integrated annual report and authorised its release.

The board believes that the integrated annual report was prepared in accordance with the International Integrated Reporting Framework. The report, which remains the ultimate responsibility of the board, is prepared under the supervision of senior management, and subject to both internal and external assurance. The report is submitted to the audit & risk committee, which reviews and recommends it to the board for approval having reviewed the contents, as well as the collation process, and with reliance on the assurance provided on the various reporting elements.

The directors confirm that Transpaco is in compliance with the provisions of the Companies Act or laws of establishment, specifically relating to its incorporation and is operating in conformity with its Memorandum of Incorporation ("MOI") and/or relevant constitutional documents.

FORWARD-LOOKING STATEMENT

This integrated annual report contains forward-looking statements that, unless otherwise indicated, reflect the company's expectations as at 30 June 2024. Actual results may differ materially from the company's expectations if known and unknown risks or uncertainties affect the business, or if estimates or assumptions prove inaccurate. The company cannot guarantee that any forward-looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these forward-looking statements. The company disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available as a result of future events or for any other reason, save as required by the JSE Listings Requirements and/or any other legislation/regulations.

Phillip Abelheim
CEO
11 October 2024

Louis Weinberg
CFO
11 October 2024

FY24 HIGHLIGHTS

KEY FEATURES

Level 2
B-BBEE CONTRIBUTOR

8 production
FACILITIES

3 trading
FACILITIES

DISTRIBUTION CAPABILITY ACROSS ALL
9 provinces

FINANCIAL HIGHLIGHTS

NET ASSET VALUE PER SHARE UP 9.3% TO
3 232c

HEADLINE EARNINGS PER SHARE DOWN 8.3% TO
520,9c

TOTAL DIVIDEND PER SHARE DOWN 7.7% TO
240,0c

GROUP REVENUE DOWN 4% TO
R2,5bn

TOTAL OPERATING PROFIT DOWN 15.7% TO
R212,7m

CLOSING MARKET CAP (30 JUNE 2024)
R879,6m

FINANCIAL STATISTICS

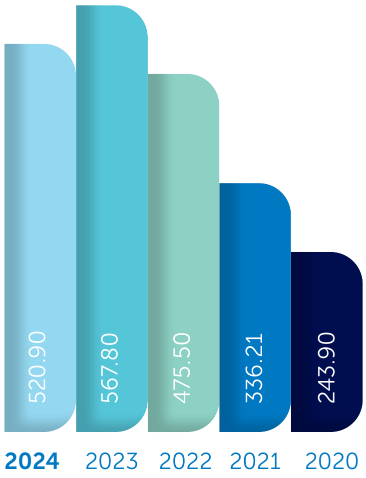
	2024	2023	2022	2021	2020
Current ratio (x)	**2.1**	2.1	1.9	1.9	1.9
Net interest-bearing debt: equity ratio (%)	**Net cash positive**	Net cash positive	9.3	15.5	2.7
Operating income margin (%)	**8.6**	9.7	9.6	7.9	5.8
Net asset value per share (cents)	**3 232**	2 958	2 627	2 306	2 066

TURNOVER
(RANDS)

6.22%
CAGR

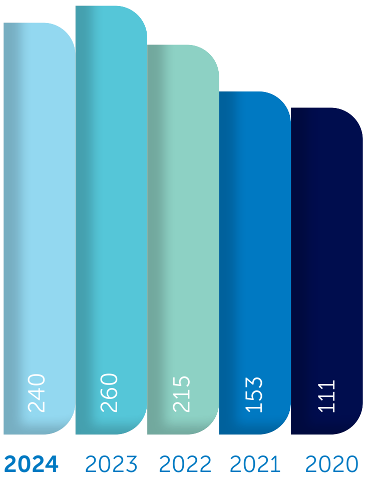
DILUTED HEPS
(CENTS)

20.89%
CAGR



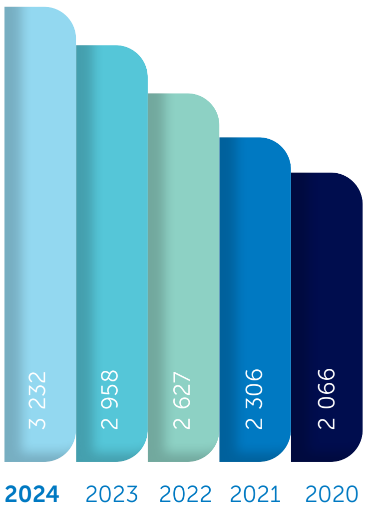
DIVIDEND PER SHARE
(CENTS)

21.26%
CAGR



NET ASSET VALUE
(CENTS)

11.84%
CAGR



LETTER FROM OUR CHAIRMAN

Some of our performance derives from the macro environment we encounter. An enabling economy gives us impetus.

Transpaco's financial performance this year has been disappointing relative to last year. A timely reminder that our national economy remains moribund with increasing pressures on retail consumers. Annual turnover declined by 4% and headline earnings per share by 8.3%. The packaging sector is a barometer of the consumer segment of the economy.

While Transpaco's challenging financial performance should be assessed against the backdrop of these tough macro trading conditions, there are some positive factors gathering which may represent a break with our country's recent past. These include the anticipation of an improved governance outlook for the country associated with the so-called government of national unity (GNU). The resilience of our democracy with the smooth transition of power is also worth noting. The recent prolonged period of relief from loadshedding with the promise of a permanent removal of this blight will boost the national mood with both investors and consumers. The tentative reforms in the country's large state-owned enterprises are welcome. So too the positive signals around the need for an urgent remediation of the local government sector. A projected reduction in interest rates, improvement in the Rand and the introduction of the two-pot retirement system should in aggregate introduce more spending into the economy.

A review of Transpaco's five-year performance (2019 to 2024) reveals what a solid performer the firm has been over a sustained period. We registered a compound annual growth rate (CAGR) of 12% in net asset value per share, 21% in diluted headline earnings per share and 21% in dividends per share, respectively. South Africa did not register anything resembling respectable economic growth rates over that period. Transpaco continues to box cleverly and entrepreneurially in a challenging environment. The board is steadfast in its confidence in our executive management and of the firm's future growth prospects because we continue to nurture the key foundational elements in our strategy.

That solid foundation comprises the following key drivers: we have proven leadership at the group in Phil and Louis; entrepreneurial managing directors at the divisional level generally of long tenure and which occasionally get supplemented by new senior leadership talent per our succession plan; loyal customers representing some of the largest firms in our country; well established supplier relationships both local and international; a stable workforce comprised of productive employees; and a mature regime of industrial relations. The group has embedded in its operating DNA a focus on effective cost containment and working capital management across a diversified set of operating divisions in the packaging industry. These divisions can count on the prudent support of the group to grow their respective businesses in the form of capital expenditure or in some cases supportive acquisitions. We have a robust balance sheet for this purpose.

Transpaco prefers to house operating divisions in group-owned properties. We have achieved this goal for most of our divisions. This is especially important when fast and effective investment is required by the business in their premises in response to changing circumstances. For example, we continue to invest to ensure our factories have the appropriate sprinkler systems required by insurers. This is an ever-evolving landscape, and we are obliged to respond speedily. I can report that we have concluded the acquisition of an additional property to accommodate our Cores division and are in commercial negotiations for property for our Britepak division which should be finalised imminently. That will conclude the multi-year strategy of securing essentially the full set of divisions operating out of Transpaco-owned properties.

Last year I made reference to the successful execution of succession planning at Transpaco with the then appointment of two new divisional managing directors. This year we will supplement our senior team with the appointment of a new general manager at East Rand Plastics. The appointee has deep relevant industry experience accrued over his professional career. The move will also relieve some pressure on the daily activities of the responsible divisional director and provide the opportunity for further succession related flexibility in our senior team.

The group is a consistent generator of cash from operations. We matched last year, producing R273 million from operations. The difference from last year can be mainly attributable to the year-end being on a Sunday with delays in some cash receipts. The focus on gross profit margins and working capital management are important contributors to cash generation and have expression in our incentive formulas for divisional directors. Investment requests and decisions are intensely scrutinised. Net cash at the end of the period (R160,5 million) is a mere R6 million shy of last year. Importantly, Transpaco spent R43 million on plant and equipment all paid for in cash, R51.8million on debt repayment (R20 million of which was on an accelerated basis) and a further R30.6 million on share purchases.

Capex projections are modest but important for the year in prospect. Transpaco will be entering the paper carrier bag market in response to changing market dynamics. We have expertise in both the manufacture of paper-based products in our Cores division, and a deep understanding of the customer-side of the business. The firm will also be adding capacity in our Specialised Films division which manufactures pallet wrap, to relieve their capacity constraints.

Transpaco's share repurchase programme has been consistent over a multi-year period. In June 2020 we had an issued share capital of 32,9 million shares. Through a successful repurchase programme this number now stands at 28,8 million shares representing a reduction of 4 million shares (roughly 12%). In the financial year under review, we purchased 1,1 million shares representing 3,67% of the firm's issued share capital. I previously mentioned that the board has provided Phil with a mandate to purchase, from time to time and on an opportunistic basis, shares in Transpaco. These purchases are targeted at prices below or equal to the firm's NAV. This will produce enhanced HEPS in future years.

Transpaco has a healthy balance sheet. In particular, the firm has a net positive cash position. The balance sheet provides the group with strategic flexibility related to growth and expansion opportunities.

Phil and Louis have demonstrated an expertise in the deployment of capital into growth opportunities. Despite investigating numerous possible acquisitions, Transpaco did not execute on any transactions related to new businesses this year.

While we may be disappointed because we have been astute acquirers in the past, the group leadership is experienced in this field and the board is comfortable that the right decisions were ultimately arrived at.

Transpaco remains committed to running a small head office with tightly controlled expenses. This remains the case where we operate out of unfancy offices in Wynberg situated above one of our factories. We have occupied these offices, with very little changes, for over 40 years now. I have also witnessed little to no increase in personnel overheads at our head office over a sustained period.

Transpaco has, in our latest BEE audit conducted in March 2023, maintained a Level 2 B-BBEE recognition. There are several contributing factors. In 2005 Transpaco concluded a BEE-ownership transaction which has remained undiluted over the last 19 years. Transpaco is invested in and committed to the Youth Employment Scheme (YES) initiative and skills development, and enterprise and supplier development. We will continue to increase the diversity of the board and management of the company with respect to race, gender and skills.

Thanks go to Phil, Louis and the Divisional Managing Directors for their achievements across a growing business operating in a complex environment. A warm note of appreciation to all our employees, and of course our numerous customers big and small. To the non-executive directors thank you for your collegiality and many contributions to the board. Perhaps if I could single out an individual, thanks must go to Harry Botha whose energy and attention to detail as chair of both the audit & risk and remuneration committees is singular. I am regularly reminded of the collective hard work, and dedicated service to Transpaco delivered by the board.

Derek Thomas

Chairman

11 October 2024

02 TRANSPACO IN A SNAPSHOT

OUR MILESTONES

1987	Transpaco listed on JSE
	Acquired Framen Paper (later Transpaco Cores, subsequently Transpaco Cores and Tubes)
1997	Acquired Transpaco Sheet Extrusion
1998	Acquired Silverpack group
1999	Established Transpaco Flexibles Mpumalanga
2004	Acquired Recycling Plastics (merged into Transpaco Recycling)
2005	BEE transaction. Acquired Britepak
2006	Acquired Polyfoil (now part of Transpaco Flexibles Mpumalanga)
	Established Transpaco Specialised Films
2010	Acquired Disaki Cores and Tubes, which subsequently became Transpaco Cores and Tubes
2015	Acquired East Rand Plastics
2017	Acquired Propateez 62, the property from which the recycling operations ran
2018	Acquired Future Packaging
2020	Recycling operations discontinued
2021	Acquired property from which Transpaco and Future Packaging operates
2023	Entered into an agreement to purchase the Gauteng property from which Transpaco Cores and Tubes operates

37 YEARS LISTED ON THE JSE

WHO WE ARE

Transpaco manufactures and distributes plastic and paper packaging products for different sectors of the economy including retail, industrial, agriculture, mining, pharmaceutical and automotive. Our products are customised to customer requirements and distributed across the country and exported into Southern Africa. We operate through two main divisions: Plastic Products and Paper & Board (see pages 10 to 11).

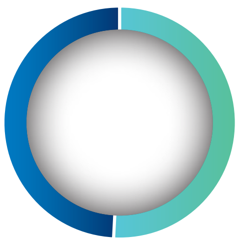
Transpaco has been listed on the JSE 'Containers and Packaging' sector for over three decades and has continued delivering consistent incremental growth. Our business strategy is driven by unlocking and generating solid organic growth and identifying and pursuing earnings-enhancing acquisitions.

Our key strategic drivers:

1. Organic and acquisitive growth
2. Employee security
3. Continually improved efficiencies and capacity
4. Strict cost and working capital control
5. Transformation
6. Quality products at competitive prices with requisite service delivery

SEGMENTAL BREAKDOWN

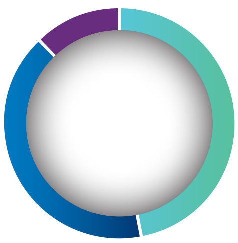
CONTRIBUTION TO GROUP REVENUE BY DIVISION



51% PLASTIC PRODUCTS

49% PAPER & BOARD

CONTRIBUTION TO GROUP OPERATING PROFIT BY DIVISION

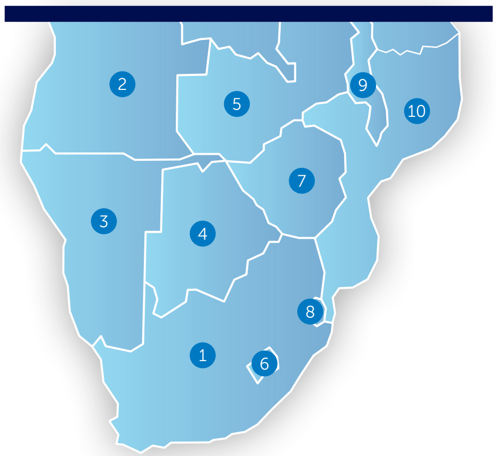


47% PLASTIC PRODUCTS

41% PAPER & BOARD

12% GROUP SERVICES

DISTRIBUTION NETWORK



1. South Africa
2. Angola
3. Namibia
4. Botswana
5. Zambia
6. Lesotho
7. Zimbabwe
8. Eswatini
9. Malawi
10. Mozambique

Plastic Products:
4 manufacturing sites and distribution centres throughout South Africa

Paper & Board:
4 manufacturing sites, **3** trading facilities and distribution centres throughout South Africa

Properties & Group services:
Booysens Road Properties; Explosive Film Technologies; Propateez 62; Transpaco Administrative and Financial Services

INVESTMENT CASE

- Leading manufacturer and distributor of paper and plastic packaging products.
- Geographic footprint in all nine provinces.
- Multi-faceted business with different revenue streams.
- Diversified client base with reduced sector dependence.
- Key player in consolidation of local packaging market.
- Entrepreneurial culture with highly skilled staff.
- Deep technical expertise embedded in the long-serving leadership team.
- Stringent management of cash generation and working capital.
- Prudent balance sheet management.
- Strongly positioned and flexible to take advantage of opportunities in the packaging value chain.
- Sound capital allocation

OUR STRUCTURE

PLASTIC PRODUCTS

EAST RAND PLASTICS

East Rand Plastics is Africa's largest manufacturer of refuse bags with an ISO 9001:2008 certified factory situated in Gauteng with national distribution. It produces the Garbie and different house brands in varying colour refuse bags, bin liners, sheeting and film. The products are provided in light, medium and heavy duty for local and export household, garden markets, and heavy-duty industrial markets.

PRODUCTS
Refuse bags are manufactured from pre- and post-consumer recycled material protecting our environment and are also produced in flat and perforated or interleaved roll forms.

FLEXIBLES

Transpaco manufactures a range of plastic packaging solutions at two manufacturing sites in Gauteng (certified FSSC 22000) and Western Cape (certified ISO 9001:2008) with distribution facilities throughout South Africa.

PRODUCTS
- Retail vest-type plastic bags
- Retail boutique plastic bags
- Refuse bags
- Courier bags
- Food grade packaging
- Industrial plastic bags
- Tubing and sheeting
- Scholastic stationery
- High density polyethylene
- Low density polyethylene

SPECIALISED FILMS

Transpaco is a leading manufacturer of specialised films – three, five, seven and (a first in Africa) fifty-seven-layer cast film products through its ISO 22000:2005 certified manufacturing facility. The facility boasts state-of-the-art equipment for products of the highest quality and standard. Distribution facilities are in place throughout South Africa.

PRODUCTS
- Cast pallet stabilisation wrapping
- Stretch film
- Three, five, seven and fifty-seven-layer cast film

PAPER & BOARD

PROPERTY AND GROUP SERVICES

BRITEPAK

Britepak manufactures printed folded cartons and package inserts through one manufacturing plant in Gauteng. The facility boasts a prepress service, including Suprasetter plate-setting technology, lithographic printing including offline, high quality ultra-violet varnish capabilities, sophisticated finishing including modern automatic flat-bed die-cutting and, state-of-the-art gluing and folding including braille capabilities.

PRODUCTS

- Printed folded cartons and package inserts for the pharmaceutical and FMCG industries

CORES AND TUBES

Cores and Tubes is the leading manufacturer of spirally wound tubular cardboard cores, carton dividers, void fillers and angle boards with manufacturing and distribution facilities in Germiston, Durban and Cape Town. The facility is a fully automated paper board converting operation with a modern, sophisticated plant and equipment that is certified ISO 9001:2008.

PRODUCTS

- Heavy duty cores
- Light duty cores
- Yarn cores
- Tape cores
- Conical containers
- Void fillers
- Carton dividers
- Angle boards
- Paper straws

PACKAGING

Packaging is the leading packaging supplier to the retail, industrial, wholesale, agricultural, automotive, construction, food & beverage and telecommunication markets. There are three distribution centres in South Africa.

PRODUCTS

- Corrugated board and cartons
- Pallet and food wrap
- Paper bags
- Plastic bags, tubing and sheeting
- Tape and closures
- Cleaning materials
- Protective clothing
- Paper and board
- Packaging machinery
- General packaging
- Labels

PROPERTY AND GROUP SERVICES

Property and group services provides property owning and central administration, financial and related services to all group divisions which include Propateez 62, housing Specialised Films; Booysens Road Properties, housing Flexibles Wynberg, East Rand Plastics, Flexibles Mpumalanga, Transpaco and Future Packaging; and Transpaco Cores and Tubes; Explosive Film Technologies, housing Flexibles Wynberg; and Transpaco Administrative and Financial Services.

OUR VALUE CREATING BUSINESS MODEL

We create shared value for our stakeholders by consistently delivering quality products and through the successful execution of our business model which encompasses all our operating segments. Our business model is also underpinned by our philosophy of carrying out business practices in line with being a responsible corporate citizen.

ACTIVITIES

Transpaco is a manufacturer and distributor of paper and plastic packaging products for a broad range of industries within the core focus of packaging throughout South and Southern Africa.

INPUTS

FINANCIAL CAPITAL	• Retained earnings • Debt funding • Investment funding • Cash generated from operations
MANUFACTURED CAPITAL	• 8 manufacturing sites • 3 trading operations • Distribution centres throughout South Africa
INTELLECTUAL CAPITAL	• Management employs vast knowledge and capability gained through extensive experience in the packaging industry
HUMAN CAPITAL	• 1 434 employees • 70 learnerships • 85 YES programme candidates
SOCIAL AND RELATIONSHIP CAPITAL	• Relationship with employees/ investors/suppliers/customers • Commitment to CSI and transformation • CEPPWAWU Investments, the investment arm of the union representing many Transpaco employees.
NATURAL CAPITAL	• Extensive use of post-consumer recycling material • Use of recycled paper and board • Extensive internal recycling • Promotion of circular economy to protect environment

OUTPUTS

- 35 203 tons of plastic converted
- 17 526 tons of paper converted
- Flexible packaging products:
  - retail plastic bags
  - refuse bags
  - courier bags
  - scholastic stationery
  - pallet stabilisation film
  - general packaging
  - packaging machinery
  - cleaning materials
  - protective clothing
- Pharmaceutical cartons and packaging inserts
- Cardboard cores and tubes
- Void fillers
- Carton dividers
- Angle boards
- Paper straws

OUTCOMES

- R75 million distributed to shareholders
- R2 487 million revenue
- R213 million operating profit
- R31 million distributed through the share buy-back programme
- R55 million paid to government taxes

- R43 million capital expenditure to improve manufacturing equipment and acquire properties
- Substantial contribution to the fiscus through the environmental plastic bag levy

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- Largest South African manufacturer of:
  - retail plastic bags
  - pallet stabilisation
  - refuse bags
  - cores and tubes
  - scholastic book coverings

- R445 million distributed to employees as remuneration and benefits
- R9,4 million invested in skills development
- Deep technical expertise embedded in the long-serving leadership team
- Funding learnerships for 70 people of which 40 are disabled
- 85 individuals under the age of 35 are part of the YES initiative

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- R2 million invested in communities through the CSI programme
- Level 2 BBBEE
- R4,5 million loan in support of BBBEE business development

- 19 334 tons of plastic post-consumer waste diverted from the waste streams
- 13 814 tons of paper and board diverted from the waste streams
- Promotes and encourages the reuse and recycling of resources

OUR BOARD OF DIRECTORS

DEREK THOMAS

Non-executive Chairman

BCom (Hons) (Economics), M Com (Economics), MSc (Development Economics)

Appointed: 2 June 2005 (Appointed as Chairman 1 July 2015)

Derek serves on various private and publicly listed boards and has contributed significantly to the company's growth as a broad-based BEE investment vehicle in his capacity as the managing director of CEPPWAWU Investments.

PHILLIP ABELHEIM

Chief Executive Officer

FCIS

Appointed: 12 December 1977

Philip is a seasoned plastic and packing industry specialist with experience spanning over 49 years, predominantly working with Transpaco.

LOUIS WEINBERG

Chief Financial Officer

BCompt. (Honours), CA(SA)

Appointed: 18 February 2004

Louis has more than 40 years of experience in the financial management and administration sector. Having joined Transpaco on 17 September 2002, Louis has been with the group for over 20 years.

SHALOM (CHARLY) RAPHAEL BOUZAGLOU

Executive director

Appointed: 4 June 1991

Charly has over 40 years of experience in the paper, plastic and packaging industry and is currently the managing director of Cores and Tubes. He joined Transpaco in 1984.

HENRY (HARRY) ANDRÉ BOTHA

Independent non-executive director

M.A.P. (WITS)

Appointed: 1 September 1998

Harry assumed the position of non-executive director following his retirement as executive director of the group in 2006 after spending 32 years in the plastic and packaging industry where he mainly focused on thermoforming and extrusion.

YOLANDE MAHLANGU

Independent non-executive director

BCom (Acc), PGDA CA(SA)

Appointed: 6 April 2022

Yolande is an investment professional with over 21 years' experience in the financial services industry, primarily in private equity.

STEPHEN VAN DER LINDE

Lead independent non-executive director

B.Sc Chemical Engineering

Appointed: 5 November 2002
(Appointed lead independent director 1 July 2015)

Stephen has over 25 years working as an investment analyst with a focus on manufacturing and finance.

03 OUR PERFORMANCE

OUR CEO'S VIEWPOINT

Elevated levels of load shedding until the end of March 2024, as well as high inflation and interest rates resulted in a stagnant economy that made it difficult for Transpaco to achieve its desired financial outcomes.

Group revenue for total operations contracted by 4,0% to R2,5 billion from R2,6 billion largely owing to a 7,8% decrease in revenue in the Plastics Division. This was due to the termination of an export contract in the refuse bags business, raw material price deflation in the pallet wrap operation and the impact of reduced consumer spend on retail bag volumes.

Operating profit decreased by 15,7% to R212,7 million compared to R252,5 million in the previous year. As a result, operating margin declined to 8,6% from 9,7%. Nonetheless, we continue to prioritise stringent cost control with a focus on efficiencies.

Despite the 13.8% decrease in headline earnings, headline earnings per share declined 8,3% to 520,9 cents compared with 567,8 cents in the previous year. This was as a result of a successful share buyback of 1 100 000 ordinary shares for a cash consideration of R30 613 000, which represented 3,67% of the issued share capital. The buyback reduced the number of shares in issue to 28 839 388. The weighted average number of ordinary shares in issue in calculating EPS and HEPS is 29 245 126 (June 2023: 31 106 183).

Transpaco has proven to be resilient notwithstanding economic headwinds caused by weak consumer and business sentiment owing to the uncertainty that surrounded the socio-political environment prior to the elections.

R2,5bn

REVENUE (2023: R2.6BN)

WORKING CAPITAL MANAGEMENT

Cash generated from operations decreased to R273,1 million (June 2023: R371,8 million). Although cash and cash equivalents on hand remained the same, changes in working capital declined due to the timing of the year end, which fell over a weekend, and its impact on payments received from debtors.

Notwithstanding the share buyback of 1 100 000 shares amounting to R30,6 million and the reduction in long term liabilities of R51,8 million which included an early payment of R20 million, Transpaco has retained comfortable cash resources.

Transpaco's net interest-bearing debt-to-equity position remained net cash positive due to efficient working capital management. Our robust balance sheet is also attributable to the group's continued sound investment strategy, considered capital allocation and strict working capital management.

EXPANSIONS AND DEVELOPMENTS

In the prior year, Transpaco entered into an agreement to purchase the Gauteng property from which Transpaco Cores and Tubes operates for an amount of R44 million. This is in line with our preference of owning properties that house manufacturing operations. Transfer of the property occurred during September 2024.

PLASTIC PRODUCTS

The Plastic division which includes retail plastic bags, retail and industrial refuse bags, pallet stabilisation film, scholastic stationery and general flexible plastic packaging had an overall performance that was disappointing but not unexpected. The decline in the retail plastic bags division was due to FMCG home deliveries, retail plastic bag substitution and

FINANCIAL OVERVIEW – TOTAL OPERATIONS

	June 2024	June 2023	% change
Revenue	R2 487,1 million	R2 591,1 million	-4.0%
Operating profit	R212,7 million	R252,5 million	-15.7%
Total comprehensive income	R152,5 million	R176,6 million	-13.7%
Headline earnings	R152,3 million	R176,6 million	-13.8%
EPS	521,5 cents	567,9 cents	-8.2%
HEPS	520,9 cents	567,8 cents	-8.3%
Weighted average number of shares in issue	29 245 000	31 106 000	-6.0%
Cash generated from operations	R273,1 million	371,8 million	-26.6%
Cash and cash equivalents	R160,6 million	R166,7 million	-3.7%
Net asset value per share	R32,32 per share	R29,58 per share	9.3%
Net interest paid	(R6,2 million)	(R12,8 million)	51.6%

OUR CEO'S VIEWPOINT
CONTINUED

R212,7bn
OPERATING PROFIT
(2023: R252,2BN)

certain retailers no longer offering traditional retail plastic bags. Notwithstanding the above and negative sentiment towards plastic packaging products, the market for retail plastic bags remains sound.

To mitigate against the impact of home deliveries and plastic bag substitution, Transpaco is expanding its offering to retailers to include paper bags. The paper bag operation is expected to commence production during the first six month of the current financial year.

The compulsory inclusion of post-consumer waste material in all retail plastic bags has helped bring stability and sustainability in the division. We continue to engage with all interested parties to dispel the misconception relating to the overstated negative impact retail plastic bags have on the environment.

The pallet-wrap division did not meet revenue expectations due to price deflation of raw material. In addition, the cancellation of an export contract for retail refuse bags due to excessive shipping costs negatively affected East Rand Plastic's performance.

PAPER PRODUCTS

The Paper and Board division which includes Transpaco's packaging trading operation, printed folded cartons, tubular cores and general packaging grew by 0,2%. The investment in plant and machinery to produce retail paper bags at Transpaco Cores is expected to benefit the division.

Britepak, the group's printed folded carton business, currently operates from four separate locations. To improve efficiencies and allow for future expansion, a project to consolidate the business under one roof is underway.

Transpaco & Future Packaging, our general packaging distribution operation performed well within expectations and will continue adding value to Transpaco.

TRANSFORMATION

Transpaco maintained its level 2 Black Economic Empowerment contributor status. We remain committed to transformation and genuine empowerment which is central to our strategic objectives. In addition, Transpaco is a YES Programme employer.

We proudly fund 70 learnerships for employees and unemployed individuals of which 40 are disabled and as a YES programme participant, employ 85 individuals under the age of 35.

DIVIDEND

The board has declared a final gross cash dividend out of income reserves of 160,0 cents per share, resulting in total dividends of 240,0 cents per share for the year ended 30 June 2024 (June 2023: 260,0 cents per share). This aligns with our strategic framework for creating and sustaining value for shareholders in the short, medium and long-term.

OUR APPROACH TO ESG

Transpaco will continue to maintain its status as a good corporate citizen. We do this by constantly applying sound governance practices throughout the company and ensuring that our policies and procedures are reviewed on an on-going basis and are updated where necessary. We also require our employees to adhere to the principles of our Code of Good Conduct.

We are committed to providing a safe and healthy work environment for all our employees. One of the ways we do this is by employing the services of an accredited third-party health and safety service provider, which conducts onsite inspections, attends health and safety meetings and provides safety related training in order to ensure a safe and healthy working environment.

The service provider issues monthly reports and any identified safety issues are attended to immediately. In addition, all reports are reviewed by the CEO and CFO at regular management account meetings to ensure divisional compliance.

We are cognisant of the impact our products and processes have on the communities in which we reside and potential impacts our operations could have on the environment. We actively implement sustainable strategies to ensure that Transpaco does not harm the environment or affect communities in any negative manner.

For more information on our approach to ESG, please refer to page 27.

PROSPECTS AND STRATEGY

Notwithstanding the challenging market conditions that may persist for the foreseeable future, the group will continue its proven business strategy of targeting organic growth and identifying and pursuing appropriate acquisitions.

Transpaco will look to further counter difficult trading conditions by driving sales, containing costs and maintaining gross profit contributions.

APPRECIATION

I would like to extend my gratitude to our Chairman Derek Thomas, CFO Louis Weinberg, executive and non-executive main board directors, divisional managing directors, divisional directors, and staff members who, despite the difficulties, demonstrated commitment and resilience.

I also thank our loyal clients, investors, unions, suppliers and service providers for their ongoing support.

Phillip Abelheim
CEO
11 October 2024

FIVE-YEAR REVIEW

OF THE GROUP

STATEMENTS OF COMPREHENSIVE INCOME

	2024 R'000	2023 R'000	2022 R'000	2021 R'000	2020 R'000
CONTINUING OPERATIONS					
Revenue	**2 487 058**	2 591 074	2 338 021	2 078 891	1 905 764
Operating profit before net finance costs	**212 729**	252 464	222 758	164 851	135 890
Net finance costs	**(6 203)**	(12 757)	(14 962)	(14 385)	(10 771)
Profit before taxation	**206 526**	239 707	207 796	150 466	125 119
Taxation	**(54 008)**	(63 062)	(55 152)	(40 188)	(33 632)
Profit for the year from continuing operations	**152 518**	176 645	152 644	110 278	91 487
DISCONTINUED OPERATION					
Loss for the year from discontinued operation	**–**	–	–	–	(22 533)
Profit for the year	**152 518**	176 645	152 644	110 278	68 954
Other comprehensive income	**–**	–	–	–	–
Total comprehensive income for the year	**152 518**	176 645	152 644	110 278	68 954

STATEMENTS OF FINANCIAL POSITION

	2024 R'000	2023 R'000	2022 R'000	2021 R'000	2020 R'000
Assets					
Non-current assets	**598 243**	620 470	624 815	627 065	549 309
Current assets	**864 379**	842 231	817 961	664 281	561 486
Disposal group assets classified as held for sale	**–**	–	–	20 145	10 062
Total assets	**1 462 622**	1 462 701	1 442 776	1 311 491	1 120 857
Equity and liabilities					
Capital and reserves	**932 035**	885 595	827 543	734 297	679 515
Non-current liabilities	**126 639**	175 448	193 796	227 771	143 691
Current liabilities	**403 948**	401 658	421 437	349 423	297 365
Disposal group liabilities classified as held for sale	**–**	–	–	–	286
Total equity and liabilities	**1 462 622**	1 462 701	1 442 776	1 311 491	1 120 857

STATEMENTS OF CASH FLOWS

	2024 R'000	2023 R'000	2022 R'000	2021 R'000	2020 R'000
Net cash inflow from operating activities	**139 816**	223 393	87 766	94 311	182 217
Net cash outflow from investing activities	**(42 392)**	(39 564)	(3 914)	(73 168)	(105 263)
Net cash outflow from financing activities	**(103 532)**	(89 402)	(87 849)	(5 718)	(52 815)
Net movement in cash for the year	**(6 108)**	94 427	(3 997)	15 425	24 139
Cash and cash equivalents at the beginning of the year	**166 677**	72 250	76 247	60 822	36 683
Cash and cash equivalents at the end of the year	**160 569**	166 677	72 250	76 247	60 822

SHARE STATISTICS

	2024	2023	2022	2021	2020
CONTINUING OPERATIONS					
Headline and diluted headline earnings per share (cents)	**520.9**	567.8	475.5	336.2	277.5
Earnings and diluted earnings per share (cents)	**521.5**	567.9	482.6	337.4	278.2
TOTAL OPERATIONS					
Headline and diluted headline earnings per share (cents)	**520.9**	567.8	475.5	336.2	243.9
Earnings and diluted earnings per share (cents)	**521.5**	567.9	482.6	337.4	209.7
Cash generated from operations per share (cents)	**947.1**	1 242.0	676.5	598.8	747.8
Dividends per share (cents)	**240.0**	260.0	215.0	153.0	111.0
Share price – high (cents)	**3 925**	3 700	2 600	1 850	2 079
– low (cents)	**2 552**	1 700	1 300	1 300	1 145
– year-end (cents)	**3 001**	3 100	2 050	1 598	1 400
Total value of shares traded (R'000)	**36 172**	54 250	87 950	44 236	15 491
Number of shares traded ('000)	**1 188**	1 885	4 988	2 915	1 020
Market capitalisation (R'000) at year-end	**879 601**	928 121	645 737	508 795	460 409
Ordinary shares in issue ('000)	**28 839**	29 939	31 499	31 839	32 886
Weighted average ranking number of ordinary shares ('000)	**29 245**	31 106	31 628	32 686	32 886

VALUE ADDED STATEMENT

for the year ended 30 June 2024

Value added is the value which the group has added to purchased materials and goods by process of manufacture and conversion and the sale of its products and services. This statement shows how the value so added has been distributed.

	2024 R'000	Value added %	2023 R'000	Value added %
Creation of wealth				
Revenue	**2 487 058**		2 591 074	
Cost of goods services and expenses	**1 724 463**		1 762 688	
	762 595		828 386	
Distribution of wealth				
Employees:				
Salaries wages and benefits	**444 675**	**58.3**	476 912	57.6
Government:				
Taxes	**54 931**	**7.2**	65 993	8.0
Providers of capital:				
Finance costs	**17 078**	**2.2**	18 105	2.2
Dividends	**75 465**	**9.9**	75 599	9.1
Maintenance and expansion:				
Depreciation	**17 928**	**2.4**	15 132	1.8
Retained income	**152 518**	**20.0**	176 645	21.3
	762 595	**100.0**	828 386	100.0

04 CREATING VALUE

OUR PEOPLE

As a business, our success is not only measured in monetary form but also in our ability to make a meaningful contribution towards the sustainable development of our people. This enables us to form part of a larger community of good corporate citizens that thrive to build well-functioning societies.

Our employees are one of our key stakeholders and are crucial to the business's ability to create long-term sustainable value and fulfil our purpose. The combination of their knowledge, dedication and skills along with our commitment to succeed in the long-term make up critical characteristics which are vital to the company's success.

The company strives to ensure a sustainable, safe and healthy work environment through but not limited to:

- Employee relations being prioritised at every level with senior management maintaining an open-door policy. Committing to continually investing in employee development to unlock and realise their highest potential and value add.
- Seeking to provide amenable and positive working conditions and an inclusive culture to ensure we attract and retain superior talent in a skills-scarce environment.
- Employees being remunerated in line with industry norms.
- Supporting every employee's right to belong to a union and demonstrate this through an open and transparent relationship with all unions and their representatives. CEPPWAWU, which represents a good portion of our employees through an empowerment partnership with its investment company, is Transpaco's broad-based black empowerment shareholder.
- The CEO confirms all dismissals prior to finalisation.

All of the above underpin our consistently low staff turnover.

EMPLOYMENT EQUITY AND NON-DISCRIMINATION

Group policies ensure fair treatment of all employees irrespective of diversity or disparity factors, consistent with South African employment equity requirements. We promote the recognition and reward of initiative, effort and merit and seek to recruit and promote internally wherever possible. In doing so we prioritise the appointment and advancement of all staff.

Employment equity targets are adhered to and employment equity meetings are held regularly where these objectives are communicated to staff. All the group's subsidiaries have respective employment equity committees which report directly to the HR department.

	2024		2023	
Category/level	Total number	HDI	Total number	HDI
Top management	18	3	20	3
Senior management	31	10	32	11
Professionally qualified	60	37	60	37
Skilled	412	370	417	362
Semi-skilled	653	612	759	718
Unskilled	218	187	229	201
Disabled	42	41	42	41
Total	1 434	1 260	1 559	1 373

TRANSFORMATION

Transpaco maintained a Level 2 B-BBEE rating in terms of the new revised Codes (B-BBEE Codes of Good Practice issued by the Department of Trade and Industry). Our scorecard is set out below:

	SCORECARD RATING	
BEE Code	2024	2023
Ownership	25.00	25.00
Management Control	8.71	7.95
Skills Development	14.03	13.14
Enterprise and Supplier Development	28.33	30.39
Socio-Economic Development	5.00	5.00
Total	**81.07**	**81.48**

PREFERENTIAL PROCUREMENT

Our preferential procurement policy seeks to continually expand our B-BBEE supplier base. Managing directors are tasked with reporting on progress in this regard at monthly management meetings.

ENTERPRISE DEVELOPMENT

We are committed to enterprise development and seek to support black-owned and managed businesses.

Examples of this include:

- The awarding of contracts for the supply of services e.g. building, maintenance and cleaning to small black-owned businesses;
- R1,5 million interest-free loan to a SMME operating in the workwear rental and laundry industry. This company developed a product for Transpaco, which the group purchases;
- A further R3 million to a strategy services company;
- The appointment of a black-owned company to provide Transpaco with the installation of sprinkler systems at all Transpaco owned premises where required; and
- The appointment of black-owned companies to provide Transpaco with transport services.

SKILLS DEVELOPMENT

Our commitment to a high-performance culture puts empowering our workforce at the centre. This means ensuring we continually develop our workforce as an empowered workforce enables us to differentiate our business while remaining sustainable in the long-term. This is achieved through "on-the-job" training which is supplemented with ongoing internal and external skills development programmes. We also offer a study learnership scheme.

Transpaco's skills development programme is aimed at training unemployed able and disabled individuals. The training courses and approved learnerships are designed to equip trainees with production, computer and call centre skills. Practical experience is provided by Transpaco. On completion of the training, successful learners are offered employment with Transpaco, provided positions are available.

We have 70 (2023: 80) learnerships underway 30 (2023: 40) abled learners and 40 (2023: 40) disabled learners in the current year.

Our support of the Youth Employment Service (YES) programme employs 85 (2023: 73) candidates. The YES programme is set to employ individuals under the age of 35, creating new jobs and providing young people with an opportunity for employment and work experience.

Transpaco was recently acknowledged as one of the top 50 champions of YES.

The YES programme is one of the largest public private partnerships launched by President Ramaphosa in 2018 and has become the largest 12-month, full time work experience programme in South Africa. YES is entirely private sector funded and has, to date, placed over 150 000 high-potential youth from disadvantaged backgrounds in South Africa's businesses.

Currently 3 000-4 000 youth join the programme each month with 45% of YES graduates being absorbed into employment, while 15% set up their own businesses, employing countless more youth.*

** Source: YES*

HEALTH AND SAFETY

Our approach to health and safety is guided by our commitment to maintaining a safe and healthy working environment for our employees.

The CEO and CFO review all independent health and safety reports to ensure that divisions react timeously to issues identified by the third party assessor.

We constantly review the environment our employees work in to ensure they align with building legislation and best practice as the safety and wellbeing of our employees is non-negotiable.

We have appointed an accredited third-party health and safety organisation to ensure health and safety standards are adequately maintained in the work environment.

The service provider conducts:

- Onsite inspections;
- Attends health and safety meetings; and
- Provides safety related training.

This provides the group with a structured approach to the health and safety process.

In addition, independent risk assessments were conducted at all locations during the year under review.

STAKEHOLDER ENGAGEMENT

We view transparent stakeholder engagement as a form of value creation and preservation.

Our ability to create meaningful and frequent engagements with our stakeholders gives us an opportunity to ensure that our strategic outlook and business activities align with their interests and expectations. In doing so, we can better understand and analyse issues that affect our business and industry, which can help us to develop and implement a successful growth strategy.

This requires us to maintain active and ongoing dialogues with stakeholders in order to keep them informed about crucial board decisions. As a result, we endeavour to communicate with our stakeholders in an open, transparent, and timely manner and aim to build solid relationships with them which is critical to delivering on our goal of creating and sharing prosperity across our value chain.

Our website, integrated annual report, SENS, and one-on-one meetings are all used to keep in touch with key stakeholders. We also hold regular meetings of the employment equity and health and safety committees, as well as continuous formal and informal sessions.

Our key stakeholders and the main issues that concern them, as per our feedback, are set out below:

STAKEHOLDER	REASONS FOR ENGAGING	WHAT MATTERS TO THEM	RESPONSIBILITY
Employees and trade unions	Engaging with trade unions affords the company an opportunity to better understand our employees' needs which leads to improved productivity and enhanced understanding.	• Job security • Sustainability • Personal growth and development • Ongoing skills development • Remuneration and incentives • Working conditions • Health and safety • Maintaining a relationship with unions • Addressing youth unemployment	HR department, managing directors/ managers, transformation, social & ethics committee, health and safety committees
Investors	Transparent engagement with investors earns their trust and enables us to gain their support for our strategy while understanding their expectations for value creation.	• Sustainability • Profitability • ROI (share price and dividends) • Cash generation • Corporate governance and compliance • Risk management • Remuneration practices • Growth prospects • Accessibility of leadership • Succession • Capital allocation	CEO, CFO
Funders	Engagement with funders ensures that we are able to present proposals by providing accurate information which would enable them to confidently support our plans.	• Solvency and liquidity • Capital management • Sustainability • Credit rating • Risk management	CEO, CFO
Customers	Engaging customers and adding value to their experience helps strengthen the relationship they have established with our brand. The better engaged our customers are, the better it is for us to retain them as customers.	• Security of supply • Pricing • Quality • Reliability • Service	Marketing, managing directors/managers
Contractors and suppliers	Regular communication with our suppliers helps in identifying and reducing any bottlenecks in the supply chain as well as keeping abreast of available materials. This helps us mitigate potential supply chain risks, ensuring that product quality is of the highest standard.	• Timely payment • Sales volumes • Fair business practices	Managing directors/ managers
Government and regulators	Regulators are the custodians of legislative and regulatory compliance and providers of our licence to trade. Engaging with these bodies ensures we adhere to compliance with existing regulations while maintaining our licence to operate.	• Employment equity • Waste management • Safety • Taxation • Compliance with good governance • Adherence to the JSE Listings Requirements and company legislation	CEO, CFO, company secretary

STAKEHOLDER	REASONS FOR ENGAGING	WHAT MATTERS TO THEM	RESPONSIBILITY
Industry associations	We engage with these stakeholders to ensure that we actively collaborate on any issues that may arise within the industry while working together to find formidable solutions.	• Industry trends • Expertise • Collective lobbying • Industry-specific issues • Labour issues • Environmental issues	CEO, managing directors/managers
Communities	We engage with communities to better understand their needs and how we can respond better and overcome challenges in local employment, procurement opportunities and community development initiatives.	• Job creation • CSI projects	Subsidiary company marketing directors, transformation, social & ethics committee, HR department

Transpaco continues to play an active role in the wider plastics industry through its membership of the industry associations and organisations such as Plastics SA, Plastics Convertors Association of South Africa (PCASA) and The Printing Industries Federation of South Africa.

OUR APPROACH TO ESG

Our approach to ESG is driven by our belief that incorporating ESG factors is essential to the medium to long-term sustainability of our business.

This also allows us to have an extended outlook and evaluation on how we can create a future facing business that takes into account risks and opportunities associated with environmental, social and governance matters.

Our aim is to carry out our operational activities in a manner that allows the environment to regenerate itself. We acknowledge that environmental issues, such as climate change, water scarcity and pollution, are among the most significant challenges of our time.

We are cognisant of our social and environmental impact on the communities in which we operate as well as our employees. Transpaco has always been a champion of job creation and this is perpetuated in our participation in the YES programme.

Governance is a central pillar in our organisation and we ensure strict governance policies and processes are in place.

Part of the objectives of ESG are aimed at accomplishing the following:

- Embedding ESG into our day-to-day operations and decision-making
- Promoting the creation of sustainable partnerships within our value chain
- Making credible inroads towards creating the change we want to see in society through the empowerment of historically disadvantaged individuals
- Driving purpose led transformation for communities, employees and their families
- Future business plans that balance social and commercial impacts to create sustainable value for our stakeholders
- Being a leader in the creation of quality environmentally friendly products through the use of post-consumer recycled material
- Promoting and encouraging the reuse and recycling of resources and
- Proactively diverting post-consumer plastic material from waste streams

05 GOVERNANCE

ETHICAL LEADERSHIP

Appropriate ethical behaviour and effective governance ensure that our business is well managed and helps us maintain our status of being a good corporate citizen. All interactions, whether internal or with external stakeholders, are underpinned by the general principle of respect for human rights. Accordingly, Transpaco expects its employees and management to act in the best interest of the company.

The board's core values of transparency, integrity and accountability are aligned with the King IV™ principles and this ethos is encapsulated and governed by our comprehensive Code of Business Principles and Ethics ("the Code").

The Code is well-communicated and adhered to by all employees. All new employees receive this information in a welcome pack on commencement of employment.

The full Code is available on Transpaco's website www.transpaco.co.za

The Code sets out a commitment to creating diversity in the workplace, minimising our environmental impact and providing quality products that meet consumers' needs while complying with rigorous safety standards.

We believe in:

- robust yet fair competition; and
- support the appropriate competition laws.

Employees are required to conduct operations and themselves in accordance with the principles of fair competition and all applicable regulations.

Managing directors and employees receive training on the importance of compliance with legislation and the Code, which is in no way regarded as a substitute for individual judgement and discretion but rather as a guidance framework. Additionally, managing directors are required to sign acknowledgment of compliance at monthly meetings. Any breaches of general compliance or adherence to the Code must be reported in accordance with the procedures specified.

Delegation of enforcing the Code is done by senior management of the divisions and operations, who are tasked with reporting back to head office. The audit & risk committee and the EXCO provide assurance of overall compliance each year to the board, which remains ultimately responsible.

OUR ETHICS COMMITMENT

Best practice standards	Legislation	Group policies
• King IV™ • ISO 9001:2008 • ISO 22000:2005	• Companies Act • Competition Act • Employment Equity Act • Basic Conditions of Employment Act • B–BBEE Act • Consumer Protection Act • Labour Relations Act • Skills Development Act • Skills Levies Act • Safety Health and Environment (SHE) Act • National Environmental Management Act • National Water Act • Income Tax Act • VAT Act	• Employee policies • IT policies • Operational policies

CORPORATE GOVERNANCE

GOVERNANCE STRUCTURE

Good corporate governance ensures an environment of trust, transparency and accountability necessary for fostering long-term investment, financial stability and business integrity.

BOARD

THE BOARD

Derek Thomas | Chairman
Phillip Abelheim | Chief Executive Officer
Louis Weinberg | Chief Financial Officer
Charly Bouzaglou | Executive director
Stephen van der Linde | Lead independent non-executive director
Harry Botha | Independent non-executive director
Yolande Mahlangu | Independent non-executive director

ROLES AND RESPONSIBILITIES

- Internal financial and operational control
- Monitoring operational performance and management
- Determining policy and processes for the group's risk management and internal controls
- Meaningful interaction with stakeholders

BOARD COMMITTEES

AUDIT & RISK COMMITTEE

Harry Botha (Chairman)
Stephen van der Linde
Yolande Mahlangu

Attended by invitation
Derek Thomas
Phillip Abelheim
Louis Weinberg
Charly Bouzaglou

BOARD GOVERNANCE & REMUNERATION COMMITTEE

Harry Botha (Chairman)
Derek Thomas
Stephen van der Linde

Attended by invitation
Phillip Abelheim

TRANSFORMATION, SOCIAL & ETHICS COMMITTEE

Stephen van der Linde (Chairman)
Derek Thomas
Phillip Abelheim
Louis Weinberg
Yolande Mahlangu

ROLES AND RESPONSIBILITIES

Audit & Risk Committee

- Performance and affairs of the group and its subsidiaries
- Internal financial and operational control
- Monitoring operational performance and management
- Determining policy and processes for the group's risk management and internal controls
- Meaningful interaction with stakeholders

Board Governance & Remuneration Committee

- Setting the criteria for and reviewing succession planning
- Annually reviewing the directors' credentials and independence where relevant
- Assessing executive and non-executive directors' remuneration

Transformation, Social & Ethics Committee

- Overseeing transformation
- Compliance and sustainability related matters
- Ethical conduct by the company and its employees

BOARD AND COMMITTEE MEETING ATTENDANCE

Attendance at board and committee meetings during the year is set out below:

DIRECTOR	BOARD	AUDIT & RISK COMMITTEE	BOARD GOVERNANCE & REMUNERATION COMMITTEE	TRANSFORMATION, SOCIAL & ETHICS COMMITTEE
PN Abelheim (CEO)	4	4		1
HA Botha *>#~	4	4	1	
SR Bouzaglou	3	3		
SY Mahlangu *>	3	4		1
DJJ Thomas*(Chairman)	4	4	1	1
SP van der Linde *>/	4	4	1	1
L Weinberg (FD)	4	4		1

** Non-executive*
> Independent
 # Chairman audit & risk committee
~ Chairman board governance & remuneration committee
/ Chairman transformation, social & ethics committee

The board sets the tone regarding good governance, which remains essential to the way we conduct business. (see Ethical leadership on page 28).

Effective corporate governance is imperative to business sustainability and as such the board is committed to reporting thereon openly and transparently to stakeholders.

The Code of Business Principles and Ethics, all internal policies and the board and committee charters were reviewed and amended where applicable to align with the requirements of legislations such as the Companies Act, King IV™ and the JSE Listings Requirements.

A disciplined reporting structure ensures that the board remains fully appraised of the activities of its subsidiaries, as well as of risks and opportunities in its operating environment. The executive directors engage in a formal monthly dialogue with divisional and operational management and hold ongoing adhoc informal discussions. Each divisional director has an open line to the CEO, CFO, company secretary and any other relevant executives regarding matters of governance at any time.

BOARD MEMBER'S ROLES

CHAIRMAN

Provides independent board leadership and guidance, facilitates suitable deliberation on matters requiring the board's attention, and ensures the efficient operation of the board as a unit.

CEO AND EXECUTIVE DIRECTORS

Provide strategic leadership and day-to-day operational decisions and business activities.

NON-EXECUTIVE DIRECTORS

Draw on their experience, skills and business acumen to ensure impartial and objective viewpoints in decision-making processes and standards of conduct.

The board comprises directors who together bring a wealth of industry and financial experience gained through a number of economic cycles. The maturity and seniority of many of the directors is well balanced by the contribution of younger directors who bring their own dynamism and perspective to board deliberations, backed by solid skills.

The role and responsibilities of the non-executive chairman and the CEO have been clearly defined and are distinct to ensure checks and balances in decision-making; and a lead independent director has been appointed.

No single director is positioned to exercise unfettered decision-making, which protects against the influence of possible personal interests and thereby ensures that the interests of all stakeholders are protected. As set out in the board charter, the directors are empowered to delegate their authorities to the CEO or any other executive director and similarly to properly constituted board committees.

Nonetheless, the directors recognise that they are ultimately accountable and responsible for the performance and affairs of the company and the group and that the use of these delegated authorities in no way absolves the board of the obligation to carry out its duties and responsibilities.

In terms of the group's Memorandum of Incorporation, one-third of the board's non-executive directors must retire from office at each annual general meeting on a rotation basis. Retiring directors may make themselves available for re-election, provided that they remain eligible as required by the Memorandum of Incorporation and in compliance with the JSE Listings Requirements. Accordingly, DJJ Thomas and SP van der Linde will retire by rotation at the upcoming annual general meeting, and being eligible, will offer themselves for re-election. A brief CV of each director standing for election at the annual general meeting is contained in this integrated report on pages 14 to 15.

In determining whether to recommend a director for re-election, the committee considers the director's past attendance at meetings, participation in and contributions to the activities of the board, and the results of the most recent board self-evaluation in addition to compliance with regulatory requirements. Executive directors are bound by contracts of employment, which contain a three-month notice period.

SELF-EVALUATION

The board conducts a self-evaluation exercise annually where areas marked for improvement are addressed.

RESTRICTION ON SHARE DEALINGS

All directors and senior executives with access to financial and any other price-sensitive information are prohibited from dealing in Transpaco's shares during 'closed periods', as defined by the JSE, or while the company is trading under cautionary. A formal policy on directors' and prescribed officers' shareholdings and share dealings is in place.

An appropriate communication is sent to all directors alerting them that the company is entering a closed period. 'Insiders' include directors, prescribed officers in terms of the Companies Act, immediate family members of directors and/or prescribed officers, or any person who might have obtained information from an insider.

The policy also provides guidelines to insiders who wish to trade in the company's securities at any time other than during closed periods. As we regard compliance with securities laws as a key component of good governance, disciplinary action (which may include termination of employment) could be taken against insiders who violate this policy. In line with the following:

- Directors' share dealings in the company must be authorised first by written permission from the Chairman or, in the Chairman's absence, the audit & risk committee chairman, prior to any dealing taking place;
- The Chairman's dealings require the written permission of the audit & risk committee chairman; and
- Directors' dealings should then be reported to the company secretary, who along with the company's sponsor ensures that such dealings are disclosed on SENS within 24 hours,

In addition, directors and prescribe officers are required to:

- declare their dealings in securities at board meetings; and
- declare to the board and at EXCO meetings their additional directorships and shareholdings and potential conflicts of interest.

Divisional and operational directors and financial managers are further obligated to disclose any conflict or potential conflict of interest in the monthly management accounts submitted to the EXCO.

SUCCESSION PLANNING

Succession planning for the board, management team and senior executives falls to the board, assisted by the board governance & remuneration committee. Suitable succession candidates are identified and skilled where necessary to enable them to replace the incumbents on resignation or retirement. Management training is continually undertaken in each of the group's subsidiaries with emphasis essentially on advancing suitable black candidates.

The committee is responsible for an annual review of the group succession plan and for feedback thereon to the board. This year's review found that all areas of concern were being addressed and the board was comfortable with current succession plans.

Advances have been made in identifying and appointing succession candidates.

NEW APPOINTMENTS

The board annually reviews the skills and characteristics required of the directors in terms of current board composition and company circumstances, and recommends, if needed, the appointment of new directors.

The board has the overall objective of constituting directors with diverse backgrounds and an array of business experience. We make use of external executive search and recruitment agencies if necessary in identifying new directors, and approve their fees. Shortlisted candidates are interviewed by the CEO and CFO. A further interview will be done by the board, followed by an offer of directorship if successful.

Each individual is evaluated by the board in the context of the board as a whole, the objective remains having a board that can best perpetuate our success and represent shareholder interests through the exercise of sound judgment, using its diversity of experience.

Characteristics expected of all directors and potential candidates include independence, integrity, high personal and professional ethics, sound business judgment and the ability and willingness to commit sufficient time to the board and the group.

The directors and potential candidates must possess:

- a general understanding of marketing, finance and other disciplines relevant to the success of Transpaco in today's business environment;
- an understanding of the business and required technology;
- an educational and professional background and personal accomplishment; and
- represent demographic, gender, age and ethnic diversity.

GENDER AND RACE DIVERSITY

Transpaco supports the principles and aims of gender and racial diversity at board level. A broad diversity policy is in place which promotes the diversity of gender, race, culture, age, field of knowledge, skills and experience.

INDEPENDENT ADVICE

All non-executive directors have unrestricted access to management at any time as well as to the group's external auditors.

Additionally, all directors are entitled to seek independent professional advice on any matters pertaining to the group with the CEO's prior written approval and at the group's expense.

COMPANY SECRETARY

The company secretary advises the board of any relevant regulatory changes and/or updates and provides guidance to the board, individual directors and sub-committees on how to discharge their responsibilities in the best interests of the company. The company secretary attends all board meetings and is responsible for overseeing the preparation in advance of a comprehensive agenda and board pack.

Additionally, responsibility lies with the company secretary for overseeing the accurate recording and dissemination of the minutes of these meetings. Whenever deemed necessary he also reviews the rules and procedures applicable to the conduct of the affairs of the board. If required, he involves the sponsor and other experts in this regard to ensure that the directors have adequate information to discharge their responsibilities efficiently.

The company secretary has further assumed responsibility for the induction programme which provides new appointees with a directors' handbook detailing directors' roles and responsibilities and an update on legislative and/or regulatory developments. New directors also receive a comprehensive strategy outline, operational briefing including the most recent financial results, current and future budgets as well as management accounts.

In addition, new appointees are accompanied on site visits by the CEO or a designated executive director and have access to all executives, the internal audit function and external auditors at any time. Existing directors benefit from briefings given at board meetings to keep abreast of new developments. Where necessary informative written updates are circulated to the board.

The board is comfortable that company secretary Hendrik van Niekerk maintains an arm's length relationship with the board at all times and is sufficiently qualified and skilled to act in accordance with, and update directors in terms of the recommendations of the King IV™ Report and other relevant local and international regulations and legislation.

APPLICATION OF KING IV™

Transpaco applies all 16 principles of King IV™. Application of each principle and disclosure thereof is available on our website https://www.transpaco.co.za/corporate-governance.

RISK MANAGEMENT

RISK MANAGEMENT PROCESS

The board is responsible for setting the group's risk appetite, evaluating and managing key risk areas, performance indicators and relevant non-financial aspects, and assessing the effectiveness of the group-wide risk management processes.

Our risk management policy aims to ensure the group is adaptable to changing circumstances and can demonstrate resilience in an uncertain economy.

	Tasked with
Audit & risk committee, supported by the internal auditor	• identifying ongoing business risks; and • reporting thereon to the board.
CEO and CFO The CEO delegates responsibility to divisional managing executives on a daily basis, although he remains ultimately responsible for this process.	• discussing identified risks with divisional managing executives at monthly management meetings; • ensuring standing agenda items and strategies are in place to mitigate and address identified risks; and • reporting any changes in risks to the board on a quarterly basis.

Although executive directors are not members of the audit & risk committee, they attend meetings by invitation and participate in discussions. The internal auditors guide all group subsidiaries in their risk assessment processes.

Independent risk assessments are conducted on a regular basis.

INTERNAL CONTROL FRAMEWORK

The board is responsible for the group's systems of internal control and risk management. The audit & risk committee, CFO and internal auditor assist in this regard. Together they evaluate the adequacy and effectiveness of internal control systems and processes, and monitor whether internal control recommendations made by the CFO, external auditors and internal auditor have been implemented. The internal control framework together with the required assurance is formally documented and reviewed by the audit & risk committee annually.

The systems are designed to manage rather than eliminate risk. Thereby:

- safeguarding and maintaining accountability of the group's assets;
- identifying and curtailing significant fraud, potential liability, loss and material misstatement; and
- ensuring compliance with statutory laws and regulations.

Absolute assurance cannot be provided. The internal control systems are designed to provide only reasonable assurance as to the integrity and reliability of the financial statements. There are inherent limitations to the systems' effectiveness given the possibility of human error and circumvention or overriding of controls. Internal audit, based on the field work undertaken during the year, has provided reasonable assurance on the adequacy of the internal systems of control. The directors are not aware of any material breakdown/s in the systems of internal control during the year.

Our Internal Audit Charter sets out the role and scope of the internal audit function hereby:

- contributing to improved operations by examining and evaluating operational activities;
- identifying relevant risks; and
- affirming the accuracy and effectiveness of internal control systems with respect to normal financial control issues.

Internal audit therefore monitors financial-related risk, the accuracy of financial-related information within the group, compliance with standard operating procedures, regulatory compliance, the economic and efficient use of group resources and output quality control.

The Internal Audit Charter was reviewed during the year and amendments were made where required.

Standard operating procedures are reviewed regularly and updated where necessary.

The internal audit reports are reviewed by the CEO and CFO to ensure compliance with standard operating procedures and wider required corrective action.

EXTERNAL AUDIT

The external auditors are responsible for reporting on whether the financial statements are fairly presented in compliance with IFRS Accounting Standards. The preparation of the financial statements remains the responsibility of the directors.

The audit & risk committee meets regularly with the external auditors and in this way ascertains their efficacy and independence.

Recommendations thereon are then made to the board. The responsible audit partners rotate in accordance with legislation and audit firm requirements. Where the external auditors are appointed for non–audit services, the board, assisted by the audit & risk committee, ensures that the non–audit services do not impair the auditor's independence.

LEGAL COMPLIANCE

The company secretary, together with the group's sponsor, monitors compliance with the recommendations set out in King IV™, the JSE Listings Requirements, and the Companies Act. The appointment of a dedicated compliance officer is not deemed necessary.

The CEO assumes ultimate responsibility to the board. The board and each director have working understandings of the effects of applicable laws, rules, codes and standards on the company and its business. Directors are encouraged to question anything that may be unclear, and if necessary, an expert will be invited to explain and elaborate further.

IT GOVERNANCE AND RISK MANAGEMENT

The CFO assumes the responsibilities of Chief Information Officer, delegating responsibility to divisional financial managers as necessary. IT is outsourced and a service level agreement is in place with the provider.

The IT Governance Charter encompasses a detailed account of group IT systems as well as governance of information. The charter is reviewed annually and for the year under review no changes were required.

The overarching goal is to ensure that the IT policy is implemented and maintained, ensuring security, confidentiality, integrity and availability of information. We aim to integrate the IT policy with group strategic and business processes, and to align IT operations with business operations and translate business requirements into effective IT solutions. Good governance principles apply to all parties in the supply chain in respect of the acquisition and disposal of IT goods and services, and IT forms a part of our risk management process.

The personal and other information of suppliers, customers, employees and other stakeholders are identified and treated as company assets.

Regular demonstration to the board is required that the group has adequate business resilience arrangements in the event of an IT incident. A disaster recovery plan is in place which includes:

- an assessment of potential risks
- anticipated recovery times; and
- contingency plans in case of disaster.

Currently critical data is backed up on a daily basis and stored in secure off-site locations, with different servers used to mitigate risk. Hardware and software is purchased from reputable suppliers and only licensed software is used. A disaster recovery plan is also in place.

The use of Transpaco's IT facilities is governed by a strict IT and social media policy.

KEY RISKS AND OPPORTUNITIES

We regard risk management as central to growing a sustainable business. Risks are constantly evolving and there is a formal process of debating these annually by the board based on submissions from the audit & risk committee. Our risk management framework is set out in the risk management section on page 33. Our key risks and how we mitigate against them are outlined below:

CATEGORY	RISK	MITIGATION
Compliance	Breach of any South African laws	A comprehensive Code of Conduct is enforced including competition regulation compliance. A declaration of compliance with competition regulations is signed by all managing directors on a monthly basis. The company and its employees are compelled to abide by all South African laws.
	Fraud	Comprehensive internal audit functions, and external audits are carried out. The company has zero tolerance for all forms of theft, fraud and corruption. Any employee implicated in such activity is appropriately dealt with including termination of their employment and criminal charges laid against such individuals.
	Health and safety	Health and safety committees are established at all factories with regular inspections conducted by the committees. Health and safety inspections are carried out regularly and conducted by external service providers. All identified risks are addressed timeously. The CEO and CFO review a summary of the independent health and safety service providers' monthly findings at month-end management account meetings to ensure compliance and correction of all identified risks.
Customers	Debtors	Selected debtors are insured with stringent credit control procedures in place at all operations. Adequate provisions for potential bad debts are raised each month for all Transpaco companies. The CEO and CFO review all credit limits and all debtors over 90 days at month-end management account meetings to ensure compliance with the group's outstanding debtors policy.
	Reliance on large customers	Attracting additional customers to broaden the spread while developing export opportunities. Exploring diversification measures of the group by adding divisions through mergers and acquisitions.

CATEGORY	RISK	MITIGATION
Human resources	Ethical leadership	Comprehensive Code of Conduct in place. Strict implementation of policies and procedures to ensure that Transpaco maintains the highest standards of ethics.
	Labour unrest	Maintaining good relationships with employees and unions. Ensuring sound and fair labour practices. All employee terminations for cause are authorised by the CEO to ensure that correct procedures are followed and that employees are treated with the utmost fairness when being subjected to disciplinary action which could lead to dismissal. CEPPWAWU, a union representing many employees through its investment arm, is Transpaco's B-BBEE partner.
	Succession	Succession policy in place which is updated and reviewed regularly.
	Attracting suitably qualified employees	Ensuring competitive remuneration, compliance with transformation strategies and formal recruitment policies are in place. Establishing favourable and secure working environment.
Margins	Input cost (manufacturing)	Ensuring all factories operate efficient plant and machinery while minimising power usage and other manufacturing costs.
	Input cost (raw materials)	Negotiating with current raw materials suppliers while securing new suppliers locally and abroad.
	Oil prices	Diversification into fields of operation less dependent on fossil fuels e.g. paper related products.
	Exchange rates	Hedging of all import trade creditors in foreign currency.
	Import replacement competition	Ensuring efficient manufacturing processes to maintain competitiveness and consulting with local raw materials suppliers to secure raw materials at competitive prices.
	Shortage of paper and plastic raw materials	Developing new raw materials suppliers and ensuring adequate raw material stock levels in line with production requirements
Plants	Technology advancement	Ensuring efficient manufacturing processes to maintain competitiveness and investing in new advanced machinery when required. Executive managing directors' visits to international trade fairs to keep abreast of latest technology.
	Fire, theft and floods	Adequate risk insurance including business interruption cover. ASIB certified sprinkler systems installed at all Transpaco owned properties.
Products	New product	International research on new product development by managing directors.
	Stocks	Conducting regular stock take at all venues to minimise redundant stock and ensure that inventory is accurately and conservatively valued.
Suppliers	Dependence on few major raw materials suppliers	Establishing relationships with new suppliers both local and foreign.
Negative plastic and plastic product sentiment	Customers switch from plastic to alternative products	Invest and expand into non–plastic packaging products and businesses while investigating alternatives to fossil-based polymers (biodegradable). Encourage a circular economy with the use of post–consumer recycled material by customers. All retail plastic bags are produced with over 50% post-consumer recycled material. Engage with customers, government and environmental bodies.
Cybersecurity	Cyberhack or data loss	Ensuring that adequate firewall and virus protection measures are always updated and in place. Complete IT backups performed hourly and housed off site. Installation of disaster recovery facilities housed off site.
Social media	Reputational damage	Detailed social media policy in place governing employee social media behaviour.
Load shedding	Additional costs, scrap generation and excessive down time and reduced spend from customers	Installation of alternative sources of electricity where possible. Secure additional customers to mitigate against reduced spend from existing clients due to the impact of load shedding on their businesses.

REMUNERATION REPORT

BACKGROUND STATEMENT

The committee is an independent and impartial body responsible for assessing the divisional managing directors and Transpaco Limited's executive and non-executive directors' remuneration including determining short- and long-term incentive pay structures for group executives.

The remuneration committee comprises of the Chairman, Harry Botha, Derek Thomas and Stephen van den Linde, all of whom are non-executive directors. Phillip Abelheim, the group's CEO, attends meetings by invitation and is excluded from deliberations in respect of his own remuneration. The committee is governed by a formal charter, which is reviewed annually.

Attendance at committee meetings is set out on page 30.

In order to fulfil its responsibilities, the committee in conjunction with the CEO is authorised by the board to obtain external legal or other independent professional advice, if deemed necessary, at the expense of the group.

The committee's specific responsibilities are:

- Evaluating the board, subsidiary boards' and individual director's performances annually;
- Evaluating existing board committees;
- Establishing new board committees and related subsidiary structures when necessary;
- Ensuring that executive directors are fairly rewarded for their respective contributions to the group's performance;
- Devising an appropriate group remuneration policy that aligns with the strategic objectives of the company;
- Assessing Transpaco's succession strategy and policies;
- Approving executive director remuneration increases and incentive bonus awards; and
- Approving non-executive directors' annual remuneration.

Remuneration of executive directors is set by an independent forum whose members have no personal interest in the outcome of their decisions and who will give due regard to the interests of all stakeholders balanced against the financial health of the group.

The CEO makes recommendations to the committee on executive and non-executive directors' remuneration, save in respect of his own, for the committee's consideration.

In terms of King IV™, the remuneration report has been separated into three sections:

- the background statement;
- overview of the policy;
- an implementation report which provides a detailed account of the current provisions as they pertain to executives.

Refer to the notes to financial statements for further details.

The overview of the policy and the implementation report will be put to non-binding advisory shareholder votes at the upcoming annual general meeting of the company.

Should either the remuneration report or implementation report or both be voted against by 25% or more of the voting rights exercised, the board undertakes to engage actively with dissenting shareholders in order to address all legitimate and reasonable objections and concerns.

We invite and encourage our shareholders to engage with us regarding our policy and reporting.

At the annual general meeting on 1 December 2023, the non-binding advisory vote on the company's remuneration policy received 97,67% vote in support of the policy.

USE OF REMUNERATION ADVISERS

No remuneration consultants were used during the year.

OVERVIEW OF REMUNERATION POLICY

Our remuneration policy reflects our intention to attract and retain critical talent as well as to motivate current employees to perform to their best ability and in the best interests of the company and stakeholders.

The policy provides a basis to determine an appropriate and fair rate of pay for each function and to apply it consistently across the group and a guideline to establish a balance between fixed and variable pay and between short- and long-term incentives.

The board governance & remuneration committee ensures an appropriate level of transparency and monitors a level of equity and consistency across the group. The below represents the full remuneration policy of Transpaco.

EXECUTIVE DIRECTORS

Executive directors' remuneration is split between fixed and variable portions. The fixed portion is determined based on the size of the division, experience, skills and length of service. The cost to company package includes employee benefits such as pension/provident fund and insured benefits contributions but excludes medical aid contributions. The variable portion is based on the performance of the division and is detailed under *Remuneration Component point 2 Bonuses.*

Bonuses paid in the reported financial year are based on group performance in the prior financial year.

REMUNERATION COMPONENTS

1. Base pay

All employees receive a base pay that is comparable to the labour market peer group. Annual increases for employees excluded from collective bargaining units are determined with reference to the subsidiary's performance, the nature of the employee's role, personal performance and competence, and consumer price index (CPI) figures. Annual increases for employees included in collective bargaining units are determined in accordance with agreements reached with the collective bargaining units and are awarded across-the-board to the members. Executive managing directors receive a cost-to-company package determined and approved by the board governance & remuneration committee.

Their annual increases are determined with reference to the above plus financial and non-financial benchmarks and subsidiary size and performance.

2. Bonuses

Employees who are not part of a collective bargaining unit can earn an annual bonus of up to 100% of their monthly base salary. These bonuses are normally paid in December at the discretion of the respective subsidiary's management, based on the individual performance of the employee and of the subsidiary. Employees on a cost-to-company package have the option to structure their package in such a manner as to include a 13th payment during December of every year.

Executive managing directors do not receive annual bonuses. They have the option to structure their cost-to-company package in such a manner as to include a 13th payment during December of every year.

Annual bonuses for employees included in collective bargaining units are determined in accordance with agreements reached with the collective bargaining units and are mostly awarded across–the–board to the members.

Incentive bonuses are linked to comprehensive financial and non-financial targets. Targets are determined each year by the board, based on historical performance, the operational and strategic outlook of the company in the short term and expectations of the company's management, amongst other factors.

An objective set of criteria is established which applies a variable percentage entitlement depending on the level of net profit before head office administration and interest costs achieved by the division.

The amount is adjusted according to a set weighting using further pre-determined considerations such as:

- Return on funds employed;
- Gross profit percentage achieved against the budgeted amount;
- Control of operating expenses;
- Working capital management and;
- Transformation.

The resulting value is used as a guide in determining a final incentive bonus which is presented to the board governance & remuneration committee by the CEO.

The CEO makes no recommendation for his own remuneration, which is determined solely by the committee.

The committee debates each award prior to finalisation.

The incentive bonus expense is provided for on a monthly basis during the financial year. As the performance of the group, on which the bonuses are based, is determined at the end of the financial year, they are paid out as soon as possible at the start of the following financial year. The incentive bonuses reflected in the financial statements are for the performance of Transpaco for the previous financial year.

A portion of each year's incentive bonus is treated at a long-term retention bonus and vests over a five-year period with the first payment commencing on completion of two years from the date of the awards.

The retention bonus is paid out over the following three years in equal instalments and provided the recipient remains in the employ of Transpaco.

In order for executive directors to be eligible to be considered for an incentive bonus, they must be in the employ of Transpaco at the date the board governance & remuneration committee meets to approve such awards.

Non-executive directors are not eligible to receive incentive bonuses.

3. Retirement benefits

It is compulsory for all employees to be members of either of the following retirement employee benefit funds:

- Transpaco Provident/Pension Fund
- Approved Fund
- Industry Fund
- Union Fund

The employer and employee contribute to the respective funds for the duration of their employment with Transpaco. All funds are defined contribution funds.

Non-executive directors do not participate in the Transpaco Provident/Pension Fund and the company makes no contribution towards their retirement employee benefit arrangements.

4. Medical aid costs

Employee medical aid contributions are not funded by Transpaco. Where employees are members of a medical aid, the company facilitates the payments to certain service providers.

5. Share options

Transpaco does not award share options to employees. The Share Option Scheme was replaced several years ago by long term bonuses which vest over a five-year period.

TERMS OF EMPLOYMENT

Transpaco's employees' terms and conditions of employment are governed by formal contracts of employment drafted by the group's labour attorneys and updated regularly to keep abreast of current labour laws.

Terms of notice for fixed-term contract and permanent employees are as follows:

- One week if employed by Transpaco for less than six months;
- Two weeks if employed by Transpaco for more than six months but less than 12 months; and
- One month if employed by Transpaco for more than 12 months

Executive directors' contracts may be terminated on three months' notice.

Severance arrangements for employees and directors are governed by union agreements or the Labour Relations Act.

No provision is made for severance payments as a result of change in control of the company.

Notice payments on termination are considered where notice periods are waived by mutual agreement between the employer and employee.

IMPLEMENTATION REPORT

Please see note 5 to the financial statements on page 56 for the implementation report.

NON-EXECUTIVE DIRECTORS' FEES

The group is of the opinion that the recommended fees are appropriate for services rendered. The fees to be approved at the 2024 annual general meeting are set out below:

NON-EXECUTIVE DIRECTORS	FEE (2023/2024) R	PROPOSED FEE (2024/2025) R	BOARD	AUDIT & RISK COMMITTEE	BOARD GOVERNANCE & REMUNERATION COMMITTEE	TRANSFORMATION SOCIAL & ETHICS COMMITTEE
HA Botha	422 017	455 000	Member	Chairman	Chairman	
SY Mahlangu	406 702	435 000	Member	Member		Member
DJJ Thomas	587 080	630 000	Chairman		Member	Member
SP van der Linde	418 105	455 000	Member	Member	Member	Chairman
	1 833 904	**1 975 000**				

HA Botha

Chairman board governance & remuneration committee
11 October 2024

TRANSFORMATION, SOCIAL & ETHICS COMMITTEE REPORT

The committee undertakes the functions assigned to it by Transpaco's board of directors, as well as those mandated by the South African Companies Act. Management is responsible for the business's day-to-day operations, but the board is ultimately accountable for the group's long-term viability. The board entrusted major responsibilities to the transformation, social & ethics committee in this regard.

The committee is chaired by lead independent director Stephen van der Linde and further comprises CEO Phillip Abelheim, CFO Louis Weinberg, non-executive Chairman Derek Thomas and independent non-executive director Yolande Mahlangu. Details of meeting attendance are on page 30.

The core purpose of the committee is to regularly monitor the group's activities primarily focusing on any relevant legislation, other legal requirements or prevailing codes of best practice. During the reporting period, the committee accordingly reviewed the following:

- Progress in addressing the principles of the UN Global Compact Principles and the OECD.
- Performance in respect of BEE as measured against the Construction Sector Charter scorecard employment equity plans for the group.
- Skills and other development programmes aimed at the educational development of employees.
- Corporate social investment programmes.
- Labour practices and policies.
- Code of Business Principles and Ethics.
- SHEQ performance.

The above mentioned is brought to the attention of the board by the committee and is subsequently reported to shareholders at the annual general meeting.

Please see page 29 for roles and responsibilities of the committee.

No human rights infringements were reported in the year.

Stephen van der Linde

Transformation, social & ethics committee chairman

11 October 2024

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JUNE 2024 AUDITED FINANCIAL STATEMENTS

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PREPARATION OF AUDITED FINANCIAL STATEMENTS

The preparation of the audited financial statements for the year ended 30 June 2024, which appear on pages 46 to 87, has been supervised by Louis Weinberg, CFO of Transpaco Limited.

DIRECTORS' STATEMENT OF RESPONSIBILITY

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), IFRIC interpretations issued by the IFRS Interpretations Committee, the SA Financial Reporting Requirements, the JSE Listings Requirements and the Companies Act of South Africa and are supported by reasonable and prudent judgements and estimates.

The directors are responsible for the group's systems of internal control. These controls are designed to provide reasonable, but not absolute assurance as to the integrity and reliability of the financial statements, that transactions are conducted in accordance with management's authority and that the assets are adequately safeguarded against loss. These controls are monitored throughout the group by management. Nothing has come to the directors' attention to indicate that there were any material breakdowns in the functioning of these controls during the year under review.

The financial statements have been prepared on the going concern basis since the directors have every reason to believe that the company and the group have adequate resources to continue in operation for the foreseeable future.

The financial statements support the viability of the company and the group. The auditors BDO South Africa Incorporated are responsible for reporting on the fair presentation of the financial statements and their report is presented on pages 41 to 43.

CEO and CFO responsibility statement in terms of Section 3.84 (k) of the JSE listings requirements.

Each of the directors, whose names are stated below, hereby confirm that:

(a) the financial statements set out on pages 46 to 87, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) to the best of our knowledge and belief no facts have been omitted or untrue statements made that would make the 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;

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

(e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and

(f) we are not aware of any fraud involving directors.

The financial results were approved by the directors on 11 October 2024 and are signed on their behalf by:

DJJ Thomas
Chairman

PN Abelheim
CEO

L Weinberg
CFO

DECLARATION BY COMPANY SECRETARY

In my capacity as company secretary, I declare that for the year ended 30 June 2024 the company has lodged with the Registrar of Companies all such returns and notices as are required of a public company in terms of the Companies Act, 2008 as amended, and that such returns and notices are true, correct and up to date.

H van Niekerk
Company Secretary
Johannesburg

11 October 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TRANSPACO LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of Transpaco Limited (the group and company) set out on pages 46 to 87, which comprise the consolidated and separate statements of financial position as at 30 June 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Transpaco Limited as at 30 June 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters in respect of the separate financial statements to communicate in our report.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Assessment of carrying value of intangible assets and goodwill (consolidated financial statements) (refer notes 10 and 11) Included in non-current assets are intangible assets with indefinite useful lives amounting to R17,9 million and goodwill amounting to R64.2 million respectively as at 30 June 2024. The intangible assets relate to the Jiffy and Garbie brands. The goodwill arose on the acquisition of Future Packaging and Machinery, East Rand Plastics and Britepak Trading. On an annual basis, management prepares a goodwill and intangible assets impairment assessment in accordance with IAS 36, to determine if any impairment is required. We considered the impairment assessments relating to the carrying value of goodwill and intangible assets as a matter of most significance to our current year audit of the consolidated financial statements, as judgements and estimates are required by management in determining the recoverable amount of each cash-generating unit, as well as the growth rates and discount rates applied, which could have a significant impact on the financial results.	In considering the appropriateness of management's judgement and estimates used in the goodwill and intangible assets, assessment for impairment, our audit procedures included amongst others: • We obtained an understanding of the controls and processes around the impairment assessment calculation performed by management; • We assessed management's assumptions and judgements in determining the continued applicability of the Jiffy and Garbie trademarks having an indefinite useful life; • We assessed the determination of cash generating units to which goodwill was allocated based on our understanding of how management monitors the group's operations and assets that generate the cash flows; • With the assistance of our internal valuation expertise, we assessed the discount rates and growth rates used to evaluate if there was adequate support for the assumptions applied by management in the underlying calculations. This was performed by comparing the discount rates and the growth rates to other companies operating in similar sectors; • We compared the financial forecasts and growth rates used in the value in use calculations against historical performance to evaluate the reliability of the data used; • We re-performed the calculations in the impairment models and performed sensitivity analysis of the key assumptions applied by management in the model to determine the impact thereon should the assumptions change; and • We assessed the adequacy of the disclosures in the financial statements for compliance with IFRS Accounting Standards.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TRANSPACO LIMITED (CONTINUED)

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Transpaco Limited June 2024 Integrated Annual Report", which includes the Directors' Report, the Audit & Risk 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 and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and / or the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 our 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 group's and the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and /or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Incorporated has been the auditor of Transpaco Limited for 4 years.

BDO South Africa Incorporated
Registered Auditors

BDO South Africa Inc

Serena Ho
Director
Registered Auditor
11 October 2024

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

AUDIT & RISK COMMITTEE REPORT

The information below constitutes the report of the audit & risk committee in respect of the year under review, as required by the South African Companies Act. The audit & risk committee is chaired by HA Botha and comprises further of SP van der Linde and SY Mahlangu, all of whom are independent non-executive directors. The CEO and CFO attend by invitation and subsidiary management is invited to attend where appropriate. Representing the audit & risk committee, HA Botha attends the annual general meeting to answer any questions relating to matters in the ambit of the committee. The committee also meets with the external and internal auditors. The committee meets three times a year with additional meetings if required. Attendance at committee meetings is set out on page 30.

The formal audit & risk committee charter sets out the committee's responsibilities.

It is reviewed annually by the board to confirm compliance with King IV and the Companies Act and to ensure the incorporation of further best practice developments.

The charter tasks the committee with reviewing the interim and financial statements. Further, the committee assumes the responsibility of monitoring internal control procedures including IT security and control, accounting policies, legislative compliance and regulatory matters. The committee also recommends the appointment of external auditors for approval by shareholders and monitors and evaluates their independence, while setting the principles for recommending the external auditors for non-audit purposes.

It is further the responsibility of the committee to advise and update the board on issues ranging from accounting standards through published financial information to the implications of major transactions.

The internal auditor has direct access to the committee. The committee has an understanding of management's accounting processes, the method by which it compiles interim financial information, as well as the nature and extent of the external auditors' involvement in these processes.

The committee recommends BDO with its engagement partner, Serena Ho, for reappointment for the ensuing year ending 30 June 2025 at the upcoming AGM on 29 November 2024 by way of a separate resolution by shareholders in terms of the Listings Requirements paragraph 3.84(g)(iv) and section 61(8) of the Companies Act. The committee has obtained a statement from the auditor that its independence was not impaired. The committee reviews and approves the fees proposed by the external auditors. In addition, the nature and extent of the non-audit services provided by the external auditors has been reviewed to ensure that the fees for such services do not become so significant as to call into question their independence.

The audit & risk committee also determines the key risk areas facing the group and recommends mitigation measures. The audit & risk committee is satisfied that the appropriate risk management processes are in place. The audit and risk committee has reviewed the key audit matters and work performed thereon by the external auditors.

The audit and risk committee has reviewed the performance of the external auditor and confirmed that the external auditor, partner and the firm, have complied with the suitability requirements of the JSE as detailed under paragraph 3.84(g)(ii) of the Listings Requirements. Thus, the committee executed its responsibility to consider the suitability of the external auditor and designated individual auditor, as required by paragraphs 3.84(g)(ii)and 3.87 and in terms of their mandate required by paragraph 3.86 of the Listings Requirements.

In addition, the committee has satisfied itself that appropriate financial reporting procedures are in place and that these are operational.

The effectiveness of the committee is assessed annually by the board governance & remuneration committee. It was found that the audit & risk committee has duly completed its responsibilities during the year in accordance with its written terms of reference.

The committee considered and is satisfied with the competence, expertise and experience of the company's CFO, Louis Weinberg in line with paragraph 3.84 (g) of the JSE Listings Requirements.

HA Botha

Audit & risk committee chairman

11 October 2024

DIRECTORS' REPORT

The directors of Transpaco have pleasure in submitting their report for the group and the company for the year.

FINANCIAL RESULTS AND DIVIDENDS

The financial results of the group and company for the year are set out in the financial statements and accompanying notes.

The directors are pleased to confirm the declaration to shareholders of a final dividend for the year of 160 cents per share.

This, together with the interim dividend of 80 cents per share paid to shareholders in March 2024, brings the total dividend for the year to 240 cents per share (2023: 260 cents).

ACCOUNTING POLICIES

The group and company's financial statements set out on pages 46 to 87 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), IFRIC interpretations issued by the IFRS Interpretations Committee, the SA Financial Reporting Requirements, the JSE Listings Requirements and the South African Companies Act.

NATURE OF BUSINESS

Transpaco is listed in the 'Containers and Packaging' sector of the JSE Main Board.

The group's subsidiaries manufacture, distribute and recycle plastic and paper packaging products. Transpaco specialises in:

- packaging for the retail, industrial, agricultural, mining, pharmaceutical, motor sectors and packing materials:
- scholastic stationery;
- cardboard tubes and cores, dividers, dufaylite, paper slitting and yarn carriers;
- printed pharmaceutical packaging and inserts;
- pallet wrap; and
- refuse bags.

Details of the group's operations and their performance in the year are set out in the Chair's & CEO's reports, which form part of this integrated annual report.

CORPORATE GOVERNANCE, MEMORANDUM OF INCORPORATION AND SUSTAINABILITY

Transpaco continued improving corporate governance policies and procedures in line with the King IV Report and Companies Act requirements. Transpaco also operated in conformity with its memorandum of incorporation. Sustainability is viewed as an essential operational and strategic imperative.

DIRECTORATE

The directors of the company at the date of this integrated annual report are:

Executive directors

- Phillip Abelheim (CEO)
- Louis Weinberg (CFO)
- Charly Bouzaglou

Independent non-executive directors

- Harry Botha
- Yolande Mahlangu
- Stephen van der Linde (Lead independent director)

Non-executive director

- Derek Thomas (Chairman)

In terms of the Memorandum of Incorporation DJJ Thomas and SP van der Linde retire at the upcoming annual general meeting and being eligible, will offer themselves for re-election.

SUBSEQUENT EVENTS

In the prior year, Booysens Road Properties entered into an agreement to purchase the Gauteng properties from which Transpaco Cores and Tubes operates for an amount of R44 million. This is in line with our preference of owning properties that house manufacturing operations. Transfer of the property occurred during September 2024.

On 9 October 2024 Booysens Road Properties entered into an agreement to purchase the properties from which Britepak Trading operates for an amount of R45 million.

DIRECTORS' SHAREHOLDING

The aggregate direct and indirect interests of the directors in the issued share capital of the company are as follows:

	2024				2023			
	Beneficial		Non-beneficial		Beneficial		Non-beneficial	
Director	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
PN Abelheim	3 515 871	–	–	494 639	3 515 871	–	–	494 639
HA Botha*>	200 000	–	–	–	200 000	–	–	–
SR Bouzaglou	1 019 562	–	–	–	1 019 562	–	–	–
DJJ Thomas*	–	1 611 787	–	6 661 225	–	1 611 787	–	6 661 225
SP van der Linde*>	56 966	–	–	–	56 966	–	–	–
L Weinberg	252 227	–	–		252 227	–	–	
	5 044 626	1 611 787	–	7 155 864	5 044 626	1 611 787	–	7 155 864

* Non-executive > Independent

There have been no further changes in the shareholding of directors between year-end and the date of this report.

DIRECTORS' AND OFFICERS' INTEREST IN CONTRACTS AND DIRECTORS' EMOLUMENTS

The interests of directors and officers in the group's contracts and directors' emoluments are set out in note 5 and note 27 to the financial statements, respectively. Non-executive directors' fees are approved at the annual general meeting (refer to Special Resolution 2 in the notice of annual general meeting included in this integrated annual report).

For details of interests in subsidiaries refer to note 12 to the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

		GROUP		COMPANY	
R'000	Notes	June 2024 R'000	June 2023 R'000	June 2024 R'000	June 2023 R'000
Revenue	3	**2 487 058**	2 591 074	**91 611**	132 000
Revenue – plastic products		**1 257 831**	1 364 663	**–**	–
Revenue – paper and board products		**1 229 227**	1 226 411	**–**	–
Dividend income		**–**	–	**91 611**	132 000
Cost of sales		**(1 829 926)**	(1 918 039)	**–**	–
Gross profit		**657 132**	673 035	**91 611**	132 000
Operating costs		**(426 475)**	(405 439)	**(2 191)**	2 606
Loan written back		**–**	–	**5 378**	–
Depreciation		**(17 928)**	(15 132)	**–**	–
Operating profit		**212 729**	252 464	**94 798**	134 606
Finance income	4	**10 875**	5 348	**–**	–
Finance costs	4	**(17 078)**	(18 105)	**–**	–
Profit before taxation	5	**206 526**	239 707	**94 798**	134 606
Taxation	6	**(54 008)**	(63 062)	**–**	–
Profit for the year		**152 518**	176 645	**94 798**	134 606
Other comprehensive income		**–**	–	**–**	–
Total comprehensive income for the year		**152 518**	176 645	**94 798**	134 606
Earnings and diluted earnings per share (cents)	7	**521,5**	567,9		

STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2024

		GROUP		COMPANY	
R'000	Notes	**June 2024 R'000**	June 2023 R'000	**June 2024 R'000**	June 2023 R'000
ASSETS					
Non-current assets		**598 243**	620 470	**121 117**	123 305
Property, plant and equipment	8	**475 097**	486 111	**–**	–
Right-of-use assets	9	**28 307**	40 217	**–**	–
Intangibles	10	**17 855**	17 855	**–**	–
Goodwill	11	**64 182**	64 182	**–**	–
Investment in subsidiaries	12	**–**	–	**121 117**	123 305
Financial asset	13	**4 500**	4 500	**–**	–
Deferred taxation	22	**8 302**	7 605	**–**	–
Current assets		**864 379**	842 231	**–**	–
Inventories	14	**279 494**	308 167	**–**	–
Trade and other receivables	15	**421 231**	365 687	**–**	–
Taxation receivable	31.2	**3 085**	1 700	**–**	–
Cash and cash equivalents	16	**160 569**	166 677	**–**	–
Total assets		**1 462 622**	1 462 701	**121 117**	123 305
EQUITY AND LIABILITIES					
Capital and reserves		**932 035**	885 595	**95 294**	106 574
Issued share capital	18	**288**	299	**288**	299
Share premium	18	**9 661**	10 029	**9 661**	10 029
Retained income		**922 086**	875 267	**85 345**	96 246
Non-current liabilities		**126 639**	175 448	**–**	–
Interest-bearing borrowings	19	**61 524**	104 653	**–**	–
Lease liability	20	**15 516**	27 006	**–**	–
Deferred income	21	**464**	593	**–**	–
Deferred taxation	22	**49 135**	43 196	**–**	–
Current liabilities		**403 948**	401 658	**25 823**	16 731
Trade payables and accruals	23	**361 662**	347 434	**822**	689
Interest-bearing borrowings	19	**24 154**	32 805	**–**	–
Lease liability	20	**17 837**	19 525	**–**	–
Deferred income	21	**132**	241	**–**	–
Taxation payable	31.2	**163**	1 653	**–**	–
Amounts owing to subsidiary	17	**–**	–	**25 001**	16 042
Total equity and liabilities		**1 462 622**	1 462 701	**121 117**	123 305

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

GROUP

R'000	Issued Share Capital	Share Premium	Retained Income	**Total**
Balance at 1 July 2022	**314**	**10 554**	**816 675**	**827 543**
Profit for the year	–	–	176 645	**176 645**
Other comprehensive income	–	–	–	**–**
Total comprehensive income	–	–	176 645	**176 645**
Shares repurchased and cancelled	(15)	(525)	(42 454)	**(42 994)**
Dividend paid	–	–	(75 599)	**(75 599)**
Balance at 1 July 2023	**299**	**10 029**	**875 267**	**885 595**
Profit for the year	–	–	152 518	**152 518**
Other comprehensive income	–	–	–	**–**
Total comprehensive income	–	–	152 518	**152 518**
Shares repurchased and cancelled	(11)	(368)	(30 234)	**(30 613)**
Dividend paid	–	–	(75 465)	**(75 465)**
Balance at 30 June 2024	**288**	**9 661**	**922 086**	**932 035**

COMPANY

R'000	Issued Share Capital	Share Premium	Retained Income	**Total**
Balance at 1 July 2022	**314**	**10 554**	**79 693**	**90 561**
Profit for the year	–	–	134 606	**134 606**
Other comprehensive income	–	–	–	**–**
Total comprehensive income	–	–	134 606	**134 606**
Shares repurchased and cancelled	(15)	(525)	(42 454)	**(42 994)**
Dividend paid	–	–	(75 599)	**(75 599)**
Balance at 1 July 2023	**299**	**10 029**	**96 246**	**106 574**
Profit for the year	–	–	94 798	**94 798**
Other comprehensive income	–	–	–	**–**
Total comprehensive income	–	–	94 798	**94 798**
Shares repurchased and cancelled	(11)	(368)	(30 234)	**(30 613)**
Dividend paid	–	–	(75 465)	**(75 465)**
Balance at 30 June 2024	**288**	**9 661**	**85 345**	**95 294**

Share repurchased to the value of R30 613 000 have been proportionally apportioned between share capital, share premium and retained income.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

R'000	Notes	GROUP June 2024 R'000	GROUP June 2023 R'000	COMPANY June 2024 R'000	COMPANY June 2023 R'000
Cash flow from operating activities					
Cash generated/(utilised) from operations	31.1	**273 126**	371 840	**14 467**	(13 407)
Dividends received		**–**	–	**91 611**	132 000
Dividends paid		**(75 465)**	(75 599)	**(75 465)**	(75 599)
Finance income received		**10 875**	5 348	**–**	–
Finance costs paid		**(17 078)**	(18 105)	**–**	–
Taxation paid	31.2	**(51 642)**	(60 091)	**–**	–
Net cash inflow from operating activities		**139 816**	223 393	**30 613**	42 994
Cash flow used in investing activities					
Proceeds on disposal of property, plant and equipment		**558**	3 058	**–**	–
Expansion of property, plant and equipment	8	**(42 950)**	(41 122)	**–**	–
Repayment of financial asset	13	**–**	2 000	**–**	–
Granting of financial asset	13	**–**	(3 500)	**–**	–
Net cash outflow from investing activities		**(42 392)**	(39 564)	**–**	–
Cash flow used in financing activities					
Repurchase of shares		**(30 613)**	(42 994)	**(30 613)**	(42 994)
Payment of principal portion of lease liability	19	**(21 140)**	(20 426)		
Proceeds from borrowings	19	**–**	20 771	**–**	–
Repayment of borrowings	19	**(51 779)**	(46 753)	**–**	–
Net cash outflow from financing activities		**(103 532)**	(89 402)	**(30 613)**	(42 994)
Net movement in cash for the year		**(6 108)**	94 427	**–**	–
Cash and cash equivalents at the beginning of the year		**166 677**	72 250	**–**	–
Cash and cash equivalents at the end of the year	16	**160 569**	166 677	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

1. MATERIAL ACCOUNTING POLICIES

The group and company's financial statements set out on pages 46 to 87 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), IFRIC interpretations issued by the IFRS Interpretations Committee, the SA financial reporting requirements, the JSE Listings Requirements and the Companies Act 71 of 2008 of South Africa.

The accounting policies below have been applied consistently to all periods presented in the financial statements, except where the group has adopted IFRS and IFRIC interpretations and amendments that became effective during the period (refer note 1.2). These financial statements are presented in South African Rands because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements have been prepared on a historical cost basis. All values are rounded to the nearest thousand (R'000), except where otherwise indicated.

1.1 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 30 June each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

1.2 ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

The accounting policies adopted are consistent with those of the previous financial year except as set out below.

Standards issued but not yet effective up to the date of issuance of the financial statements are listed below. This listing of standards and interpretations issued are those that the group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The group intends to adopt these standards when they become effective.

Standards and Interpretations that have been issued or revised and will become effective after June 2024:

- Presentation of Financial Statements – Amendment to IAS 1 – (effective 1 January 2024) – Classification of Liabilities as Current or Non-current: The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.
- Presentation of financial statements – Amendment to IAS 1 – (effective 1 January 2024) – Non-current Liabilities with Covenants: If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of "settlement" for the purpose of classifying a liability as current or non-current.

None of the amendments will have a significant impact on the group's financial statements.

Standards and interpretations that became effective in the current period:

- **Presentation of Financial Statements –** Amendment to IAS 1 – (effective date 1 January 2023). The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.
- **Accounting Policies, Changing in Accounting Estimates and Errors –** Amendments to IAS 8. (Effective date 1 January 2023). The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.
- **Income taxes – Amendment to IAS 12 –** (effective date – 1 January 2023). The amendment clarifies whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.
- **IAS 1 Presentation of Financial Statements -** (Amendment – Non-current liabilities with Covenants) – (effective date – 1 January 2023). If new external borrowings were entered into which has covenants attached to it, the amendment clarifies that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current, with additional guidance to explain how an entity should disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The Standards and Interpretations that became effective in the current period did not have a significant impact on the group's financial statements.

1.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is reflected at cost less accumulated depreciation and any accumulated impairment loss.

Depreciation is provided for on the straight line basis over the estimated useful lives in order to reduce the item to its residual value as follows:

Buildings and leasehold improvements	Up to 50 years
Plant and machinery and tools	5 to 15 years
Computers, furniture and fittings	3 to 10 years
Vehicles	2 to 10 years

The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Assets under construction are not depreciated until ready for use at which time they are then transferred to the relevant asset category.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in the profit or loss in the year the asset is de-recognised.

1.4 INTANGIBLE ASSETS

Intangible assets acquired separately are measured at initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment loss. The useful lives of intangible assets are assessed to be indefinite.

Intangible assets with an indefinite life are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable.

If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

1.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

The group assesses at the end of each reporting period whether there is any indication that an asset, other than goodwill and an intangible asset with indefinite useful lives may be impaired.

If any such indication exists, 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 in profit or loss.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash generating unit, and
- then to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

For assets excluding goodwill, an assessment is made at each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumption used to determine the asset's recoverable amount since the last impairment was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised directly in profit or loss.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are tested for impairment annually or when circumstances indicate that the carrying value may be impaired.

Goodwill

Goodwill is tested for impairment annually as at 30 June and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

1.6 INVENTORIES

Raw material, work-in-progress and finished goods are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

The value of work-in-progress and finished goods includes direct costs and manufacturing overheads.

1.7 TRANSLATION OF FOREIGN CURRENCIES

Foreign currency transactions are translated at the spot rate of exchange ruling on the date of the respective transactions. The related foreign currency monetary assets and liabilities at year-end are translated at the spot rates at the reporting date. Exchange differences arising on settlement of monetary items or on translation of unsettled short-term and long-term monetary items at rates different from those previously recorded, are recognised in profit or loss for the year.

1.8 REVENUE RECOGNITION

Revenue from contracts with customers comprises sale of goods. Revenue is measured at the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods, net of value-added tax and internal revenue which is eliminated on consolidation.

Normal discounts, volume rebates and settlement discounts are treated as variable consideration which is estimated upfront and adjusted for in the transaction price accordingly. Payments to customers such as promotional allowances and rebates are deducted from revenue. If such a payment relates to a period covering more than one financial year, the payment is recognised as a contract asset and is utilised over the related period of transferring control over goods sold to the customer. Returns and refunds are accepted from customers based on individual trade term agreements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

Sale of goods

Revenue from the sale of plastics and paper and board products is recognised when the transfer of control has passed to the buyer when the performance obligation is satisfied. The performance obligation is generally satisfied upon delivery of goods and for export operations, the performance obligation is generally satisfied upon shipment of goods.

Financing components on sales with a payment term of 12 months or less from the transfer of control over goods until payment date (or vice versa) are not adjusted for the time value of money as allowed by the practical expedient explained in IFRS 15.63.

With regards to unsatisfied performance obligations the group applied the practical expedient relinquishing disclosure for contracts with a duration of one year or less.

Dividend income

Dividend income is recognised when the company's right to receive payment is established.

Other Income

Interest received
For all financial instruments measured at amortised cost, interest received or expensed is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest received is included in finance income in the statement of comprehensive income.

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.

1.9 RETIREMENT BENEFITS

Current contributions to the defined contribution pension and provident funds are based on current service and current salary and are recognised in profit or loss for the year.

1.10 LEASES

The group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets
Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and Buildings	2 to 6 years
Vehicles	3 to 5 years
Computers, furniture and fittings	3 to 5 years

If ownership of the leased asset transfers to the group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

1.11 INVESTMENTS IN SUBSIDIARIES

At company level investments in subsidiaries are stated at cost less any impairment in value.

1.12 BORROWING COSTS

All borrowing costs are recognised as an expense when incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

1.13 DIVIDEND WITHHOLDING TAX AND DIVIDENDS

A dividend withholding tax of 20% is withheld on behalf of the taxation authority on dividend distributions. The net amount payable to the taxation authority is included as part of trade and other payables at the time a dividend is declared.

1.14 RETIREMENT BENEFIT LIABILITIES

The group provides retirement benefits to all its permanent employees through various defined contribution funds, being the Transpaco Pension Fund, Transpaco Provident Fund and appropriate industry funds.

1.15 FINANCIAL INSTRUMENTS

Financial instruments

Subsequent to initial recognition, these instruments are measured in accordance with their classification as set out below.

Classification

The group's classification of financial assets and liabilities at amortised costs are as follows:

Description of asset/liability	Classification
Trade and other receivables	Debt instruments at amortised cost
Cash and cash equivalents	Debt instruments at amortised cost
Interest bearing borrowings	Debt instruments at amortised cost
Trade payables and accruals	Debt instruments at amortised cost
Amounts owing to subsidiaries	Debt instruments at amortised cost

Financial assets at amortised cost (debt instruments)

The group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company's financial assets at amortised cost includes trade and other receivables and cash and cash equivalents.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and are carried at amortised cost.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'at amortised cost.'

Fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Financial liabilities

Financial liabilities (including borrowings and trade payables and accruals) are subsequently measured at amortised cost using the effective interest method.

1.16 IMPAIRMENT OF FINANCIAL ASSETS

The group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and one day past due.

For trade receivables and contract assets, the group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors such as the macro economic growth and the economic environment. Debt instruments at amortised cost are recognised net of an allowance for ECL.

1.17 TREASURY SHARES

Shares in Transpaco held by subsidiary companies and the Share Incentive Trust are treated as treasury shares. The shares are treated as a deduction from the issued weighted average number of shares and the cost of the shares is deducted from share capital and share premium in the statement of financial position on consolidation. Dividends received on treasury shares are eliminated on consolidation. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments. Consideration received or paid with regards to treasury shares are recognised in equity.

1.18 SEGMENTAL REPORTING

The principal segments of the group have been identified by grouping of similar-type products. This basis is representative of the internal structure for management purposes and represents information reported to the chief operating decision-maker. No geographical segments are reported as the group operates mainly in South Africa.

2. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing the financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future may differ from those estimates which may be material to the financial statements.

Estimates and assumptions

The estimates and assumptions that have a significant risk of causing material adjustments to the amounts reflected in the financial statements are as follows:

- **Carrying value of goodwill, tangible assets and intangible assets**
  Goodwill and intangible assets with indefinite useful lives are tested for impairment on an annual basis; tangible assets with finite useful lives are only tested for impairment where events and circumstances indicate that the carrying value may not be recoverable. The recoverable amount of CGU's is determined through the higher of value in use calculations and fair value less costs to sell. These calculations require the use of estimates and assumptions concerning the future cash flows which are inherently uncertain and could change over time. In addition, changes in economic factors such as discount rates could also impact this calculation. The carrying amount of the goodwill, tangible assets and intangible assets subject to estimation is included in the statement of financial position. The recoverable amount of goodwill is determined based on a value in use calculation using a discounted cash flow projection. Discount rates are arrived at by using the pre-tax average weighted cost of capital for the group. The "relief from royalty" valuation method is used to value intangibles. The main inputs used are a notional royalty rate and an appropriate discount rate. Refer to notes 10 and 11 for additional information.

- **Residual values and useful lives of tangible assets**
  Residual values and useful lives of tangible assets are assessed on an annual basis. The useful lives of tangible assets are determined based on group replacement policies for the various assets and are assessed based on factors including wear and tear, technological obsolescence and usage requirements. Estimates and judgements in this regard are based on historical experience and expectations of the manner in which assets are to be used, together with expected proceeds likely to be realised when assets are disposed at the end of their useful lives. Such expectations could change over time and therefore impact both depreciation charges and carrying values of tangible assets in the future. The carrying value of the tangible assets subject to estimation is included in note 8.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

3. REVENUE

GROUP	June 2024 R'000	June 2023 R'000
The group's revenue from contracts with customers arises from its principal activities of sales of goods.		
Sale of goods	**2 487 058**	2 591 074
	2 487 058	2 591 074

Refer to note 24 for further disaggregation of revenue from contracts with customers.

COMPANY	June 2024 R'000	June 2023 R'000
Dividend income reflected as revenue		
Dividends received	**91 611**	132 000
	91 611	132 000

4. FINANCE INCOME AND FINANCE COSTS

	GROUP		COMPANY	
	2024 R'000	2023 R'000	2024 R'000	2023 R'000
Finance income				
Bank interest received	**(10 812)**	(5 227)	**–**	–
Interest received other	**(63)**	(121)	**–**	–
	(10 875)	(5 348)	**–**	–
Finance costs				
Bank overdrafts	**4**	4	**–**	–
Finance charges payable under instalment sale agreements	**7 478**	7 832	**–**	–
Finance charges payable under revolving credit facility	**–**	472	**–**	–
Finance charges payable under mortgage bonds	**5 734**	5 394	**–**	–
Finance charges payable under lease liabilities	**3 846**	4 390	**–**	–
Finance charges other	**16**	13	**–**	–
	17 078	18 105	**–**	–

5. PROFIT BEFORE TAXATION

	GROUP		COMPANY	
	June 2024 R'000	June 2023 R'000	June 2024 R'000	June 2023 R'000
Determined after charging/(crediting)				
Auditors' remuneration	**5 239**	5 210	**–**	–
Fee	**5 239**	5 210	**–**	–
Depreciation – property plant and equipment	**11 554**	11 780	**–**	–
Vehicles	**2 514**	2 825	**–**	–
Buildings	**6 298**	6 143	**–**	–
Tools and equipment	**587**	584		
Furniture, fittings and computer	**2 155**	2 228	**–**	–
Depreciation – right-of-use-assets	**6 374**	3 353	**–**	–
Vehicles	**210**	48	**–**	–
Buildings	**6 050**	3 146	**–**	–
Furniture, fittings and computer	**114**	159	**–**	–
Depreciation included in cost of sales	**55 621**	57 168	**–**	–
Total depreciation	**73 549**	72 301	**–**	–
Foreign exchange loss/(gain)	**539**	(7 287)	**–**	–
Realised foreign exchange loss/(gain)	**656**	(4 964)	**–**	–
Unrealised foreign exchange gain	**(117)**	(2 323)	**–**	–
Loan written back	**–**	–	**(5 378)**	–
Expected credit loss allowance	**946**	**1 072**		
Profit on disposal of property, plant and equipment	**(266)**	(50)	**–**	–
Early termination/Cancellation of right of use asset	**(5)**	–	**–**	–
Secretarial fees	**13**	15	**–**	–
Staff costs excluding executive directors' remuneration	**410 351**	446 931	**–**	–
Salaries and wages	**380 690**	419 069	**–**	–
Pension and provident fund	**29 661**	27 862	**–**	–
Reversal of impairment in subsidiary	**–**	–	**–**	(2 608)
Impairment of investment in subsidiary	**–**	–	**2 188**	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

5. PROFIT BEFORE TAXATION (CONTINUED)

EXECUTIVE DIRECTORS' REMUNERATION 2024

	Remuneration R'000	Bonus R'000	Pension and medical aid R'000	**Total fixed and flexible remuneration R'000**
PN Abelheim	7 232	7 144	1 170	**15 546**
SR Bouzaglou	5 292	2 509	810	**8 611**
L Weinberg	5 384	3 936	847	**10 167**
Total	17 908	13 589	2 827	**34 324**

Incentive bonuses paid in the reported financial year are based on group performance in the prior financial year.

EXECUTIVE DIRECTORS' REMUNERATION 2023

	Remuneration R'000	Bonus R'000	Pension and medical aid R'000	**Total fixed and flexible remuneration R'000**
PN Abelheim	6 758	5 981	1 092	**13 831**
SR Bouzaglou	4 695	1 605	765	**7 065**
L Weinberg	5 016	3 289	780	**9 085**
Total	16 469	10 875	2 637	**29 981**

PRESCRIBED OFFICER'S REMUNERATION 2024

	Remuneration R'000	Bonus R'000	Pension and medical aid R'000	**Total fixed and flexible remuneration R'000**
HJ van Niekerk	1 730	614	177	**2 521**

PRESCRIBED OFFICER'S REMUNERATION 2023

	Remuneration R'000	Bonus R'000	Pension and Medical Aid R'000	**Total fixed and flexible remuneration R'000**
HJ van Niekerk	1 572	440	161	**2 173**

NON-EXECUTIVE DIRECTORS' REMUNERATION

	2024 Fees R'000	2023 Fees R'000
HA Botha	**422**	394
Y Mahlangu	**407**	380
DJJ Thomas	**587**	549
SP van der Linde	**418**	380
	1 834	1 703

6. TAXATION

	GROUP		COMPANY	
	June 2024 R'000	June 2023 R'000	**June 2024 R'000**	June 2023 R'000
SA normal taxation				
Current taxation				
Current year	**48 653**	59 716	**–**	–
Prior year	**114**	200	**–**	–
Deferred taxation				
Current year	**5 349**	3 680	**–**	–
Prior year	**(108)**	(534)	**–**	–
	54 008	63 062	**–**	–
Tax rate reconciliation (%)				
Standard SA normal tax rate on companies	**27.00**	27.00	**27.00**	27.00
Adjusted for:				
Disallowable expenditure	**0.06**	0.04	**0.00**	0.00
– Fines,donations and penalties	**0.02**	0.01	**0.00**	0.00
– Legal fees	**0.04**	0.03	**0.00**	0.00
Non-taxable income	**(0.91)**	(0.73)	**(27.00)**	(27.00)
– Learnerships	**(0.91)**	(0.71)	**0.00**	0.00
– Origination from adjustment in prior year current tax	**0.00**	(0.02)	**0.00**	0.00
– Loan written back	**0.00**	0.00	**(1.50)**	(0.50)
– Dividend income	**0.00**	0.00	**(25.50)**	(26.50)
Effective taxation rate	**26.15**	26.31	**0.00**	0.00

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

7. EARNINGS AND DIVIDENDS PER SHARE

	GROUP			
	June 2024 R'000	June 2024 R'000	June 2023 R'000	June 2023 R'000
Basic earnings per share are calculated by dividing the total profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.				
Diluted earnings per share are calculated by dividing the total profit adjusted for the effects of dilutive convertible ordinary shares divided by the weighted average number that would be in issue on conversion of all the dilutive potential shares into ordinary shares.				
The group issued no potential diluted instruments.				
Earnings and diluted earnings per share (cents)		**521,5**		567,9
Headline and diluted headline earnings per ordinary share (cents)		**520,9**		567,8
The following reflects the income and share data used in the basic and diluted earnings per share computations:				
Basic and diluted basic earnings	**Gross**	**Net**	**Gross**	**Net**
Net profit attributable to ordinary equity holders for basic earnings		**152 518**		176 645
Headline and diluted headline earnings				
Net profit attributable to ordinary equity holders for basic earnings		**152 518**		176 645
Profit on disposal of property, plant and equipment	**(266)**	**(194)**	**(50)**	(36)
Net profit attributable to ordinary equity holders for headline earnings		**152 324**		176 609
Weighted average ranking number of ordinary shares in issue ('000)		**29 245**		31 106
Diluted weighted average ranking number of ordinary shares in issue ('000)		**29 245**		31 106
Dividends per share (cents)				
Interim dividend		**80,0**		85,0
Final dividend		**160,0**		175,0
		240,0		**260,0**

8. PROPERTY PLANT AND EQUIPMENT

	GROUP					
	Assets under construction R'000	Land and buildings and leasehold improvements R'000	Vehicles R'000	Plant machinery and tools R'000	Furniture fittings and computers R'000	**Total R'000**
At 1 July 2023, net of accumulated depreciation and impairment	91	169 090	9 418	301 964	5 548	**486 111**
Additions	9 700	631	1 928	27 769	2 922	**42 950**
Transfers	(91)	–	–	91	–	**–**
Disposals at carrying value	–	–	(134)	(121)	(37)	**(292)**
Disposals at cost	–	(11)	(1 635)	(4 524)	(697)	**(6 867)**
Disposals – reversal of accumulated depreciation	–	11	1 501	4 403	660	**6 575**
Depreciation	–	(6 967)	(2 824)	(41 553)	(2 328)	**(53 672)**
At 30 June 2024, net of accumulated depreciation and impairment	9 700	162 754	8 388	288 150	6 105	**475 097**
Cost	9 700	209 704	46 916	703 546	29 194	**999 060**
Accumulated depreciation and impairment	–	(46 950)	(38 528)	(415 396)	(23 089)	**(523 963)**
Net carrying amount	9 700	162 754	8 388	288 150	6 105	**475 097**

Assets under construction relates to land and buildings and plant and machinery that are in the process of construction.

No property, plant and equipment have been pledged or have any restrictions on title other than those referred to in note 19.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Assets under construction R'000	Land and buildings and leasehold improvements R'000	Vehicles R'000	Plant machinery and tools R'000	Furniture fittings and computers R'000	**Total R'000**
At 1 July 2022, net of accumulated depreciation and impairment	5 708	171 440	10 093	293 537	6 120	**486 898**
Additions	77	4 409	3 584	44 392	1 765	**54 227**
Transfers	(5 694)	366	–	5 328	–	–
Disposals at carrying value	–	(220)	(879)	(1 825)	(84)	**(3 008)**
Disposals at cost	–	(683)	(2 261)	(9 336)	(1 490)	**(13 770)**
Disposals – reversal of accumulated depreciation	–	463	1 382	7 511	1 406	**10 762**
Depreciation	–	(6 905)	(3 380)	(39 468)	(2 253)	**(52 006)**
At 30 June 2023, net of accumulated depreciation and impairment	91	169 090	9 418	301 964	5 548	**486 111**
Cost	91	209 084	46 623	680 209	26 970	**962 977**
Accumulated depreciation and impairment	–	(39 994)	(37 205)	(378 245)	(21 422)	**(476 866)**
Net carrying amount	91	169 090	9 418	301 964	5 548	**486 111**

Assets under construction relates to land and buildings and plant and machinery that are in the process of construction.

The additions have been financed through cash of R41 121 973 and instalment sale agreements of R13 104 729.

No property, plant and equipment have been pledged or have any restrictions on title other than those referred to in mortgage loans over properties, referred to in note 19.

9. RIGHT-OF-USE ASSETS

The group has lease contracts for various items of property, vehicles and computers and office equipment used in its operations. Leases of property generally have lease terms between 2 and 6 years, while vehicles and computers and office equipment generally have lease terms between 3 and 5 years (see note 20 for lease liability disclosure).

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land & buildings R'000	Vehicles R'000	Furniture fittings and computers R'000	**Total R'000**
At 1 July 2023, net of accumulated depreciation	39 022	1 155	40	**40 217**
Additions	7 308	–	685	**7 993**
Termination of leases at carrying value	–	–	(27)	**(27)**
Terminations of leases at cost	(25 662)	(519)	(676)	**(26 857)**
Termination of leases – reversal of accumulated depreciation	25 662	519	649	**26 830**
Depreciation	(19 155)	(563)	(158)	**(19 876)**
At 30 June 2024, net of accumulated depreciation	27 175	592	540	**28 307**
Cost	72 112	2 710	685	**75 507**
Accumulated depreciation	(44 937)	(2 118)	(145)	**(47 200)**
Net carrying amount	27 175	592	540	**28 307**

	Land and buildings R'000	Vehicles R'000	Furniture fittings and computers R'000	**Total R'000**
At 1 July 2022, net of accumulated depreciation	44 984	1 825	288	**47 097**
Additions	13 415	–	–	**13 415**
Termination of leases at carrying value	–	–	–	**–**
Terminations of leases at cost	(10 284)	–	(267)	**(10 551)**
Termination of leases – reversal of accumulated depreciation	10 284	–	267	**10 551**
Depreciation	(19 377)	(670)	(248)	**(20 295)**
At 30 June 2023, net of accumulated depreciation	39 022	1 155	40	**40 217**
Cost	90 466	3 229	676	**94 371**
Accumulated depreciation	(51 444)	(2 074)	(636)	**(54 154)**
Net carrying amount	39 022	1 155	40	**40 217**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

10. INTANGIBLES-BRAND NAMES

	June 2024 R'000
Cost as at 1 July 2023, net of accumulated impairment	**17 855**
At 30 June 2024	**17 855**
At 30 June 2024	
Cost (gross carrying amount)	**18 112**
Accumulated impairment	**(257)**
Net carrying amount	**17 855**
Jiffy brand	**482**
Garbie brand	**17 373**

	June 2023 R'000
Cost as at 1 July 2022, net of accumulated impairment	17 855
At 30 June 2023	17 855
At 30 June 2023	
Cost (gross carrying amount)	18 112
Accumulated impairment	(257)
Net carrying amount	17 855
Jiffy brand	482
Garbie brand	17 373

The group applied the "relief-from-royalty" valuation methodology to determine the recoverable amount of the intangible assets. This method entails quantifying royalty payments, which would be required if the intangible were owned by a third party and licenced to the company.

There are two intangibles

1) The Jiffy brand which has an indefinite life. Jiffy is a well established brand which is mainly in the back to school range and has proven to be a growth area of the business. The Jiffy brand is determined to have an indefinite life based on an assessment of the brand's historical longevity and stable market position. The Jiffy brand has been allocated to the Transpaco Flexibles cash generating unit (CGU) and the relief from royalty has been used as the recoverable amount.

Main inputs used were forecast future sales of 4,0% (2023: 4,0%) over a five-year period. A notional royalty percentage rate payable in an arm's length transaction of 2% (2023: 2%), terminal growth rate of 4% (2023: 4%), an appropriate pre-tax discount rate of 28,9% (2023: 28,3%).

In making the assessment, management has determined that the recoverable amount of the assets exceed the carrying amount and therefore no impairment was deemed necessary.

The directors believe that a change in the key assumptions by 1% would not cause the recoverable amounts of the cash generating unit to exceed the carrying amount and therefore no impairment was deemed necessary.

2) The Garbie brand which was acquired through the acquisition of East Rand Plastics has an indefinite life. Garbie is a well established brand which produces refuse bags mainly for the FMCG market.

The Garbie brand is determined to have an indefinite life based on an assessment of the brand's historical longevity and stable market position. The Garbie brand has been allocated to the East Rand Plastics CGU and the relief from royalty has been used as the recoverable amount. Main inputs used were forecast future sales of 8,0% (2023: 8,00%) over a five-year period, a notional royalty percentage rate payable in an arm's length transaction of 2% (2023: 2%), terminal growth rate of 4% (2023: 4%), an appropriate pre-tax discount rate of 25,5% (2023: 26,4%).

In making the assessment, management has determined that the recoverable amount of the assets exceed the carrying amount and therefore no impairment was deemed necessary.

The directors believe that a change in the key assumptions by 1% would not cause the recoverable amounts of the cash generating unit to exceed the carrying amount and therefore no impairment was deemed necessary.

No intangibles have been pledged or have restrictions on title.

11. GOODWILL

	June 2024 R'000
Cost as at 1 July 2023	
– Britepak Trading	**3 204**
– East Rand Plastics	**19 991**
– Future Packaging	**40 987**
At 30 June 2024	**64 182**
At 30 June 2024	
Cost (gross carrying amount)	**64 182**
Accumulated impairment	**–**
Net carrying amount	**64 182**

	June 2023 R'000
Cost as at 1 July 2022	
– Britepak Trading	3 204
– East Rand Plastics	19 991
– Future Packaging	40 987
At 30 June 2023	64 182
At 30 June 2023	
Cost (gross carrying amount)	64 182
Accumulated impairment	–
Net carrying amount	64 182

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

11. GOODWILL (CONTINUED)

BRITEPAK TRADING

The recoverable amount has been determined based on a value in use calculation using a discounted cash flow projection based on budgets covering a five-year period which is based on industry expectations and management experience. Management estimates discount rates using the pre-tax average weighted cost of capital for the group. Growth rates are based on industry growth rates forecasts. Main inputs used were revenue growth of 5% (2023: 9%), a pre-tax discount rate of 24,8% (2023: 24,03%) and a terminal growth rate of 4% (2023: 4%).

In making the assessment, management has determined that the recoverable amount of the assets exceed the carrying amount and therefore no impairment was deemed necessary.

A change in assumption in terms of growth rate decreasing by 1% will result in an impairment of R0.3 million whilst an increase in the pre-tax discount rate of 1% would result in an impairment of R2.4 million.

EAST RAND PLASTICS

The recoverable amount has been determined based on a value in use calculation using a discounted cash flow projection based on budgets covering a five-year period which is based on industry expectations and management experience. Management estimates discount rates using the pre-tax average weighted cost of capital for the group. Growth rates are based on industry growth rates forecasts. Main inputs used were revenue growth of 10% (2023: 10%), a pre–tax discount rate of 22,9% (2023: 25,36%) and a terminal growth rate of 4,5% (2023: 4,5%).

In making the assessment, management has determined that the recoverable amount of the assets exceed the carrying amount and therefore no impairment was deemed necessary.

The directors believe that a change in the key assumptions by 1% would not cause the recoverable amounts of the cash generating unit to exceed the carrying amount and therefore no impairment was deemed necessary.

TRANSPACO AND FUTURE PACKAGING

The recoverable amount has been determined based on a value in use calculation using a discounted cash flow projection based on budgets covering a five-year period which is based on industry expectations and management experience. Management estimates discount rates using the pre-tax average weighted cost of capital for the group. Growth rates are based on industry growth rates forecasts.Main inputs used were revenue growth of 8% in 2025 and 10% thereafter for the next 4 years (2023: 9%), a pre–tax discount rate of 24,9% (2023: 24,38%) and a terminal growth rate of 4,5% (2023: 4,5%).

In making the assessment, management has determined that the recoverable amount of the assets exceed the carrying amount and therefore no impairment was deemed necessary.

The directors believe that a change in the key assumptions by 1% would not cause the recoverable amounts of the cash generating unit to exceed the carrying amount and therefore no impairment was deemed necessary.

12. INVESTMENT IN SUBSIDIARIES

	GROUP		COMPANY	
	June 2024 R'000	June 2023 R'000	**June 2024 R'000**	June 2023 R'000
Shares at cost	**–**	–	**121 117**	123 305

12. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Interest In Subsidiary Companies

All subsidiaries are 100% owned and are incorporated in the Republic of South Africa.

Name of subsidiary (Pty) Limited		Issued Share capital		Book value Holding company's interest			
				Investment		Indebtedness	
		2024 R	2023 R	**2024 R**	2023 R	**2024 R**	2023 R
Transpaco Administrative and Financial Services	Administrative	**2**	2	**1**	1	**(25 001 223)**	(16 041 508)
Transpaco Cores and Tubes	Cardboard tubes and core manufacturers	**1 000**	1 000	**1 000**	1 000		
Transpaco Flexibles	Plastic carrier manufacturer	**20 000**	20 000	**301 931**	301 931		
Transpaco Flexibles Mpumalanga	Plastic carrier manufacturer	**1**	1	**1**	1		
Transpaco Packaging	Dormant	**4 000**	4 000	**10 724**	10 724		
East Rand Plastics	Refuse bag manufacturer	**1**	1	**1**	1		
Transpaco Recycling	Dormant	**1**	1	**1**	1		
Britepak Trading	Printed folded cartons	**1 050**	1 050	**18 700 000**	18 700 000		
Transpaco Specialised Films	Pallet wrap	**100**	100	**1**	1		
Booysens Road Properties	Property owning	**1**	1	**1**	1		
Explosive Film Technologies	Property owning	**40 000**	40 000	**40 000**	40 000		
Propateez 62	Property owning	**100**	100	**10 988 533**	10 988 533		
Future Packaging and Machinery	Packaging distributor	**1 000**	1 000	**91 080 971**	91 080 971		
Future Packaging and Machinery – Cape	Dormant	**1 000**	1 000	**5 591 094**	5 591 094		
Future Packaging and Machinery – KZN	Dormant	**100**	100	**8 143 872**	8 143 872		
Trans Consumer Plastics	Dormant	**125**	125	**105 747**	105 747		
		68 481	68 481	**134 963 878**	134 963 878	**(25 001 223)**	(16 041 508)
Net impairment brought forward				**(11 659 115)**	(14 267 466)	**–**	–
Impairment reversal				**–**	2 608 351		
Impairment recognised				**(2 188 322)**	–	**–**	–
Net impairment carried forward				**(13 847 437)**	(11 659 115)		
				121 116 441	123 304 763	**(25 001 223)**	(16 041 508)

Impairment due to dividends received from dormant entities where the recoverable amount of the investments is less than the carrying value. Impairment reversal in 2023 relates to a change in estimate due to the assets recoverable amounts being higher than the carrying values in the dormant entities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

13. FINANCIAL ASSET

GROUP	June 2024 R'000	June 2023 R'000
Letsema Strategy Services (Pty) Ltd	**3 000**	3 000
ServWorx Industrial Services Solutions (Pty) Ltd	**1 500**	1 500
	4 500	4 500

The loans are interest free and are repayable in 24 months if either party gives the other party notice to terminate the agreement. There is no expected credit loss.

Refer to note 27 related parties for further details.

14. INVENTORIES

	GROUP		COMPANY	
	June 2024 R'000	June 2023 R'000	June 2024 R'000	June 2023 R'000
Raw materials	**99 450**	135 583	**–**	–
Work in progress	**27 508**	32 732	**–**	–
Finished goods	**154 651**	145 088	**–**	–
	281 609	313 403		
Provision for obsolete stock	**(2 115)**	(5 236)		
	279 494	308 167	**–**	–

The cost of inventories expensed amounted to R1 833 047 000 (2023: R1 920 390 000).

No write-down of inventories took place during the year (2023: nil).

Inventories of nil (2023: nil) were carried at net realisable value.

15. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	June 2024 R'000	June 2023 R'000	**June 2024 R'000**	June 2023 R'000
Financial Instruments				
Trade receivables	**363 774**	325 950	**–**	–
Less allowance for expected credit loss	**(3 790)**	(3 688)	**–**	–
Trade receivables at amortised costs	**359 984**	322 262	**–**	–
Deposits	**2 346**	1 364	**–**	–
Sundry accounts receivable	**6 447**	6 903	**–**	–
	368 777	330 529	**–**	–
Non-financial Instruments				
VAT	**2 576**	2 927	**–**	–
Prepayments	**49 878**	32 231	**–**	–
Total Trade and Other Receivables	**421 231**	365 687	**–**	–
Trade receivables are non-interest bearing and are generally on 30-90 days' terms.				
Sundry accounts receivable include staff loans and sundry debtors				
Allowance for expected credit loss				
At 1 July	**3 688**	3 067	**–**	–
Charge for the year	**946**	1 072	**–**	–
Utilised	**(844)**	(451)	**–**	–
At 30 June	**3 790**	3 688	**–**	–

Ageing of impaired trade debtors provided for:

	GROUP					
	Expected credit loss rate 2024 %	**Gross carrying amount 2024 R'000**	Expected credit loss rate 2023 %	Gross carrying amount 2023 R'000	**Allowance for expected credit loss 2024 R'000**	**Allowance for expected credit loss 2023 R'000**
0 to 60 days	0.0	352 450	0.1	311 067	163	336
60 to 90 days	12.2	8 460	3.8	9 553	1 028	363
90 to 120 days	100.0	875	31.8	2 546	875	811
120+ days	86.7	1 989	78.3	2 784	1 724	2 178
Total		**363 774**		**325 950**	**3 790**	**3 688**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

15. TRADE AND OTHER RECEIVABLES (CONTINUED)

The tough economic environment which has been exacerbated by loadshedding has resulted in an increase in the expected credit loss in the 90-120 days category.

In addition, where appropriate, credit guarantee insurance is purchased for 80% of the value of of individual trade receivable, subject to an insurance deductible. For those debtors that are insured, only the uninsured portion was included in the expected credit loss.

The group recognises a loss allowance based on lifetime ECLs at each reporting date. The group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors (e.g. an analysis of the FMCG environment, retail sentiment etc.) specific to the debtors. The CEO and CFO together with the mangement of the individual companies review the debtors on a regular basis.

Credit limits are put in place for all debtors. These limits cannot be exceeded without the CEO and CFO's approval.

See note 28 on credit risk of trade receivables, which explains how the group manages and measures credit quality of trade receivables.

16. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	June 2024 R'000	June 2023 R'000	**June 2024 R'000**	June 2023 R'000
Cash and cash equivalents	**160 569**	166 677	**–**	–
	160 569	166 677	**–**	–

Cash at bank earns interest at floating rates based on daily bank deposit rates.

At 30 June 2024, the group had available R70 000 000 (2023: R70 000 000) of undrawn uncommitted borrowing facilities. At year end, Rnil (2023: Rnil) of the borrowing facilities have been utilised.

Cross-suretyships to the value of R270 000 000 have been lodged as security with ABSA by and between Transpaco Limited and the following subsidiairies:

Booysens Road Properties (Pty) Ltd; Britepak Trading (Pty) Ltd; Transpaco Cores and Tubes (Pty) Ltd; Explosive Film Technologies (Pty) Ltd; Transpaco Administrative and Financial Services (Pty) Ltd; Transpaco Flexibles (Pty) Ltd; Transpaco Flexibles Mpumalanga (Pty) Ltd; Transpaco Packaging (Pty) Ltd; East Rand Plastics (Pty) Ltd; Transpaco Recycling (Pty) Ltd and Transpaco Specialised Films (Pty) Ltd.

Cross-suretyships to the value of R98 500 000 have been lodged as security with RMB by and between Transpaco Limited and the following subsidiairies:

Booysens Road Properties (Pty) Ltd; Britepak Trading (Pty) Ltd; Transpaco Cores and Tubes (Pty) Ltd; Explosive Film Technologies (Pty) Ltd; Transpaco Administrative and Financial Services (Pty) Ltd; Transpaco Flexibles (Pty) Ltd; Transpaco Flexibles Mpumalanga (Pty) Ltd; Transpaco Packaging (Pty) Ltd; East Rand Plastics (Pty) Ltd; Transpaco Recycling (Pty) Ltd; Transpaco Specialised Films (Pty) Ltd and Future Packaging and Machinery (Pty) Ltd

Transpaco Limited has provided suretyship in favour of Standard Bank in respect of Future Packaging and Machinery Proprietary Limited's banking facility of R33 908 000.

See note 28 for credit risk details.

17. AMOUNTS OWING TO SUBSIDIARY

	GROUP		COMPANY	
	June 2024 R'000	June 2023 R'000	June 2024 R'000	June 2023 R'000
Transpaco Administrative and Financial Services (Pty) Ltd	–	–	(25 001)	(16 042)
	–	–	(25 001)	(16 042)

The loan is non-interest bearing, unsecured and is a current trading account which is settled on a continuous basis. There have been no guarantees provided or received.

18. SHARE CAPITAL AND PREMIUM

	GROUP			COMPANY		
	No of Shares	2024 R'000	2023 R'000	No of Shares	2024 R'000	2023 R'000
Authorised						
250 000 000 ordinary shares of 0.01 cents each		2 500	2 500		2 500	2 500
Issued						
Ordinary shares of 0.01 cents each	29 939 388	299	314	29 939 388	299	314
Shares repurchased and cancelled	(1 100 000)	(11)	(15)	(1 100 000)	(11)	(15)
	28 839 388	288	299	28 839 388	288	299
Share premium						
Balance at beginning of year		10 029	10 554		10 029	10 554
Shares repurchased and cancelled		(368)	(525)		(368)	(525)
Balance at end of year		9 661	10 029		9 661	10 029
		9 949	10 328		9 949	10 328

The remaining shares have been placed under control of the directors until the next annual general meeting. Shares issued during the year may not exceed five percent (5%) of the issued ordinary shares in any one financial year.

In November 2023, Transpaco implemented a specific repurchase of 1 100 000 shares from Manufacturers Investment Company (Pty) Ltd.

The shares repurchased amounted to R 30 613 000 (2023: R42 993 795). This was allocated proportionally to share capital R 11 000 (2023: R15 600) share premium R368 064 (2023: R523 804) and retained income R30 233 936 (2023: R42 454 391).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

19. INTEREST-BEARING BORROWINGS

	GROUP		COMPANY	
	June 2024 R'000	June 2023 R'000	June 2024 R'000	June 2023 R'000
Secured				
First Mortgage Bond	**49 116**	52 925	–	–
Non-current	**43 004**	48 237	–	–
Current	**6 112**	4 688	–	–
Secured over property situated at Stand 269 Laser Park Extension 36. The loan bears interest at 0.50% below prime overdraft rate and is repayable in monthly instalments of R867 469, terminating not later than January 2031. The carrying amount of the property is R57 953 161. (2023: R60 524 311)				
Instalment sale agreements	**36 562**	84 533	–	–
Non-current	**18 520**	56 416	–	–
Current	**18 042**	28 117	–	–
Secured in terms of instalment sale agreements over certain plant and equipment. The liabilities bear interest at between 0.5% and 1% below prime lending rate and are repayable in instalments of between R36 607 and R829 270 per month over periods up to 60 months. The carrying amount of the plant and equipment is R72 503 820 (2023: R171 081 657).				
Total Borrowings	**85 678**	137 458	–	–
Long-term portion of borrowings	**61 524**	104 653	–	–
Short-term portion of borrowings	**24 154**	32 805	–	–
	85 678	137 458	–	–

Borrowing powers of the group, in terms of the memorandum of incorporation, are unlimited.

19. INTEREST-BEARING BORROWINGS (CONTINUED)

Changes in liabilities arising from financing activities
see note 19 and note 20

	At 1 July 2023 R'000	Cash Flows R'000	Addition of leases R'000	Non cash borrowings** R'000	Other* R'000	**At 30 June 2024 R'000**
Current interest-bearing borrowings	32 805	(51 779)	–	–	43 128	**24 154**
Current lease liabilities	19 525	(21 140)	–	–	19 452	**17 837**
Non-current interest-bearing borrowings	104 653	–	–	–	(43 129)	**61 524**
Non-current lease liabilities	27 006	–	7 993	–	(19 483)	**15 516**
Total liabilities from financing activities	183 989	(72 919)	7 993	–	(32)	**119 031**

* The 'other' column includes the effect of reclassification of the non-current portion of interest-bearing debt to current due to the passage of time and early termination of leases.

** Non cash borrowings relates to instalment sales agreements (VAT inclusive).

The group classifies interest paid as cash flows from operating activities.

	At 1 July 2022 R'000	Cash Flows R'000	Addition of leases R'000	Non cash borrowings** R'000	Other* R'000	**At 30 June 2023 R'000**
Current interest-bearing borrowings	29 295	(25 982)	–	–	29 492	**32 805**
Current lease liabilities	18 731	(20 426)	–	–	21 220	**19 525**
Non-current interest-bearing borrowings	119 872	–	–	14 273	(29 492)	**104 653**
Non-current lease liabilities	34 812	–	13 414	–	(21 220)	**27 006**
Total liabilities from financing activities	202 710	(46 408)	13 414	14 273	–	**183 989**

* The 'other' column includes the effect of reclassification of the non-current portion of interest-bearing debt to current due to the passage of time.

** Non cash borrowings relates to instalment sales agreements (VAT inclusive).

The group classifies interest paid as cash flows from operating activities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

20. LEASE LIABILITIES

	GROUP	
	June 2024 R'000	June 2023 R'000
At 1 July	**46 531**	53 543
Additions	**7 993**	13 414
Accretion of interest	**3 846**	4 390
Payments (capital and interest)	**(24 985)**	(24 816)
Early terminations	**(32)**	–
	33 353	46 531
Current	**17 837**	19 525
Non-Current	**15 516**	27 006
	33 353	46 531

The group has no leases that are classified as short term leases or leases of low value assets.

The maturity analysis of these lease liabilities is disclosed in note 28.

Leases of property generally have lease terms between 2 and 6 years, while vehicles and computers and office equipment generally have lease terms between 3 and 5 years with an average escalation of 8%.

An incremental borrowing rate ranging from 7% to 9% (2023: 7% to 9%) was applied to the lease liabilities.

Refer to note 9 for right-of-use-assets.

21. DEFERRED INCOME

	GROUP		COMPANY	
	June 2024 R'000	June 2023 R'000	June 2024 R'000	June 2023 R'000
At 1 July	**834**	1 739	**–**	–
Released to the statement of comprehensive income	**(238)**	(905)	**–**	–
At 30 June	**596**	834	**–**	–
Current	**132**	241	**–**	–
Non-current	**464**	593	**–**	–
	596	834	**–**	–

Government grants have been received for the puchase of certain items of property, plant and equipment.

The grant is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

22. DEFERRED TAXATION

	GROUP		COMPANY	
	June 2024 R'000	June 2023 R'000	**June 2024 R'000**	June 2023 R'000
Property, plant and equipment	**62 920**	58 511	**–**	–
Right-of-use assets	**7 643**	10 858	**–**	–
Lease liability	**(9 006)**	(12 563)	**–**	–
Intangible asset in respect of Garbie brand	**3 753**	3 753	**–**	–
Deferred income	**(1 507)**	(824)	**–**	–
Expected credit loss	**(669)**	(624)	**–**	–
Prepaid expense	**134**	146	**–**	–
Accrual for bonus and incentive bonus	**(11 490)**	(14 002)	**–**	–
Accrual for holiday & leave pay	**(3 126)**	(2 981)	**–**	–
Tax losses available for set-off against future taxable income	**(7 819)**	(6 683)	**–**	–
Net deferred taxation	**40 833**	35 591	**–**	–
Reconcilliation of deferred taxation				
At beginning of year	**35 591**	32 445	**–**	–
Differential between carrying value and tax value of property,			**–**	–
plant and equipment	**4 409**	5 743	**–**	–
Right-of-use assets	**(3 215)**	(1 858)	**–**	–
Lease liability	**3 557**	1 893	**–**	–
Intangible asset in respect of Garbie brand	**–**	(138)	**–**	–
Deferred income	**(683)**	(71)	**–**	–
Expected credit loss	**(45)**	76	**–**	–
Prepaid expense	**(12)**	(85)	**–**	–
Accrual for bonus and incentive bonus	**2 512**	(1 830)	**–**	–
Accrual for holiday & leave pay	**(145)**	146	**–**	–
Tax losses	**(1 136)**	(730)	**–**	–
	40 833	35 591	**–**	–
Represented by:				
Deferred taxation asset	**(8 302)**	(7 605)	**–**	–
Deferred taxation liability	**49 135**	43 196	**–**	–
	40 833	35 591	**–**	–

The group has an assessable tax loss of R28 960 282 (2023: 24 750 000). The entities from which the deferred tax assets relate to are trading entities. These trading entities expect to make future taxable profits in excess of the profit arising from the reversal of existing taxable temporary differences and as such have recognised the deferred tax assets.

The movement in the net deferred tax liability has been recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

23. TRADE PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	June 2024 R'000	June 2023 R'000	**June 2024 R'000**	June 2023 R'000
Financial instruments				
Trade payables	**201 699**	206 701	**822**	689
Sundry Creditors	**1 687**	1 594	**–**	–
Plastic Bag Levy	**19 599**	21 171	**–**	–
Other accrued expenses	**58 885**	27 946	**–**	–
	281 870	257 412	**822**	689
Non-financial instruments				
Accrual for holiday and leave pay	**11 576**	11 041	**–**	–
Accrual for incentive bonus	**28 431**	37 610	**–**	–
Other payroll accruals	**30 321**	29 404	**–**	–
VAT	**9 464**	11 967	**–**	–
	361 662	347 434	**822**	689

Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms.

24. SEGMENTAL ANALYSIS

For management purposes the group is organised into business units based on their product and services and has three reportable segments as follows:

- Plastics Products
- Paper and Board Products
- Property and Group Services

The operating segments have been aggregated to form the above reportable operating segments. The operating segments have been aggregated due to the products and the production processes being similar in nature.

The chief operating decision maker, namely the CEO monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Transfer pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties. There is one customer who contributes more than 10% of revenue.

	GROUP	
	June 2024 R'000	June 2023 R'000
Customer A		
Total amount of revenue from customer A	**401 872**	371 091
Extent of reliance on this customer (%)	**31.9**	27.2
Segment reporting this revenue	**Plastics products**	Plastics products
Export revenue		
Total amount of revenue from exports	**–**	50 352
Extent of reliance from export revenue (%)	**–**	3.7
Segment reporting this revenue	**Plastics products**	Plastics products

24. SEGMENTAL ANALYSIS (CONTINUED)

	Plastic products R'000	Paper and board products R'000	Properties and group services R'000	Total group operations R'000
Revenue from external customers- 2024 (Recognised at a point in time)	**1 257 831**	**1 229 227**	**–**	**2 487 058**
Revenue from all customers	**1 322 043**	**1 293 391**	**–**	**2 615 434**
Less revenue from internal customers	**(64 212)**	**(64 164)**	**–**	**(128 376)**
Revenue from external customers – 2023 (Recognised at a point in time)	1 364 663	1 226 411	–	2 591 074
Revenue from all customers	1 423 073	1 290 371	–	2 713 444
Less revenue from internal customers	(58 410)	(63 960)	–	(122 370)
Operating profit – 2024	**99 439**	**87 285**	**26 005**	**212 729**
Operating profit – 2023	133 938	98 817	19 709	252 464
Depreciation 2024	**5 756**	**5 077**	**7 095**	**17 928**
Depreciation 2023	2 642	5 595	6 895	15 132
Depreciation (included in cost of sales) 2024	**28 546**	**27 075**	**–**	**55 621**
Depreciation (included in cost of sales) 2023	30 561	26 607	–	57 168
Finance income 2024	**39**	**1 826**	**9 010**	**10 875**
Finance income 2023	71	1 032	4 245	5 348
Finance costs 2024	**5 513**	**5 822**	**5 743**	**17 078**
Finance costs 2023	5 719	6 514	5 872	18 105
Staff costs excluding directors remuneration 2024	**190 137**	**209 757**	**10 456**	**410 350**
Staff costs excluding directors remuneration 2023	191 045	223 384	32 502	446 931
Profit before tax- 2024	**93 964**	**83 289**	**29 273**	**206 526**
Profit before tax- 2023	128 291	93 336	18 080	239 707
Capital expenditure – 2024	**28 687**	**12 846**	**1 417**	**42 950**
Capital expenditure – 2023	20 629	28 728	4 870	54 227
Total assets -2024	**634 047**	**533 981**	**294 594**	**1 462 622**
Total assets -2023	571 796	590 408	300 497	1 462 701
Total liabilities – 2024	**228 810**	**210 447**	**91 330**	**530 587**
Total liabilities – 2023	230 831	259 323	86 952	577 106
Taxation – 2024	**23 839**	**22 234**	**7 935**	**54 008**
Taxation – 2023	32 918	25 277	4 867	63 062

Geographical segment disclosures have not been provided because the group operates mainly in South Africa.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

25. CAPITAL COMMITMENTS

	GROUP		COMPANY	
	June 2024 R'000	June 2023 R'000	**June 2024 R'000**	June 2023 R'000
Commitments in respect of capital expenditure approved by the directors and contracted for:				
Plant and equipment	**60 631**	51 745	**–**	–

Capital expenditure will be funded by the group's cash resources.

The company has stood guarantor for local third party rental and municipal rates and taxes guarantees to the value of R8 951 619 (2023 : R8 903 865).

26. RETIREMENT BENEFITS

The group provides retirement benefits to all its permanent employees through various defined contribution funds, being the Transpaco Pension Fund, Transpaco Provident Fund and appropriate industry funds. Total group contributions which have been recognised in profit and loss for the year, amounted to R29 661 394 (2023: R27 862 168).

All funds are administered independently of the group and are governed by the Pension Fund Act 1956, as amended.

27. RELATED PARTIES

The consolidated financial statements include the financial statements of Transpaco Limited and the subsidiaries listed in the following table.

	INTEREST	
	2024 %	2023 %
Name		
Transpaco Cores and Tubes (Pty) Ltd	**100**	100
Transpaco Flexibles (Pty) Ltd	**100**	100
Transpaco Flexibles Mpumalanga (Pty) Ltd	**100**	100
East Rand Plastics (Pty) Ltd	**100**	100
Transpaco Packaging (Pty) Ltd	**100**	100
Transpaco Recycling (Pty) Ltd	**100**	100
Transpaco Specialised Films (Pty) Ltd	**100**	100
Britepak Trading (Pty) Ltd	**100**	100
Booysens Road Properties (Pty) Ltd	**100**	100
Explosive Films Technologies (Pty) Ltd	**100**	100
Propateez 62 (Pty) Ltd	**100**	100
Future Packaging and Machinery (Pty) Ltd	**100**	100
Future Packaging and Machinery Cape (Pty) Ltd	**100**	100
Future Packaging and Machinery (Kwa-Zulu Natal) (Pty) Ltd	**100**	100
Trans Consumer Plastics (Pty) Ltd	**100**	100
Transpaco Administrative and Financial Services (Pty) Ltd	**100**	100
Transpaco Share Incentive Trust	**100**	100

27. RELATED PARTIES (CONTINUED)

TERMS AND CONDITIONS OF TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are determined on an arms-length, market related basis except for amounts owing to subsidiaries and from ServWorx Industrial Services Solutions (Pty) Ltd and Letsema Strategy Services (Pty) Ltd which are interest free.

For further details refer to note 13.

LOAN TO RELATED PARTY

	June 2024 R'000	June 2023 R'000
Loan to related party		
Letsema Strategy Services (Pty) Ltd	**3 000**	3 000
ServWorx Industrial Services Solutions (Pty) Ltd	**1 500**	1 500
	4 500	4 500

As part of our BEE strategy we have loaned R3 000 000 (2023: R3 000 000) to Letsema Strategy Services (Pty) Ltd and R1 500 000 (2023: R1 500 000) to ServWorx Industrial Solutions (Pty) Ltd) of which DJJ Thomas is both a director and shareholder. This is for enterprise and supplier development and is disclosed under sundry receivables (refer to note 13). The loan is interest free and is repayable in 24 months if either party gives the other party notice to terminate the agreement. There is no expected credit loss.

COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE GROUP

	June 2024 R'000	June 2023 R'000
Short-term employee benefits	**85 743**	79 780
Post-employment pension	**7 880**	7 729
Total compensation paid to key personnel	**93 623**	87 509

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity or a managing director of one of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

DIVIDENDS RECEIVED BY THE COMPANY FROM SUBSIDIARIES

	June 2024 R'000	June 2023 R'000
Transpaco Flexibles Mpumalanga (Pty) Ltd	**45 000**	55 000
East Rand Plastics (Pty) Ltd	**20 000**	50 000
Future Packaging and Machinery (Pty) Ltd	**20 000**	25 000
Future Packaging and Machinery Cape (Pty) Ltd	**931**	1 000
Future Packaging and Machinery (Kwa-Zulu Natal) (Pty) Ltd	**1 154**	1 000
Trans Consumer Plastics (Pty) Ltd	**4 526**	–
	91 611	132 000
Amounts Owing to Subsidiaries		
Transpaco Administrative and Financial Services (Pty) Ltd (see Note 17)	**(25 001)**	(16 042)

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Group

The group's principle financial liabilities comprise trade payables and accruals and interest-bearing borrowings. The main purpose of these financial liabilities is to raise finance for the group's operations. The group has various financial assets such as trade and other receivables and cash and cash equivalents which arise directly from its operations.

The group also enters into forward currency contracts. The purpose is to manage the currency risks arising from the group's operations. The main risks arising from the group's financial instruments are interest rate risks, foreign currency risk, credit risk and liquidity risk.

Company

The company's principle financial liabilities comprise trade payables. The company also has a loan from a subsidiary company.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise two types of risk: interest rate risk and foreign currency risk.

INTEREST RATE RISK

Group

The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates. The group endeavours to ensure that borrowings are at market-related rates. The exposure at year-end to interest rate risk amounts to R85 678 479 (2023: R137 457 614). The loans are payable to bankers.

The group endeavours to manage this risk by negotiating the best interest rates and periods from its two lead bankers. There have been no changes to the risk management policy from the previous period. See note 19 for the interest rates achieved.

INTEREST RATE RISK TABLE

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the group's profit before tax (through the impact on floating rate borrowings).

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

	Carrying Value at year end R'000	Index to which interest rate is linked	Reasonably possible change	Statement of Comprehensive income effect R'000	After tax effect R'000
2024					
Long-term borrowings	**61 524**	**Prime rate**	**1%**	**615**	**449**
Short-term borrowings	**24 154**	**Prime rate**	**1%**	**242**	**176**
2023					
Long-term borrowings	104 653	Prime rate	1%	1 047	764
Short-term borrowings	32 805	Prime rate	1%	328	239

Company

The company has no exposure to interest rate risk. Refer note 16.

FOREIGN CURRENCY RISKS

Group

The group has transactional currency exposures. Such exposure arises from sales or purchases by a subsidiary in currencies other than the unit's functional currency.

The group requires all its subsidiaries to use forward exchange contracts to eliminate the currency exposures on any individual transaction. The forward currency contracts must be in the same currency as the hedged item. It is the group's policy not to enter into forward contracts until a firm commitment is in place. The concentration of foreign currency risk is in US dollars, Euro and GBP. Hedge accounting is not used.

The following table demonstrates the sensitivity to a reasonable possible change in the exchange rate, with all other variables held constant, of the group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Currency	Increase/ decrease	Effect on profit before tax R'000	Effect on equity R'000
2024	**US dollar**	**+10%**	**204**	**149**
		(5%)	**(102)**	**(74)**
2023	US dollar	+10%	50	37
		(5%)	(25)	(18)
	Euro	+10%	291	213
		(5%)	(146)	(106)

The value of forward exchange contracts entered into at 30 June are:

Imports	**Settlement**	**Average contract rate**	**2024 R'000**	2023 R'000
US dollars	July 2024	18,70	**2 041**	
US dollars	July 2023 to August 2023	19,55		503
Euro	July 2023	20,47		2 913

FEC liabilty/asset is included in trade payables and accruals or trade and other receivables respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Company
The company has no exposure to foreign currency risk.

CREDIT RISK
Group
Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The group is exposed to credit risk from its operating and financial activities.

The group trades only with recognised, creditworthy third parties. Credit risk evaluations are performed on all customers requiring credit over a pre-determined amount. Where applicable the risk is insured with a reputable credit insurance institution. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to credit losses are not significant. The maximum exposure is R363 774 000 (2023: R325 950 000).

There have been no changes in risk from the previous period. In instances where there is a concentration of credit risk, this happens only with blue chip customers and is agreed to by the directors of that company taking all the relevant factors into account. Management's determination of risk is based on sales to a customer exceeding 30% of the sales of that segment of which there is none.

With respect to credit risk arising from cash and cash equivalents, the group's exposure to credit risk is limited to maximum exposure equal to the carrying amounts of these instruments.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with established financial institutions. The group transacts with ABSA Bank Limited, Rand Merchant Bank Limited and Standard Bank Limited.

S&P has rated ABSA Bank as AA with a positive outlook. Fitch has rated Rand Merchant Bank as BB- and Fitch has rated Standard Bank AA.

Write off policy

A loss allowance is recognised for all trade receivables and is monitored on a continuous basis. In addition to the loss allowance, trade receivables are written off when there is no reasonable prospect of recovery e.g. when a debtor has filed for bankruptcy. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any recoveries of such write offs is recognised in profit or loss.

Company
The company has no exposure to credit risk.

LIQUIDITY RISK
Group
The group monitors its risk to a shortage of funds by considering the maturity of its financial assets and projected cash flows from operations.

The group's objective is to maintain a balance between the continuity of funding and flexibility through the use of bank overdrafts, bank loans and instalment sale agreements. There have been no changes from the previous period.

The group's exposure to liquidity risk is represented by the aggregate balance of financial liabilities. There is no significant concentration of liquidity risk with any single counterparty.

The table below summarises the maturity profile of the group's financial liabilities at 30 June based on contractual undiscounted payments.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

	Less than 3 months R'000	3 to 12 months R'000	1 to 2 years R'000	2 to 5 years R'000	More Than 5 years R'000	Total R'000
Year ended 30 June 2024						
Interest-bearing loans and borrowings	8 002	23 475	23 007	39 351	16 479	**110 314**
Lease liabilities	5 285	14 485	13 258	4 140	–	**37 168**
Trade payables and accruals	281 870	–	–	–	–	**281 870**
	295 157	37 960	36 265	43 491	16 479	**429 352**

	Less than 3 months R'000	3 to 12 months R'000	1 to 2 years R'000	2 to 5 years R'000	More Than 5 years R'000	**Total R'000**
Year ended 30 June 2023						
Interest-bearing loans and borrowings	10 381	35 186	48 670	56 542	26 013	**176 792**
Lease liabilities	6 412	16 468	18 735	10 995	–	**52 610**
Trade payables and accruals	257 412	–	–	–	–	**257 412**
	274 205	51 654	67 405	67 537	26 013	**486 814**

Company

The company's liquidity risk is managed in the same way as the group and group's maturity profile of the group's financial liabilities based on contractual undiscounted payments as detailed below.

The table below summarises the maturity profile of the company's financial liabilities at 30 June based on contractual undiscounted payments.

	On demand R'000	Less than 3 months R'000	3 to 12 months R'000	Greater than one year R'000	**Total R'000**
Year ended 30 June 2024					
Trade payables and accruals	–	822	–	–	**822**
Amounts owing to subsidiary	25 001	–	–	–	**25 001**
	25 001	822	–	–	**25 823**

	On demand R'000	Less than 3 months R'000	3 to 12 months R'000	Greater than one year R'000	**Total R'000**
Year ended 30 June 2023					
Trade payables and accruals	–	689	–	–	**689**
Amounts owing to subsidiary	16 042	–	–	–	**16 042**
	16 042	689	–	–	**16 731**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

CAPITAL MANAGEMENT

The primary objective of the group's capital management is to ensure that it maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder wealth.

The group manages its capital structure and makes capital adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2024 and 30 June 2023.

The group monitors capital using a gearing ratio, which is net debt divided by total capital. The group includes within net debt, interest-bearing borrowings less cash and cash equivalents.

	June 2024 R'000	June 2023 R'000
Interest-bearing borrowings	**85 678**	137 458
Bank balance	**(160 569)**	(166 677)
Cash positive	**(74 891)**	(29 219)
Equity	**932 035**	885 595
Total capital	**932 035**	885 595
	%	%
Net interest-bearing debt : equity ratio	**Net cash positive**	Net cash positive

29. FINANCIAL INSTRUMENTS

CATEGORISATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Notes	Assets at Amortised cost R'000	Non-Financial Assets/ Liabilities R'000	Liabilities at Amortised cost R'000	Total R'000
GROUP 2024					
Assets					
Financial asset	13	4 500	–	–	**4 500**
Trade and other receivables	15	368 777	–	–	**368 777**
Cash and cash equivalents	16	160 569	–	–	**160 569**
Remaining assets		–	928 776		**928 776**
Total		**533 846**	**928 776**	**–**	**1 462 622**
Shareholders' equity and liabilities					
Shareholders' equity		–	932 035	–	**932 035**
Remaining liabilities		–	129 686	–	**129 686**
Long term portion of Interest-bearing borrowings	19	–	–	61 524	**61 524**
Long term portion of Lease liabilities	20	–	15 516	–	**15 516**
Trade payables and accruals	23	–	–	281 870	**281 870**
Current portion of interest-bearing borrowings	19	–	–	24 154	**24 154**
Current portion of lease liabilities	20	–	17 837	–	**17 837**
Total		**–**	**1 095 074**	**367 548**	**1 462 622**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

29. FINANCIAL INSTRUMENTS (CONTINUED)

CATEGORISATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Notes	Assets as Amortised cost R'000	Non-Financial Assets/ Liabilities R'000	Liabilities at Amortised cost R'000	Total R'000
GROUP 2023					
Assets					
Financial asset	13	4 500	–	–	**4 500**
Trade and other receivables	15	330 529	–	–	**330 529**
Cash and cash equivalents	16	166 677	–	–	**166 677**
Remaining assets		–	960 995		**960 995**
Total		**501 706**	**960 995**	**–**	**1 462 701**
Shareholders' equity and liabilities					
Shareholders' equity		–	885 595	–	**885 595**
Remaining liabilities		–	135 705	–	**135 705**
Long term portion of Interest-bearing borrowings	19	–	–	104 653	**104 653**
Long term portion of lease liabilities	20	–	27 006	–	**27 006**
Trade payables and accruals	23	–	–	257 412	**257 412**
Current portion of interest-bearing borrowings	19	–	–	32 805	**32 805**
Current portion of lease liabilities	20	–	19 525	–	**19 525**
Total		**–**	**1 067 831**	**394 870**	**1 462 701**

	Notes	Assets at Amortised cost R'000	Non-Financial Assets/ Liabilities R'000	Liabilities at Amortised cost R'000	Total R'000
COMPANY 2024					
Assets					
Investments in subsidiaries	12	–	121 117	–	**121 117**
			121 117		**121 117**
Shareholders' equity and liabilities					
Shareholders' equity		–	95 294	–	**95 294**
Amounts owing to subsidiary	17	–	–	25 001	**25 001**
Trade payables and accruals	23	–	–	822	**822**
Total		**–**	**95 294**	**25 823**	**121 117**
COMPANY 2023					
Assets					
Investments in subsidiaries	12	–	123 305	–	**123 305**
		–	**123 305**	**–**	**123 305**
Shareholders' equity and liabilities					
Shareholders' equity		–	106 574	–	**106 574**
Amounts owing to subsidiary	17	–	–	16 042	**16 042**
Trade payables and accruals	23	–	–	689	**689**
Total		**–**	**106 574**	**16 731**	**123 305**

29. FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of the assets and liabilities listed above approximate the carrying amounts largely due to the short-term maturities of these instruments. Interest-bearing borrowings are not materially different from their calculated fair values due to market related rates embedded into the terms of these receivables and borrowings.

FAIR VALUE HIERARCHY

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

The forward exchange contracts are valued using the market observable price of a forward exchange contract entered into as at 30 June 2024 and 30 June 2023, which has the same terms and remaining maturity profile as the forward exchange contract being valued.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 June 2024, the group held the following financial instruments carried at fair value in the statement of financial position:

	30 June 2024 R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000
Financial instrument				
Foreign exchange forward contracts (Gross : R2 040 801)	**–**	**–**	**–***	**–**

* Less than R1 000

As at 30 June 2023, the Group held the following financial instruments carried at fair value in the statement of financial position:

	30 June 2023 R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000
Financial instrument				
Foreign exchange forward contracts (Gross : R3 416 000)	–	–	–*	–

* Less than R1 000

30. GAINS AND LOSSES ON FINANCIAL ASSETS AND FINANCIAL LIABILITIES PER CATEGORY

The table below represents the gains or losses for each category of financial assets and financial liabilities:

		Financial assets at amortised cost		Financial assets at amortised cost	
		GROUP		**COMPANY**	
	Notes	**2024 R'000**	2023 R'000	**2024 R'000**	2023 R'000
Recognised in profit and loss:					
Interest received	4	**10 875**	5 348	**–**	–
Finance cost	4	**(17 078)**	(18 105)	**–**	–
Dividends received	3	**–**	–	**91 611**	132 000
(Loss)/gain on foreign exchange	5	**(539)**	7 287	**–**	–
Total		**(6 742)**	(5 470)	**91 611**	132 000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2024

31. NOTES TO THE CASH FLOW STATEMENTS

	GROUP		COMPANY	
	June 2024 R'000	June 2023 R'000	June 2024 R'000	June 2023 R'000
31.1 CASH GENERATED FROM/(UTILISED) IN OPERATIONS	**283 832**	321 113	**(3)**	(2)
Profit before taxation	**206 526**	239 707	**94 798**	134 606
Finance income received	**(10 875)**	(5 348)	**–**	–
Finance costs paid	**17 078**	18 105	**–**	–
Dividends received	**–**	–	**(91 611)**	(132 000)
Impairment reversal of investment in subsidiary	**–**	–	**–**	(2 608)
Impairment of investment in subsidiary	**–**	–	**2 188**	–
Loan written back	**–**	–	**(5 378)**	–
Depreciation	**73 549**	72 301	**–**	–
Early termination/Cancellation of right of use asset	**(5)**	–	**–**	–
Expected credit loss allowance	**946**	1 072	**–**	–
Profit on disposal of property, plant and equipment	**(266)**	(50)	**–**	–
Movement in inventory provisions	**(3 121)**	(2 351)	**–**	–
Unrealised foreign exchange gain	**–**	(2 323)	**–**	–
Movement in working capital	**(10 706)**	50 727	**14 470**	(13 405)
Decrease in inventory	**31 793**	23 905	**–**	–
(Increase)/decrease in trade and other receivables	**(56 489)**	47 539	**–**	–
Increase/(decrease) in trade payables and accruals	**14 228**	(19 812)	**133**	122
Decrease in deferred income	**(238)**	(905)	**–**	–
Increase/(decrease) in amount owing to subsidiary	**–**	–	**14 337**	(13 527)
	273 126	371 840	**14 467**	(13 407)
31.2 TAXATION PAID				
Net taxation receivable/(payable) at beginning of year	**47**	(128)	**–**	–
Taxation receivable at beginning of year	**1 700**	1 693	**–**	–
Taxation payable at beginning of year	**(1 653)**	(1 821)	**–**	–
Taxation excluding deferred taxation	**(48 767)**	(59 916)	**–**	–
Net taxation receivable at end of year	**(2 922)**	(47)	**–**	–
Taxation receivable at end of year	**(3 085)**	(1 700)	**–**	–
Taxation payable at end of year	**163**	1 653	**–**	–
	(51 642)	(60 091)	**–**	–

32. 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 liabilties contingent obligations and commitments will occur in the ordinary course of business.

The group has prepared financial forecasts for the next financial year taking all aspects into consideration. The directors have concluded that it is appropriate to prepare the financial statements on a going concern basis after considering the forecasts and the following:

1. The group continues to have the ongoing support of its banking group and access to undrawn facilities of R70 000 000 (refer to Note 16) as well as R160 569 000 in cash and cash equivalents as at 30 June 2024.
2. As at 30 June 2024, the group had R460 million net liquidity. The only significant capital commitment is the purchase of the property housing Transpaco Cores and Tubes (Pty) Ltd.

Company
At 30 June 2024 the company had no significant capital commitment and the directors have concluded that is appropriate to prepare the financial statements on a going concern basis.

33. SUBSEQUENT EVENTS

1. In 2023 Booysens Road Properties (Pty) Ltd entered into a contract to purchase the properties that house Transpaco Cores and Tubes in Gauteng for R44 million. The transfer of the properties went through on 11 September 2024.
2. On 9 October 2024 Booysens Road Properties entered into a contract to purchase the properties that house Britepak Trading in Gauteng for R45 million.

07

SHAREHOLDER INFORMATION

Company:
Transpaco Limited

Register date:
30 June 2024

Issued share capital:
28 839 388

SHAREHOLDER ANALYSIS

SHAREHOLDER SPREAD	No of shareholdings	%	No of shares	%
1 – 1 000 shares	865	73.55	115 663	0.40
1 001 – 10 000 shares	190	16.16	619 772	2.15
10 001 – 100 000 shares	84	7.14	2 971 918	10.31
100 001 – 1 000 000 shares	30	2.55	7 754 550	26.89
1 000 001 shares and over	7	0.60	17 377 485	60.25
Totals	1 176	100.00	28 839 388	100.00

DISTRIBUTION OF SHAREHOLDERS	No of shareholdings	%	No of shares	%
Banks/Brokers	17	1.45	127 472	0.44
Close Corporations	10	0.85	104 049	0.36
Endowment Fund	2	0.17	79 475	0.28
Individuals	1 017	86.46	7 112 272	24.66
Insurance Companies	5	0.43	2 324 386	8.06
Mutual Funds	24	2.04	7 170 488	24.87
Other Corporations	7	0.60	43 867	0.15
Private Companies	40	3.40	9 801 248	33.99
Public Company	1	0.09	400	0.00
Retirement Funds	22	1.87	1 766 112	6.12
Trusts	31	2.64	309 619	1.07
Totals	1 176	100.00	28 839 388	100.00

PUBLIC/NON-PUBLIC SHAREHOLDERS	No of shareholdings	%	No of shares	%
Non-public shareholders	9	0.77	13 812 277	47.89
Directors and associates of the company holdings	9	0.77	13 812 277	47.89
Public shareholders	1 167	99.23	15 027 111	52.11
Totals	1 176	100.00	28 839 388	100.00

BENEFICIAL SHAREHOLDERS HOLDING 5% OR MORE	No of shares	%
Ceppwawu Investments (Pty) Ltd	6 661 225	23.10
Old Mutual	4 021 127	13.94
Abelheim, P	4 010 510	13.91
Camissa Asset Management	2 136 396	7.41
Aylett & Co	1 852 501	6.42
Letsema Strategy Services (Pty) Ltd	1 611 787	5.59
Totals	20 293 546	70.37

GLOSSARY

"B-BBEE"	Broad-based black economic empowerment
"CEO"	Chief Executive Officer. Transpaco's CEO is Phillip Abelheim.
"CEPPWAWU"	Chemical, Energy, Paper, Printing, Wood and Allied Workers Union, with which the majority of Transpaco's workforce is unionised
"CEPPWAWU Investments"	CEPPWAWU Investments (Pty) Ltd, the investment arm of CEPPWAWU and a 23,1% B–BBEE stakeholder in Transpaco
"CFO"	Chief Financial Officer. Transpaco's CFO is Louis Weinberg.
Covid-19	Novel coronavirus
"CSI"	Corporate Social Investment
"Diluted HEPS"	Diluted headline earnings per share
"EBITDA"	Earnings before interest, taxation, depreciation and amortisation
"EPS"	Earnings per share
"EXCO"	Executive committee of Transpaco Limited
"FY"	Financial year, for Transpaco ending 30 June
"HDI"	Historically disadvantaged individual
"HEPS"	Headline earnings per share
"IFRS"	International Financial Reporting Standards
"JSE"	JSE Limited incorporating the Johannesburg Securities Exchange, the main bourse in South Africa
"King IVTM Report" or "King IVTM"	King Report on Corporate Governance for South Africa, 2016
"NAV"	Net asset value
"SHEQ"	Safety, Health, Environment and Quality
"the board"	The board of directors of Transpaco Limited, as set out on page 14 and 15
"the Companies Act"	South African Companies Act 71 of 2008, as amended
"the company" or "Transpaco"	Transpaco Limited, listed on the JSE in the 'Containers and Packaging' sector
"the current year"	The year ending 30 June 2025
"the group" or "Transpaco"	Transpaco Limited and its subsidiaries
"the prior year"	The year ended 30 June 2023
"the year" or "the year under review"	The year ended 30 June 2024

NOTICE OF ANNUAL GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Seventy-second Annual General Meeting

TRANSPACO LIMITED

(Registration number 1951/000799/06)
("Transpaco" or "the company")
Share Code: TPC
ISIN: ZAE000007480

Notice is hereby given that the annual general meeting of Transpaco will be held at the offices of Transpaco at 331 6th Street, Wynberg, Sandton, Johannesburg on Friday, 29 November 2024 at 09:00 for the purposes of:

- Considering and, if deemed fit, adopting, with or without modification, the financial statements of the company for the year ended 30 June 2024;
- Re-electing retiring directors;
- Re-appointing auditors;
- Considering and, if deemed fit, adopting, with or without modification, the special and ordinary resolutions set out below; and
- Transacting any other business as may be transacted at an annual general meeting.

The record date to receive notice of the annual general meeting is Friday, 11 October 2024. The record date to participate in and vote at the annual general meeting is Friday, 22 November 2024, and the last day to trade is Tuesday, 19 November 2024.

Special Resolutions

SPECIAL RESOLUTION 1: SHARE REPURCHASES

"The directors are authorised to approve and implement the acquisition by the company (or by a subsidiary of the company from time to time) of shares issued by the company by way of a general authority, which shall only be valid until the company's next annual general meeting, unless it is then renewed, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution, whichever period is the shorter, in terms of the Companies Act 71 of 2008 and the Requirements of the JSE Limited ("the JSE") which provide, inter alia, that the company (or a subsidiary of the company) may only make a general repurchase of its shares subject to:

a) the repurchase being implemented through the order book operated by the JSE trading system, without any prior understanding or arrangement between the company and the counter party;
b) the company being authorised thereto by its Memorandum of Incorporation;
c) repurchases not being made at a price greater than 10% (ten percent) above the weighted average of the market value of the shares for the 5 (five) business days immediately preceding the date on which the transaction was affected;
d) an announcement being published as soon as the company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the initial number of ordinary shares, and for each 3% (three percent) in aggregate of the initial number of ordinary shares repurchased thereafter, containing full details of such repurchases;
e) repurchases not exceeding 20% (twenty percent) in aggregate of the company's issued ordinary share capital in any one financial year;
f) the company and/or its subsidiaries not repurchasing securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements unless a repurchase programme is in place, where dates and quantities of shares to be traded during the prohibited period are fixed and full details of the programme have been disclosed in writing to the JSE; and
g) the the company only instructing one independent third-party on its behalf."

The directors, having considered the effects of the repurchase of the maximum number of ordinary shares in terms of the foregoing general authority, are of the opinion that for a period of 12 (twelve) months after the date of the notice of the annual general meeting:

- the company and the group will be able, in the ordinary course of business, to pay its debts;
- the consolidated assets of the company and the group, fairly valued in accordance with generally accepted accounting practice will exceed the consolidated liabilities of the company and the group; and
- the company's and the group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, some of which may appear elsewhere in the integrated annual report of which this notice forms part, is provided in terms of the JSE Listings Requirements for purposes of this general authority:

- Major beneficial shareholders – page 88.
- Share capital of the company – page 69.
- Directors' interest in securities – page 45.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names appear on pages 14 to 15 of the integrated annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all required information.

MATERIAL CHANGES

Other than the facts and developments reported on in the integrated annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice. The directors have no specific intention, at present, for the company or a subsidiary to repurchase any of its shares but consider that such a general authority should be put in place should an opportunity to do so present itself during the year which is in the best interests of the company and its shareholders.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION 1

The reason for and effect of the special resolution is to grant the directors of the company a general authority in terms of the Companies Act 71 of 2008 and the JSE Listings Requirements for the repurchase by the company (or by a subsidiary of the company) of the company's shares.

The directors believe that the company should retain the flexibility to take action if future acquisitions of its shares were considered desirable and in the best interests of the company and its shareholders. The directors shall ensure at the time of the company's commencement of any acquisitions of its own shares, after considering the effect of acquisitions, up to the maximum limit, of the company's issued ordinary shares, that they are of the opinion that if such acquisitions were implemented:

- The company and the group would be able in the ordinary course of business to pay its debts for a period of 12 months after the repurchase;
- The assets of the company and the group would be in excess of the liabilities of the company and the group for a period of 12 months after the repurchase. For this purpose, the assets and liabilities would be recognised and measured in accordance with the accounting policies used in the latest audited Group consolidated annual financial statements; and
- The ordinary capital and reserves of the company and the group would be adequate for ordinary business purposes for a period of 12 months after the date of the notice issued in respect of the Annual General Meeting, and the working capital of the company and the group would be adequate in the ordinary course of business for a period of 12 months after the date of the repurchase.

SPECIAL RESOLUTION 2: DIRECTORS' FEES

"The payment to the non-executive directors of the following fees for services as directors with effect from the date of this annual general meeting until the company's 2025 annual general meeting, be authorised:

REASON FOR AND EFFECT OF SPECIAL RESOLUTION 2

The reason for special resolution 2 is to comply with the provisions of section 66(9) of the Companies Act 71 of 2008. The effect of the special resolution is that, if approved by the shareholders at the annual general meeting, the fees payable to non-executive directors until the 2025 annual general meeting will be as set out above. Executive directors are not remunerated for their services as directors but are remunerated as employees of the company.

The table below has been proposed to ensure that the remuneration of non-executive directors remains competitive in order to enable the company to retain and attract persons of the calibre, appropriate capabilities, skills and experience required to make meaningful contributions to the company.

SPECIAL RESOLUTION 3 – GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE TO SUBSIDIARIES AND OTHER RELATED AND INTERRELATED ENTITIES IN TERMS OF SECTIONS 44 AND 45 OF THE COMPANIES ACT.

"Resolved that the directors of the company may, to the extent required by the Companies Act, and subject to compliance with the requirements of the company's MOI and the JSE Listings Requirements, authorise the company to provide direct or indirect financial assistance, including by way of loan, guarantee, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or entity that is or becomes related or inter-related to the company or any of its subsidiaries, and/or to any shareholder of such subsidiary or related or inter-related company or entity, all as contemplated in sections 44 and/or 45 of the Companies Act, for such amounts and on such terms and conditions as the directors of the company may determine."

EXPLANATORY NOTE:

This resolution is to authorise the provision by the company of financial assistance to subsidiaries and other related and inter-related entities, specifically and only for the purpose of facilitating the group's normal commercial and financing activities within and among group companies.

This Special Resolution 3 deliberately excludes from its scope any reference to "any person" (as provided for in section 44 of the Companies Act) and excludes from its ambit "directors and officers" (as provided for in section 45 of the Companies Act).

In the absence of Special Resolution 3 the company would be unable to undertake its normal day-to-day business and financing operations within the group.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION 3

1. In terms of section 44 of the Companies Act, to authorise the directors of the company to permit the company to provide financial assistance to the entities reflected in the text of the Special Resolution for the purpose of, or in connection with, the subscription for any securities or options issued or to be issued by the company or any company related or inter-related to the company, or for the purchase of any securities of the company or a company related or inter-related to the company; and

NON-EXECUTIVE DIRECTORS	FEE (2023/2024) R	PROPOSED FEE (2024/2025) R	BOARD	AUDIT & RISK COMMITTEE	BOARD GOVERNANCE & REMUNERATION COMMITTEE	TRANSFORMATION, SOCIAL & ETHICS COMMITTEE
HA Botha	422 017	455 000	Member	Chairman	Chairman	
SY Mahlangu	406 702	435 000	Member	Member		Member
DJJ Thomas	587 080	630 000	Chairman		Member	Member
SP van der Linde	418 105	455 000	Member	Member	Member	Chairman

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

2. In terms of section 45 of the Companies Act, to grant the directors of the company a general authority to authorise the company to grant direct or indirect financial assistance, including in the form of loans or the guaranteeing of their debts to (among others) the category of persons set out in the text of the resolution, subject to the board not authorising any financial assistance to any such persons unless it is satisfied that:

- Considering all reasonably foreseeable financial circumstances of the company at that time, the company will, immediately after providing such financial assistance, satisfy the solvency and liquidity test stipulated in the Companies Act;
- The terms under which the financial assistance is proposed to be given are fair and reasonable to the company; and
- Any conditions or restrictions in respect of the granting of financial assistance set out in the company's MOI have been satisfied.

Ordinary Resolutions

ORDINARY RESOLUTION 1: ADOPTION OF FINANCIAL STATEMENTS

"The financial statements of the company for the year ended 30 June 2024 are received and adopted."

ORDINARY RESOLUTION 2: SIGNATURE OF DOCUMENTATION

"A director of the company or the company secretary is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of Special Resolution numbers 1, 2 and 3 and Ordinary Resolutions numbers 1, 2, 3, 4, 5, 6, and 7 which are passed by the shareholders."

ORDINARY RESOLUTION 3.1: NON-BINDING ADVISORY VOTE ON THE COMPANY'S REMUNERATION POLICY

"To approve in accordance with the recommendations of King IV™, through a non-binding advisory vote, the company's remuneration policy as set out in the financial statements for the year ended 30 June 2024."

As this is not a matter that is required to be resolved or approved by shareholders, no minimum voting threshold is required.

Nevertheless, for record purposes, the minimum percentage of voting rights that is required for this resolution to be adopted as a non-binding advisory vote is 25% of the voting rights plus 1 (one) vote to be cast on the resolution. If the remuneration policy is voted against by 25% or more of the votes exercised the company will in its results announcement pursuant to paragraph 3.84(j) of the JSE Listings Requirements provide the following:

a. An invitation to dissenting shareholders to engage with the company; and
b. The manner and timing of such engagement.

ORDINARY RESOLUTION 3.2: NON-BINDING ADVISORY VOTE ON THE COMPANY'S IMPLEMENTATION REPORT

"To approve in accordance with the recommendations of King IV™, through a non-binding advisory vote, the company's implementation report as set out in the financial statements for the year ended 30 June 2024."

http://www.transpaco.co.za/corporategovernance

As this is not a matter that is required to be resolved or approved by shareholders, no minimum voting threshold is required.

Nevertheless, for record purposes, the minimum percentage of voting rights that is required for this resolution to be adopted as a non-binding advisory vote is 25% of the voting rights plus 1 (one) vote to be cast on the resolution. If the implementation report is voted against by 25% or more of the votes exercised the company will in its results announcement pursuant to paragraph 3.84(j) of the JSE Listings Requirements provide the following:

a. An invitation to dissenting shareholders to engage with the company; and
b. The manner and timing of such engagement.

ORDINARY RESOLUTION 4: RE-ELECTION OF DIRECTOR

"DJJ Thomas be and is re-elected as a director of the company."

An abridged curriculum vitae for DJJ Thomas is set on page 14 of the integrated annual report of which this notice forms part.

ORDINARY RESOLUTION 5: RE-ELECTION OF DIRECTOR

"SP van der Linde be and is re-elected as a director of the company."

An abridged curriculum vitae for SP van der Linde is set on page 15 of the integrated annual report of which this notice forms part.

ORDINARY RESOLUTION 6: APPOINTMENT OF AUDIT & RISK COMMITTEE MEMBERS

"Resolved that the members of the company's audit & risk committee set out below be and are hereby appointed with effect from the end of this annual general meeting in terms of section 94(2) of the Companies Act 71 of 2008.

The membership as proposed by the board of directors is HA Botha (Chairman), SY Mahlangu and SP van der Linde all (subject to his re-election in terms of ordinary resolution 5) of whom are independent non-executive directors."

A brief curriculum vitae in respect of the above audit & risk committee members is included on page 15 of the integrated annual report of which this notice forms part.

ORDINARY RESOLUTION 7: REAPPOINTMENT OF AUDITORS

"BDO South Africa Incorporated be and are reappointed as auditors of the company with Serena Ho as the individual registered auditor."

In order for each of ordinary resolutions 1, 2, 3, 5, 6 and 7 to be adopted, the support of a majority of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

VOTING AND PROXIES

A shareholder of the company entitled to attend and vote at the general meeting is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, vote and speak in his/her stead.

On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share held in the company by such shareholder.

Dematerialised shareholders who have elected own name registration in the sub-register through a Central Securities Depository Participant (CSDP) and who are unable to attend but wish to vote at the annual general meeting, should complete and return the attached form of proxy and lodge it with the transfer secretaries of the company. Shareholders who have dematerialised their shares through a CSDP or broker rather than through own name registration and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary authority to attend. If such shareholders are unable to attend, but wish to vote at the annual general meeting, they should timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and his/her CSDP or broker.

Forms of proxy may also be obtained on request from the company's registered office. The completed forms of proxy must be deposited at, posted or faxed to the company's transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) by 09:00am on Wednesday, 27 November 2024.

Any member who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting should the member subsequently decide to do so.

H van Niekerk
Company Secretary

11 October 2024

Registered office
331 6th Street, Wynberg, Sandton
PO Box 39601, Bramley, 2018
Telefax: (011) 887 0434

Transfer secretaries
Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196, Private Bag X9000,
Saxonwold, 2132
Telefax: (011) 688 5200

NOTES

FORM OF PROXY

FOR USE AT THE ANNUAL GENERAL MEETING ON FRIDAY 29 NOVEMBER 2024 AT 09:00

Transpaco Limited
("Transpaco" or "the company")
Registration number: 1951/000799/06
Share code: TPC
ISIN: ZAE000007480

For use by the holders of the company's certificated ordinary shares ("certificated shareholders") and/or dematerialised ordinary shares held through a Central Securities Depository Participant ("CSDP") or broker who have selected own–name registration ("own–name dematerialised shareholders") at the annual general meeting of the company to be held at 09:00 on Friday, 29 November 2024, or at any adjournment thereof if required. Additional forms of proxy are available from the transfer secretaries of the company.

Not for use by holders of the company's dematerialised ordinary shares who have not selected own–name registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary authorisation to do so or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote in accordance with their instructions at the annual general meeting.

I/We (Name in block letters) ______________________ of ______________________ being the registered holder of __________ shares, do appoint: ______________________ or failing him/her ______________________ or failing him/her, the chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the company to be held on Friday, 29 November 2024 at 09:00 and at any adjournment thereof

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.

	In favour of	Against	Abstain
SPECIAL RESOLUTIONS			
1. To authorise the company or its subsidiaries to repurchase the company's shares			
2. To approve the fees of non-executive directors			
3. To approve financial assistance in terms of section 44 and 45 of the Companies Act 71 of 2008			
ORDINARY RESOLUTIONS			
1. To receive and adopt the financial statements for the year ended 30 June 2024			
2. To authorise the signature of documentation			
3.1 To approve the company's remuneration policy			
3.2 To approve the company's implementation report			
4. To re-elect DJJ Thomas as a director of the company			
5. To re-elect SP van der Linde as a director of the company			
6. To appoint members of the audit & risk committee			
6.1 To appoint HA Botha as a member of the audit & risk committee			
6.2 To appoint SY Mahlangu as a member of the audit & risk committee			
6.3 To appoint SP van der Linde as a member of the audit & risk committee			
7. To re-appoint BDO South Africa Incorporated as auditors of the company with Serena Ho being the individual registered auditor			

Signed at ______________________ on ______________________ 2024.

Signature ______________________ (Assisted by if applicable) ______________________

Please read notes on reverse.

FORM OF PROXY

NOTES TO THE FORM OF PROXY

1. Each shareholder is entitled to appoint one proxy and alternate proxies (none of whom need be a shareholder of the company) to attend, speak and vote in place of that shareholder at the annual general meeting.
2. Shareholder(s) that are certificated or own-name dematerialised shareholders may insert the name of a proxy in the space/s provided, with or without deleting "the chairperson of the general meeting", but any such deletion must be initialled by the shareholder(s). The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy, the chairperson shall be deemed to be appointed as the proxy.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairperson, to vote or abstain from voting as deemed fit and in the case of the chairperson to vote in favour of the resolution.
4. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable in respect of the shares held by the shareholder.
5. Forms of proxy must be lodged at, posted, faxed or emailed to the company's transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) Telefax: (+27) 011 688 5238 or email: proxy@computershare.co.za.
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so. Where there are joint holders of shares, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.
7. The chairperson of the general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, the chairperson is satisfied as to the manner in which the shareholder concerned wishes to vote.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or Computershare Investor Services (Pty) Limited or waived by the chairperson of the general meeting.
9. Any alteration or correction made to this form of proxy must be initialed by the signatory/ies.
10. A minor must be assisted by his/her parent guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by Computershare Investor Services (Pty) Limited.
11. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign this form of proxy.

SHAREHOLDERS' DIARY

Financial year-end	30 June 2024
72nd annual general meeting	29 November 2024

REPORTS AND RESULTS ANNOUNCEMENTS

Interim report for half-year	Published February
Preliminary annual financial results	Published August
Annual financial statements	Posted October

CORPORATE INFORMATION

TRANSPACO LIMITED

Registration number: 1951/000799/06
Share code: TPC
ISIN ZAE000007480

REGISTERED OFFICE

Address: 331 - 6th Street, Wynberg, Sandton, 2090
Postal address: PO Box 39601, Bramley, 2018
Telephone: (011) 887 0430
Fax: (011) 887 0434
Email: transpaco@transpaco.co.za
Website: www.transpaco.co.za

COMPANY SECRETARY

H van Niekerk B.Compt. (Hons) CA(SA)
Address: 331 6th Street, Wynberg, Sandton, 2090
Postal address: PO Box 39601, Bramley, 2018
Telephone: (011) 887 0430
Fax: (011) 887 0434
Email: hendrik@transpaco.co.za

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited
Address: Rosebank Towers, 15 Biermann Avenue, Rosebank
Postal address: PO Box 61051, Marshalltown, 2107

EXTERNAL AUDITORS

BDO South Africa Incorporated
Address: Wanderers Office Park, 52 Corlett Drive, Illovo, Johannesburg, 2196
Postal address: Private Bag X9000, Saxonwold, 2132

BANKERS

First National Bank Limited
ABSA Bank Limited
Standard Bank Limited

SPONSOR

Investec Bank Limited

B"H

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