

GEN – General – The South African National Roads Agency SOC Limited

Censure imposed by the JSE on the South African National Roads Agency SOC Limited (“**SANRAL**”)

The JSE hereby informs stakeholders of the following findings in respect of SANRAL:

1. SANRAL’s Annual Financial Statements for the year ended 31 March 2019, published on SENS on 27 September 2019, contained restatements to the previously published annual financial results for the year ended 31 March 2018 to correct a substantial number of prior period errors in accordance with International Financial Reporting Standards (“**IFRS**”).
2. As disclosed by SANRAL, the errors identified in the previously published annual financial statements for the year ended 31 March 2018 were due to, amongst other reasons:
 - i. Incorrect calculation of depreciation in prior periods;
 - ii. Incorrect classification of assets;
 - iii. Assets incorrectly written off; and
 - iv. Understatement of land revaluation.
3. The financial impact of the restatement of prior period errors in respect of the 2018 financial year was material in that SANRAL’s initial net loss of R260 358 000 increased to a net loss of R418 470 000 representing a change of approximately 62%.
4. SANRAL’s previously published financial information therefore did not comply with IFRS and was incorrect and misleading in material aspects and this incorrect information was disseminated to investors, the JSE and the investing public. In these circumstances, the JSE found SANRAL to be in breach of paragraph 7.4 read with 5.2 of the JSE Debt Listings Requirements as SANRAL’s annual financial statements for the year ended 31 March 2018 did not comply with IFRS. In addition, SANRAL was also found to be in breach of General Principle (v) of the Listings Requirements for its failure to observe the highest standard of care in the dissemination of its 2018 financial statements.
5. The accuracy and reliability of financial information published by issuers is of critical importance in ensuring a fair, efficient, and transparent market. The provisions of the Debt Listings Requirements,

which impose various important obligations on issuers in respect of the disclosure of financial information, contributes to the integrity of the market and promotes investor confidence. SANRAL and its directors are therefore obliged to ensure that all financial information and reports that are published are, in all material aspects, accurate and correct. In addition hereto, the investing public relies on an issuer's published financial information to make important investment decisions.

6. For these reasons and with reference to the JSE's findings of breach, the JSE has decided to impose a public censure on SANRAL as a result of its failure to comply with important provisions of the Debt Listings Requirements.

19 November 2021