GRINDROD LIMITED
PROVISIONAL REVIEWED RESULTS

for the year ended 31 December 2019

OPERATIONAL HIGHLIGHTS

- Record volumes of over 21 million tonnes at Maputo Port, up 8% on 2018
- Matola Terminal reached a record 81% capacity utilisation
- Expanded container handling facilities to 600 000m^2 total capacity
- Positioning Grindrod for liquefied gas opportunities in Northern Mozambique
- Executed on the Balama and Malawi logistics corridor to Nacala
- Bank deposits grew despite challenging economic environment

FINANCIAL HIGHLIGHTS

- Revenue growth of 12% to R3 873 million (2018: R3 467 million)
- EBITDA grew 18% to R1 029 million (2018: R871 million)
- Headline earnings of R525 million (2018: R480 million), up 9% on 2018
- Final dividend per share of 14.2 cents per share, total 19.2 cents (2018: 14.6 cents per share)
- Nil net debt to equity (2018: 4% net cash)

BUSINESS REVIEW

As part of the business strategy process, Grindrod performed a detailed assessment of its capabilities against external drivers and customer requirements. Port and Terminals and Logistics increased the focus on bulk and container corridors with emphasis on integrated service offerings and investments in key trade corridors. The Bank strengthened its traditional banking service offering, growing in the SME and property markets developing service solutions for the fin tech market.

Headlines earnings from continuing businesses grew by 9% to R525.2 million (2018: R480.2 million). Earnings improved from a loss of R20.3 million in 2018 to R299.9 million.

Port and Terminals reported solid results, mainly due to strong volume performance. Headline earnings grew by 121% to R308.3 million (2018: R139.8 million). Overall Logistics headline earnings of R174.0 million (2018: 49.9 million) improved on prior year, with strong performance achieved by the Intermodal and Seafreight businesses in a challenging market.

Port and Terminals

Maputo Port handled a record volume of 21.0 million tonnes (2018: 19.6 million tonnes), an 8% growth, underpinned by increases in chrome, magnetite and container throughput. Projects to refurbish berths, enhance terminal and loading capability, and an extend of the chrome and ferrochrome handling area are nearing completion.

Terminals recorded robust performance with Matola Terminal (TCM) achieving record volumes of 5.9 million tonnes (2018: 5.2 million tonnes). TCM secured its long-term capacity utilisation by concluding a five-year magnetite-handling contract. Activities aimed at improving facility efficiencies in Richards Bay and diversifying into non-fossil fuel commodities are progressing.

Logistics

Seafreight and Intermodal Logistics businesses benefited from the combination of business activities under a streamlined reporting structure, which facilitated integrated service offerings. The business expanded its footprint nationally in Johannesburg, Durban, Cape Town and Port Elizabeth to 600 000m2 to accommodate increased demand.

In Northern Mozambique, Grindrod continues to pursue expansion opportunities following its success in establishing infrastructure to transport graphite flake from Balama to the port of Nacala. Expansion initiatives being developed include the provision of a two-way logistics solutions between Nacala and Malawi, the development of road- and port-related facilities at the Port of Pemba, north of Nacala, and establishing a presence in Palma, the closest port to the LNG exploration activities in the far north of Mozambique.

Röhlig-Grindrod, clearing and forwarding business, reported a substantial increase in earnings on improved efficiencies. Warehouse utilisation continues to improve.

Sturrock Grindrod Maritime, ships agency business, reported a strong performance in its Far East, Australia and Southern Africa business. It continued to extend the agency service offering with the integration of marine technology and engineering.

The Beitbridge-to-Bulawayo concession-holder, NLPI, was negatively affected by the widening discrepancy between US dollar expenditure and Zimbabwe-dollar income. The rolling stock has been complemented by the 24 locomotives recovered from Sierra Leone. Four locomotives were sold and ten remain in Sierra Leone. The leasing business had a good year with high deployment ratios and profitability.

Road transportation businesses retained substantial fuel transportation and auto carrier contracts and are working on operational efficiencies to deliver positive results. Relocation of auto storage facilities from south of Durban to a strategic location on the N3 highway at Camperdown will conclude in the second quarter of this year.

Bank

Grindrod Bank enhanced independence of its board and added new executives as part of its focus on improved governance and transformation. The established niche-business model and resilient historic financial performance were the main drivers in achieving an improved credit rating from Global Credit Rating Company. Treasury grew its deposit base, Capital Markets achieved solid results and Corporate Finance reported modest, but stable, returns in the subdued market. Retail continued its focus to grow the division through adopting specialised service solutions in the platform banking segment.

Sustainability, risk and opportunities

Safety of employees, contractors and visitors is crucial. This is managed through dedicated divisional SHERQ committees, reporting to the social and ethics committees of Grindrod Limited and Grindrod Bank. The addition of safety-enhancing features in trucks was prompted in part by a concerning increase in non-reportable pedestrian fatalities along the 500km road corridor between the Balama Mine and Nacala. Along this route, proactive safety management includes engaging with traffic authorities and the communities to teach children road safety.

Employee development is managed at business-unit level to achieve transformation and B-BBEE targets through recruitment, skills and talent management, retention initiatives, performance management and employee relations, aligned with the divisional business strategy and employment equity commitments. The participation of select employees in management development programmes run by the University of Stellenbosch Business School is yielding positive results.

Work is continuing to reduce Grindrod's impact on the environment. Grindrod's climate-change and environmental Vision 2020 policy has been updated to guide the company towards 2025 with updated targets and metrics, based on the methodology recommended by the Task Force on Climate-related Financial Disclosure.

Grindrod Limited

Provisional reviewed results and dividend announcement for the year ended 31 December 2019

CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2019

	Reviewed 31 December 2019 R000	Reviewed 31 December 2018 R000*
Continuing operations		
Revenue	**3 873 058**	3 466 579
Trading profit	**1 028 573**	871 489
Depreciation and amortisation	**(501 468)**	(462 158)
Operating profit before interest and taxation	**527 105**	409 331
Non-trading items	**(97 353)**	(482 560)
Interest received	**157 343**	246 420
Interest paid	**(299 201)**	(150 596)
Profit before share of joint venture and associate companies' profit	**287 894**	22 595
Share of joint venture companies' profit after taxation	**58 635**	203 616
Share of associate companies' profit after taxation	**9 715**	8 005
Profit before taxation	**356 244**	234 216
Taxation	**9 114**	(180 410)
Profit for the year from continuing operations	**365 358**	53 806
Discontinued operations		
(Loss) / profit after taxation from discontinued operations	**(707 534)**	2 893 165
(Loss) / profit for the year	**(342 176)**	2 946 971
Attributable to:		
Ordinary shareholders	**(407 659)**	2 872 906
From continuing operations	**299 875**	(20 259)
From discontinued operations	**(707 534)**	2 893 165
Preference shareholders	**66 044**	65 682
Owners of the parent	**(341 615)**	2 938 588
Non-controlling interests	**(561)**	8 382
From continuing operations	**(561)**	8 382
	(342 176)	2 946 971

* Represented for the impact of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations and restated for IFRS 10 Consolidated Financial Statements and IFRS 16 Leases. Refer to basis of preparation.

CONDENSED CONSOLIDATED INCOME STATEMENT (CONTINUED)

for the year ended 31 December 2019

		Reviewed 31 December 2019 R000	Reviewed 31 December 2018 R000*
Basic earnings / (loss) per share:	(cents)		
From continuing operations		**44.1**	(2.7)
From discontinued operations*		**(104.0)**	384.8
Total		**(59.9)**	382.1
Diluted earnings / (loss) per share	(cents)		
From continuing operations		**44.0**	(2.7)
From discontinued operations		**(104.0)**	382.2
Total		**(60.0)**	379.5

* Represented for the impact of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations and restated for IFRS 10 Consolidated Financial Statements and IFRS 16 Leases. Refer to basis of preparation.

Grindrod Limited

Provisional reviewed results and dividend announcement for the year ended 31 December 2019

HEADLINE EARNINGS RECONCILIATION

for the year ended 31 December 2019

		Reviewed 31 December 2019 R000	Reviewed 31 December 2018 R000*
Reconciliation of headline earnings			
(Loss) / profit attributable to ordinary shareholders		**(407 659)**	2 872 906
Adjusted for:		**462 952**	(2 082 215)
Impairment of intangibles, property, terminals, machinery, vehicles and equipment		**37 606**	585 813
Net loss / (profit) on disposal of investments		**39 759**	(7 900)
Net profit on disposal of plant, terminals, machinery, vehicles and equipment		**(2 276)**	(75 849)
Gain on bargain purchase		**-**	(17 357)
Foreign currency translation reserve release		**(1 281)**	(173)
Joint ventures and associates:			
Net gain on disposal of plant and equipment		**(2 964)**	(2 758)
Impairment of intangibles, vehicles and equipment		**7 557**	-
Impairment of investments		**156 092**	-
Discontinued operations:			
Net disposal of investments		**(453)**	(188 593)
Impairments of ships, intangibles, vehicles and equipment		**30**	28 486
Loss on re-measurement to fair value less costs to sell		**238 000**	411 488
Foreign currency translation reserve release		**455**	(2 830 332)
Impairment of goodwill		**-**	832
Reversal of impairment of investment		**-**	(2 675)
Net loss on disposal of plant and equipment		**(359)**	(1 919)
Total taxation effects of adjustments		**(9 214)**	18 722
Headline earnings		**55 293**	790 691
Continuing operations		**525 154**	480 239
Discontinued operations		**(469 861)**	310 452
Ordinary share performance			
Number of shares in issue less treasury shares*	(000s)	**680 284**	680 268
Weighted average number of shares (basic)	(000s)	**680 442**	751 877
Diluted weighted average number of shares	(000s)	**681 304**	756 902
Headline earnings per share from continuing operations:	(cents)		
Basic		**77.2**	63.9
Diluted		**77.1**	63.5
Headline (loss) / earnings per share from discontinued operations		**(69.1)**	41.3
Dividends per share - interim	(cents)	**5.0**	-
Dividends per share - final	(cents)	**14.2**	14.6
Dividend cover (headline)**	(times)	**4.0**	4.0

* In the prior year, 8.7 million shares were bought back and 64.0 million shares treated as treasury shares following consolidation of the B-BBEE consortium entity.

** In 2018, dividend cover was based on second-half earnings from continuing operations.

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2019

	Reviewed 31 December 2019 R000	Reviewed 31 December 2018 R000*
(Loss) / profit for the year	**(342 176)**	2 946 971
Other comprehensive (loss) / income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	**(83 031)**	855 396
Net movement in cash flow hedges	**-**	186
Items that will not be subsequently reclassified to profit or loss		
Actuarial (losses) / gains**	**(10 327)**	(17 850)
Fair value gain / (loss) arising on available-for-sale instruments**	**4 773**	1 755
Total comprehensive (loss) / income for the year	**(430 761)**	3 786 457
Total comprehensive (loss) / income attributable to:		
Owners of the parent	**(428 852)**	3 776 104
Non-controlling interests	**(1 909)**	10 353
	(430 761)	3 786 457

* Represented for the impact of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, and restated IFRS 10 Consolidated Financial Statements and IFRS 16 Leases. Refer to basis of preparation.

** Net of taxation

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2019

	Reviewed 31 December 2019 R000	Reviewed 31 December 2018 R000*	Reviewed 31 December 2017 R000*
Property, terminals, machinery, vehicles, equipment and right-of-use assets	**2 962 141**	2 758 842	2 523 854
Intangible assets	**772 862**	701 975	710 909
Investments in joint ventures	**2 348 144**	2 776 105	2 347 978
Investments in associates	**92 916**	970 814	867 154
Deferred taxation	**98 910**	60 945	59 313
Loans and advances	**5 252 068**	3 426 694	4 041 022
Preference shares linked to participatory contributions	**1 127 444**	1 041 000	1 335 473
Other investments and investment property	**2 393 689**	1 873 787	2 389 218
Total non-current assets	**15 048 174**	13 610 162	14 274 921
Loans and advances	**3 178 791**	4 570 411	3 108 176
Liquid assets and short-term negotiable securities	**2 478 941**	2 825 285	1 730 384
Bank balances and cash	**4 729 850**	4 077 056	8 978 133
Other current assets**	**1 503 726**	2 193 217	2 464 616
Total current assets	**11 891 308**	13 665 969	16 281 309
Non-current assets held for sale	**985 892**	298 349	8 445 383
Total assets	**27 925 374**	27 574 480	39 001 613
Shareholders' equity	**8 808 254**	9 430 628	13 955 235
Non-controlling interests	**(71 653)**	52 280	39 094
Total equity	**8 736 601**	9 482 908	13 994 329
Interest-bearing borrowings	**994 081**	1 317 320	1 123 841
Financial Services funding instruments	**1 356 936**	704 181	230 660
Deferred taxation	**136 296**	221 415	240 869
Deposits from Bank customers	**352 757**	340 159	78 297
Participatory contribution	**1 724 276**	1 714 124	1 891 459
Other non-current liabilities***	**56 228**	62 459	66 199
Total non-current liabilities	**4 620 574**	4 359 658	3 631 325
Deposits from Bank customers	**10 827 608**	10 166 245	14 562 066
Current interest-bearing borrowings	**1 626 044**	1 828 906	584 289
Current Financial Services funding instruments	**551 217**	158 895	638 953
Other liabilities****	**1 563 330**	1 509 248	1 298 439
Total current liabilities	**14 568 199**	13 663 294	17 083 747
Non-current liabilities associated with assets held for sale	**-**	68 620	4 292 212
Total equity and liabilities	**27 925 374**	27 574 480	39 001 613
Net worth per ordinary share − at book value (cents)	**1 175**	1 285	1 763
Net debt / (cash) : equity ratio	**0.00:1**	(0.04):1	(0.05):1
Capital expenditure	**455 511**	678 683	389 472

* Represented for the impact of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations and restated for IFRS 10 Consolidated Financial Statements and IFRS 16 Leases. Refer to the basis of preparation.

** Other current assets include inventory, trade and other receivables and taxation

*** Other non-current liabilities include financial liabilities, post-retirement medical aid provisions and other provisions

**** Other current liabilities include trade and other payables, taxation and dividends payable

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2019

	Reviewed 31 December 2019 R000	Reviewed 31 December 2018 R000*
Operating profit from continuing operations	**527 105**	409 331
Operating profit from discontinued operations	**-**	225 975
Non-cash adjustments	**391 698**	266 812
Operating profit before working capital changes	**918 803**	902 118
Working capital changes	**100 359**	119 498
Cash generated from operations	**1 019 162**	1 021 616
Net interest paid	**(103 162)**	(43 392)
Net dividends (paid) / received	**(134 386)**	30 624
Taxation paid	**(122 861)**	(204 223)
	658 753	804 625
Net deposits from / (advances to) customers and other short-term negotiables	**73 878**	(6 082 522)
Capital expenditure on ships	**-**	(242 244)
Net cash flows generated from / (utilised in) operating activities	**732 631**	(5 520 141)
Net movement in acquisition of property, terminals, machinery, intangible assets, vehicles and equipment	**(139 459)**	(202 185)
Net movement in acquisition of investments	**(130 187)**	571 443
Net movement on disposal of non-current assets held for sale	**305 331**	(486 872)
Funds (advanced to) / repaid by joint venture and associate companies	**(29 961)**	216 815
Net cash flows utilised in investing activities	**5 724**	99 201
Acquisition of treasury shares	**(2 737)**	(57 953)
Net movement in long-term funding	**(604 961)**	(601 501)
Net cash flows generated / (utilised) in financing activities	**(607 698)**	(659 454)
Net increase / (decrease) in cash and cash equivalents	**130 657**	(6 080 394)
Cash and cash equivalents at the beginning of the year	**3 639 236**	9 566 240
Difference arising on translation	**(11 134)**	153 390
Cash and cash equivalents at the end of the year	**3 758 759**	3 639 236

* Represented for the impact of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, and restated IFRS 10 Consolidated Financial Statements and IFRS 16 Leases. Refer to basis of preparation.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	Reviewed 31 December 2019 R000	Reviewed 31 December 2018* R000
Ordinary and preference share capital and share premium	**3 982 066**	3 977 456
Balance at the beginning of the year	**3 977 456**	5 992 756
Share options vested	**7 347**	20 615
Return of share capital	**-**	(1 584 362)
Adjustment arising on consolidated of B-BBEE structure	**-**	(393 600)
Treasury shares acquired	**(2 737)**	(57 953)
Equity compensation reserve	**56 471**	54 991
Balance at beginning of the year	**54 991**	58 364
Share-based payments	**8 827**	18 990
Share options vested	**(7 347)**	(20 615)
Balance disposed on Shipping spin-off	**-**	(1 748)
Foreign currency translation reserve	**1 448 588**	1 529 560
Balance at the beginning of the year	**1 529 560**	3 505 281
Foreign currency translation realised	**1 281**	(2 830 505)
Foreign currency translation adjustments	**(82 253)**	854 784
Other non-distributable statutory reserves	**(43 068)**	(43 637)
Balance at the beginning of the year	**(43 637)**	(43 566)
Foreign currency translation adjustments	**569**	(1 355)
Financial instrument hedge settlement	**-**	186
Fair value adjustment on hedging reserve	**-**	14 068
Business combination acquisition	**(22 265)**	-
Business combination disposal	**22 265**	(12 970)
Accumulated profit	**3 364 197**	3 912 258
Balance at the beginning of the year	**3 912 258**	4 442 400
Transitional provision – implementation of IFRS 9 and 15	**-**	(33 217)
Other comprehensive income from available for sale financial instruments	**4 773**	1 755
Adjustment arising on consolidation of B–BBEE structure	**-**	(696 650)
Actuarial losses recognised	**(10 327)**	(17 850)
(Loss) / profit for the period	**(341 615)**	2 938 588
Ordinary dividends paid**	**(134 848)**	(2 657 086)
Preference dividends paid***	**(66 044)**	(65 682)
Total interest of shareholders of the company	**8 808 254**	9 430 628
Equity attributable to non-controlling interests of the company	**(71 653)**	52 280
Balance at the beginning of the year	**52 280**	39 094
Foreign currency translation adjustments	**(1 347)**	1 967
Non-controlling interest acquired	**(117 207)**	7 505
(Loss) / profit for the period	**(561)**	8 386
Ordinary dividends paid	**(4 818)**	(4 672)
Total equity attributable to all shareholders of the company	**8 736 601**	9 482 908

* Represented for the impact of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations and restated for IFRS 10 Consolidated Financial Statements
and IFRS 16 Leases. Refer to basis of preparation.

** In the prior year, 8.7 million shares were brought back by the group and 64.0 million shares were treated as treasury shares following consolidation of the B-BBEE structure.

*** In the prior year, dividend cover was based on second-half earnings.

SEGMENTAL ANALYSIS FOR CONTINUING OPERATIONS

for the year ended 31 December 2019

	Reviewed 31 December 2019 R000	Reviewed 31 December 2018* R000
Revenue		
Port and Terminals	**1 151 844**	925 479
Logistics	**3 272 575**	2 858 613
Bank	**388 925**	565 555
Group	**119 077**	166 435
	4 932 421	4 516 082
Segmental adjustments**	**(1 059 363)**	(1 049 503)
	3 873 058	3 466 579
Trading profit		
Port and Terminals	**458 316**	305 748
Logistics	**854 716**	820 491
Bank	**94 164**	183 464
Group	**55 752**	166 892
	1 462 948	1 476 595
Segmental adjustments**	**(434 375)**	(605 106)
	1 028 573	871 489
Operating profit / (loss) before interest and taxation		
Port and Terminals	**329 318**	182 558
Logistics	**345 484**	347 544
Bank	**80 106**	168 597
Group	**28 068**	123 691
	782 976	822 390
Segmental adjustments**	**(255 871)**	(413 059)
	527 105	409 331
Share of associate companies' profit / (loss) after taxation		
Port and Terminals	**71 535**	62 059
Logistics	**(186)**	1 331
	71 349	63 390
Segmental adjustments**	**(61 634)**	(55 385)
	9 715	8 005
Profit / (loss) attributable to ordinary shareholders		
Port and Terminals	**175 235**	139 562
Logistics	**133 694**	(508 171)
Bank	**83 407**	110 592
Group	**(92 461)**	237 758
	299 875	(20 259)
Segmental adjustments**	**-**	-
	299 875	(20 259)

* Represented for the impact of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations and restated for IFRS10 Consolidated Financial Statements and IFRS 16 Leases. Refer to basis of preparation.

** For segment reporting, investments in joint ventures are accounted for using proportionate consolidation whereby effective share of the Group's ownership is applied to each line item above. In the consolidated annual financial statements (IFRS presentation), investments in joint ventures are equity accounted. Segmental adjustments relate to effects of proportionate consolidation to reconcile to IFRS presentation.

CONDENSED INCOME STATEMENT FOR DISCONTINUED OPERATIONS

for the year ended 31 December 2019

	Reviewed 31 December 2019 R000	Reviewed 31 December 2018* R000
Revenue	**-**	1 881 548
Trading profit	**-**	225 975
Depreciation and amortisation	**-**	-
Operating profit before interest and taxation	**-**	225 975
Non-trading items	**(492 131)**	3 005 952
Loss on re-measurement to fair value less costs to sell	**(238 000)**	(431 032)
Interest received	**-**	24 841
Interest paid	**-**	(68 965)
(Loss) / profit before share of joint venture and associate companies' (loss) / profit	**(730 131)**	2 756 771
Share of joint venture companies' profit after taxation	**8 132**	37 657
Share of associate companies' profit after taxation	**14 465**	122 641
(Loss) / profit before taxation	**(707 534)**	2 917 069
Taxation	**-**	(23 904)
(Loss) / profit for the year	**(707 534)**	2 893 165
Attributable to:		
Owners of the parent	**(707 534)**	2 893 165
Non-controlling interests	**-**	-
	(707 534)	2 893 165

* Represented for the impact of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations and restated for IFRS 10 Consolidated Financial Statements and IFRS 16 Leases. Refer to the basis of preparation.

NOTES TO FINANCIAL STATEMENTS

1. FOREIGN CURRENCY DENOMINATED ITEMS

for the year ended 31 December 2019

The statement of financial position is translated at the closing rate of exchange indicated below and the income statement is translated at the average exchange rate.

Exchange rates (ZAR / US$)

Opening exchange rate	**14.38**	12.39
Closing exchange rate	**14.00**	14.38
Average exchange rate	**14.46**	13.23

2. REVENUE

for the year ended 31 December 2019

	Reviewed 31 December 2019	Reviewed 31 December 2018*
Revenue category		
Bulk terminals	**500 357**	400 528
Container handling	**1 376 078**	1 195 215
Logistics and rail services	**972 365**	850 070
Net interest income of Bank	**118 404**	262 072
Fee income of Bank	**270 522**	196 773
Ship agency income	**381 973**	301 901
Other services	**253 359**	260 020
	3 873 058	3 466 579

* Represented for the impact of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations and restated for IFRS 10 Consolidated Financial Statements. Refer to the basis of preparation.

3. PREFERENCE SHARES TO BANK CUSTOMERS – LINKED TO PARTICIPATORY CONTRIBUTIONS

for the year ended 31 December 2019

	Reviewed 31 December 2019	Reviewed 31 December 2018*
Preference share assets	**1 127 444**	1 041 000
Participatory contributions	**(1 724 276)**	(1 714 124)

Grindrod Investment Trust (GIT) and Grindrod Preference Share Investment Trust (GPSIT) identify investment opportunities in cumulative preference shares from a limited pool of credit suitable issuers. Potential investors are then approached, and these investment opportunities offered to them. The trusts enter into a participation agreement with the investors, who also become the vested beneficiaries of the trusts, in respect of the specific preference share identified, i.e. the preference share is earmarked to each specific investor. As a result of the capital contributions made by the investors to the trusts in respect of the specific preference share, the investors have an irrevocable right, title and interest in and to the cashflows arising from the underlying preference shares held by the trusts. In addition, the participating investors only receive cashflows from the trusts if the trusts receive cashflows from the preference share assets. The investors in the trusts carry the credit and investment risk of the preference shares. Grindrod has no credit obligation to compensate the investors should the underlying preference shares default. Further details are provided in the basis of preparation.

4. FAIR VALUE CLASSIFICATION

for the year ended 31 December 2019

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable or based on observable inputs:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Levels 2 and 3 fair values were determined by applying either a combination of, or one of the following, valuation techniques:

- Projected unit method; and / or
- Market value; and / or
- The net asset value of the underlying investments; and / or
- A price earnings multiple or a discounted projected income / present value approach; and / or
- Market-related interest rate yield curves to discount expected future cash flows; and / or
- Any additional revenue arrangements valued per the specified arrangement based on the specified underlying asset. The specified underlying assets include property and unlisted investments supported by management valuation.

The fair value measurement based on income approach valuation uses key inputs that are not observable in the market. Key inputs used in the valuation include discount rates and future profit assumptions based on historical performance but adjusted for expected growth. Management reassesses the earnings or yield multiples at least annually based on their assessment of the macro- and micro-economic environments.

	2019					
			Fair value			
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Amortised cost**	**Other non-financial instruments**
Financial instruments						
Cash and cash equivalents	**4 729 850**	**-**	**-**	**-**	**4 729 850**	**-**
Other investments	**2 302 071**	**178 437**	**132 211**	**1 679 685**	**311 738**	**-**
Preference shares linked to participatory contributions	**1 127 444**	**-**	**-**	**-**	**1 127 444**	**-**
Loans and advances*	**8 430 859**	**-**	**810 568**	**2 666 744**	**4 953 547**	**-**
Trade and other receivables	**1 357 062**	**-**	**-**	**-**	**1 167 226**	**189 836**
Borrowings	**(4 528 278)**	**-**	**-**	**-**	**(4 528 278)**	**-**
Derivative financial liabilities	**(23 422)**	**-**	**(23 422)**	**-**	**-**	**-**
Trade and other payables	**(1 479 487)**	**-**	**-**	**-**	**(1 227 914)**	**(251 573)**
Participatory contributions	**(1 724 276)**	**-**	**-**	**-**	**(1 724 276)**	**-**
Deposits from bank customers	**(11 180 365)**	**-**	**-**	**-**	**(11 180 365)**	**-**
Non-Financial instruments						
Investment property	**91 618**	**-**	**-**	**91 618**	**-**	**-**
Provision for post-retirement medical aid	**(22 724)**	**-**	**(22 724)**	**-**	**-**	**-**
Provisions	**(10 083)**	**-**	**(10 083)**	**-**	**-**	**-**
Total		**178 437**	**886 550**	**4 438 047**	**(6 371 028)**	**(61 737)**

*Current year includes reallocations from amortised cost to level 3 as detailed in the level 3 reconciliation below

	2018					
			Fair value			
	Carrying value	Level 1	Level 2	Level 3	Amortised cost	Other non-financial instruments
Financial instruments						
Cash and cash equivalents	4 077 056	-	-	-	4 077 056	-
Other investments	1 753 674	138 629	134 230	1 176 723	304 092	-
Preference shares linked to participatory contributions	1 041 000	-	-	-	1 041 000	-
Loans and advances	7 997 105	-	796 918	1 703 184	5 497 003	-
Trade and other receivables	2 025 413	-	-	303 796	1 581 815	139 802
Borrowings	(4 706 990)	-	-	-	(4 706 990)	-
Derivative financial liabilities	(7 911)	-	(7 911)	-	-	-
Trade and other payables	(1 407 495)	-	-	-	(1 058 391)	(349 104)
Participatory contributions	(1 714 124)	-	-	-	(1 714 124)	-
Deposits from bank customers	(10 506 404)	-	-	-	(10 506 404)	-
Non -Financial instruments						
Investment property	120 113	-		120 113	-	-
Provision for post-retirement medical aid	(25 510)	-	(25 510)	-	-	-
Provisions	(29 038)	-	(29 038)	-	-	-
Total		138 629	868 689	3 303 816	(5 484 943)	(209 302)

Fair value gains recognised in the condensed consolidated income statement and condensed consolidated statement of other comprehensive income for Level 3 financial instruments were R243.4 million (2018: R374.8 million).

Reconciliation of level 3 fair value measurement

	Reviewed 31 December 2019 R000	Reviewed 31 December 2018 R000
Opening balance	**3 303 516**	1 427 617
IFRS 9 implementation	**-**	1 388 959
Transfers	**407 607**	209 328
Purchases	**1 221 173**	174 102
Settlements	**(666 136)**	(271 290)
IFRS 10 eliminations	**(71 557)**	-
Total gains recognised / (losses) in		
– Condensed consolidated statement of other comprehensive income	**4 434**	(2 734)
– Condensed consolidated income statement	**239 011**	377 534
Closing balance	**4 438 048**	3 303 516

In the current year, the group reassessed all its loans and advances taking into account acquisition of profit share components and the realisable value of the loan together with the recoverability of Grindrod's investment in the underlying entities. As a result, these loans were considered to be fair value loans and reclassified from loans and advances to level 3 fair valued loans.

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements for material investments:

Material investment	**Fair value at 31 December 2019 (R000)**	Fair value at 31 December 2018 (R000)	**Valuation method**	**Unobservable inputs**	**Range of inputs**	**Relationship of unobservable inputs to fair value**
Private equity	**251 707**	229 091	Net asset value	Based on net asset value	Based on net asset value	Based on net asset value
Medical	**225 591**	217 166	Discounted cash flow	Perpetuity Growth Discount rate	• 6.5% - 7.5% • 12.6% - 13.6%	Increase perpetuity growth to 7.5% and increased WACC to 13.63% would decrease FV to R219 374 Decrease perpetuity growth to 6.5% and decreased WACC to 12.63% would increase FV to R231 835

Material investment	Fair value at 31 December 2019 (R000)	Fair value at 31 December 2018 (R000)	Valuation method	Unobservable inputs	• Range of inputs	Relationship of unobservable inputs to fair value
Asset financing	**175 818**	95 822	Multiple approach	PE Multiple	• 7.3x - 9.3x	Increased PE multiple to 9.3x would increase FV to R185 142 Decreased PE multiple to 7.3x would decrease FV to R166 494
Asset financing	**60 662**	24 198	Net asset value	Based on net asset value	Based on net asset value	Based on net asset value
North coast property loans	**1 420 730**	1 178 101	Underlying security valuation	Discount rate Growth rate	Per expert valuation	Independent valuations range between R1.9 million and R3.3 million for the combined properties
Loans and advances	**1 151 241**	1 672 857	These assets are fair valued at year end using the combined value of: • The loan, valued by using year end market sourced interest rate yield curves to discount expected future cash flows; • The additional revenue arrangement, valued per the specified arrangement and based on the specified underlying asset The specified underlying assets include: • property, supported by a professional valuation; and • unlisted investments, supported by a valuation using either the net asset value of the underlying investment, a price earnings multiple or a discounted projected income/present value approach.			

Valuation process

The group's finance and corporate finance teams perform valuations on certain assets which are required for financial reporting purposes. The valuation input, assumptions, methodology and outputs are then challenged and debated with the Group Financial Director prior to approval. Teams present their valuations to the Chief Financial Officer (CFO) who interrogates the methodology used and the assumptions applied in the valuations. Discussions of valuation processes and results are held between the CFO and the respective teams at least once every six months, in line with the group's half-yearly reporting periods. Any resulting adjustments to the carrying value will follow the internal approval process. North coast properties, being security on the lending, are assessed by an independent valuation professional.

The main level three inputs used by the group in measuring the fair value of financial instruments are:

- Discount rates: these are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risks adjustments: these are specific to the counterparties (including assumptions about credit default rates) and are derived from the market assumptions on the operational environment and other factors affecting the investment
- Earnings growth factor for unlisted investments: these are estimated based on market information for similar types of companies or historical growth patterns

5. RELATED PARTY TRANSACTIONS

for the year ended 31 December 2019

During each year, the group, in the ordinary course of business, enters into various transactions with related parties. Parties are related if one party has the ability to control or exercise significant influence over the other party in making financial and operating decisions. These transactions are entered into under terms that are no more or less favourable than those entered into with the external third parties.

Below is a list of significant related party transactions and balances for each year:

	Nature of relationship	**Reviewed 31 December 2019 R000**	Reviewed 31 December 2018 R000
Goods and services sold to:			
Vitol Shipping Singapore Private Limited	Joint venture	**-**	58 282
Guarantee Fee income	Associates	**18 580**	18 104
Interest earned on loans to associates	Associates	**207 868**	162 641
Goods and services purchased from:			
Cockett Marine Oil Private Limited	Joint venture	**(123 216)**	(318 368)
Amounts due from related party:			
Cockett Marine Oil Private Limited	Joint venture	**1 823**	512 888
GPR Leasing Africa	Joint venture	**145 581**	153 517
Loans to associates	Associates	**1 994 864**	2 245 360
Property owning entities		**526 139**	651 378
Investment entities		**517 272**	635 674
Private equity portfolio		**951 453**	958 308
Directors (directly or indirectly)	Directors and key officers	**4 610**	4 797
Interests held by directors:	**Equity investment in:**	**%held**	**%held**
D Polkinghorne	Indirect shareholding in various Grindrod entities	**<2%**	<2%
D Polkinghorne	Direct shareholding in SIRE (UK)	**<2%**	<2%
Various directors	Grindrod Limited ordinary and preference shares	**0.10**	0.10

6. CONTINGENT ASSETS/ LIABILITIES

for the year ended 31 December 2019

The group guaranteed loans and facilities of subsidiaries and joint ventures amounting to R3 192.1 million (December 2018: R3 920.8 million) of which R2 180.4 million (December 2018: R1 223.4 million) had been utilised at the end of the period.

Due to the significant restructuring, sale and disposal processes over the last few years, there are potential legal and compliance risks, which may result in potential exposures.

7. CAPITAL EXPENDITURE AND COMMITMENTS

	Capital expenditure	Capital commitments				Split as follows
Rmillion	**2019**	2020	2021	2022	Approved not contracted	Approved and contracted
Continuing operations	**456**	360	3	7	206	156
Port and Terminals	**98**	102	-	-	102	-
Logistics	**356**	258	3	7	104	156
Bank	**2**	-	-	-	-	-
Split as follows:						
Subsidiaries	**388**	360	3	-	206	156
Joint ventures	**68**	-	-	-	-	-

Total capital and investment expenditure were R456.0 million (2018: R176.0 million), of which 73% was expansionary and the balance maintenance or replacement capital expenditure.

	December 2019 R000	December 2018 R000
Capital commitments	**362 404**	447 264
Authorised by directors and contracted for – due within one year	**156 194**	19 202
Authorised by directors not yet contracted for	**206 210**	428 062

8. CASH FLOW AND BORROWINGS

The financial position reflects net debt of R69.0 million (December 2018: R130.5 million net cash). The group generated operating profit before working capital cash flows of R918.8 million (December 2018: R902.1 million) during the year. Working capital contributed to a net inflow of R100.4 million (December 2018: R119.5 million net inflow).

9. STATEMENT OF FINANCIAL POSITION

With total assets of R27 925.4 million (December 2018: R27 574.5 million) and nil gearing, the group's financial position remains good. Book net asset value per share is 1 175 cents (December 2019: 1 285 cents).

Shareholders' equity decreased to R8 736.6 million (December 2018: R9 482.9 million) mainly as a result of a losses incurred in the current year. The decrease of R81.0 million to the foreign currency translation reserve was due to the strengthening of the ZAR / US$ exchange rate from R14.38 / US$ in December 2018 to R14.00 / US$ in December 2019. Ordinary shares in issue remained unchanged at 762 553 314 shares including the B-BBEE shares of 64 million.

10. BUSINESS COMBINATIONS

Acquisition of subsidiaries:

During the year, and following IFRS 10 control assessment of its investments, the group controls the following entities and as a result is required to account for them as acquisition in terms of IFRS 3: Business Combination. Investment in these businesses were previously held as part of the group's private equity book and accounted for at fair value. The initial accounting of these acquisitions has only been provisionally determined at the end of the reporting period.

Company acquired	Nature of business	Percentage acquired	Date acquired	**Purchase consideration**
Innovative Strategic Investments 1 (Pty) Limited	Corporate branding and signage	49%	1 July 2019	**-**
Loniwiz RF (Pty) Limited	Investment holding	33%	31 December 2019	**-**

Reasons for the consolidation:

During the current year, the group supported private equity investments with financial assistance, debt restructuring, appointment of key personnel and other activities. The level of involvement by Grindrod necessitated an assessment of control over these entities in terms of IFRS 10 Consolidated Financial Statements. IFRS 10 requires an entity to determine if an investor has control over an investee based on various factors and not only the equity ownership. The level of influence created by Grindrod due to financial and operational assistance resulted in control over the entities.

Impact of the acquisition on the results of the group:

From the dates of their acquisition, the acquired businesses contributed losses of R5.0 million and revenue of R68.2 million.

Net assets acquired	**Acquiree's carrying amount before combination at fair value R000**
Property, terminals, machinery, vehicles and equipment	**59 466**
Inventory	**23 796**
Trade and other receivables	**20 897**
Non-controlling interests	**139 475**
Cash and bank	**1 999**
Other investments	**60 281**
Loans and advances	**(60 247)**
Long-term debt	**(244 598)**
Current liabilities	**(80 672)**
Other liabilities	**(2 409)**
Total	**(82 012)**
Goodwill	**82 012**
Total purchase consideration	**-**

11. BASIS OF PREPARATION

The reviewed condensed consolidated financial statements have been prepared in accordance with the Framework concepts recognition and measurement criteria of IFRS and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and as a minimum, contain the information required by IAS 34 Interim Financial Reporting, and comply with the Listings Requirements of the JSE Limited applicable to provisional reports and the Companies Act of South Africa requirements applicable to condensed financial statements.

Financial results for 2018 have been represented for the following:

- The intended disposal of the Marine Fuel and Agricultural logistics, and continuation of the Rail leasing business in accordance with the provisions of the IFRS 5: Non-current Assets Held for Sale and Discontinued Operations.

Financial results for 2018 have been restated for the following:

- The adoption of IFRS 16 Leases in the current year using a retrospective approach. The restatement resulted in the recognition of right of use assets and corresponding lease liabilities for all open leases in 2018 and 2019 which are longer than a year. The major make-up of the right of use assets for the group relate to port concessions, vessel charters and leased facilities. This change in accounting policy is detailed below.
- Two trusts, Grindrod Investment Trust (GIT) and Grindrod Preference Share Investment Trust (GPSIT), were assessed as controlled by Grindrod Bank Limited in terms of IFRS 10: Consolidated Financial Statements due to Grindrod Bank's ability to appoint trustees, share in the residual value of the trusts and the fact that the trusts own the preference shares. The investors in the trusts carry the credit risk of the preference shares and do not have the ability to appoint or remove the asset manager. This prior period error has been rectified as indicated below.
- The group's United Kingdom property portfolio was assessed as controlled by the group in terms of IFRS 10: Consolidated Financial Statements. The portfolio was previously recognised as an investment in associate, resulting in a classification error between investments in associates and other statement of financial position balances.
- Grindrod Bank accounts for certain fee income over the life of the financial instrument in accordance with IFRS 9. This fee receivable was erroneously disclosed separately in other assets instead of being capitalised to the financial instrument and disclosed under loans and advances. This only impacted the 2018 condensed consolidated statement of financial position by R241 million between loans and advances and receivables. In addition the loan and advances and deposits to bank customers was split between current and long term portion in the balance sheet.

The impact of the above restatements and representations are as follows:

Continuing Operations	Earnings R000	Headline earnings R000	EPS (cents)	HEPS (cents)
December 2018 results previously reported	803 411	716 574	106.9	95.3
IFRS 5 – Rail Leasing business continuing	(609 992)	(46 533)	(81.1)	(6.2)
IFRS 5 – Marine Fuel and Agricultural investments	(148 689)	(124 813)	(19.9)	(16.6)
IFRS 10 – Consolidation of GIT, GPSIT and UK property	-	-	-	-
IFRS 16 – Effect of leases	(64 989)	(64 989)	(8.6)	(8.6)
December 2018 represented and restated results	(20 259)	480 239	(2.7)	63.9

Discontinued Operations	Earnings R000	Headline earnings R000	EPS (cents)	HEPS (cents)
December 2018 results previously reported	2 041 870	(250 371)	271.6	(33.3)
IFRS 5 – Rail Leasing business continuing	609 992	46 533	81.1	6.2
IFRS 5 – Marine Fuel and Agricultural investments	148 689	124 814	19.9	16.7
IFRS 10 – Consolidation of GIT, GPSIT and UK property	-	-	-	-
IFRS 16 – Effect of leases	92 614	389 478	12.2	51.8
December 2018 represented and restated results	2 893 165	310 454	384.8	41.3

IFRS 16 amended the existing accounting standards to require lessees to recognise, on a discounted basis, the rights and obligations created by the commitment to lease assets on the statement of financial position, unless the term of the lease is less than 12 months or of low value. Accordingly, the standard resulted in the recognition of right of use assets and corresponding liabilities on the basis of the discounted remaining future minimum lease payments relating to existing and new time chartered-in vessel commitments; rental agreements relating to office and residential properties that were previously reported as operating leases and long-term port and terminal concession, mainly in Mozambique, adjusted for prepayments and accrued lease payments.

The group transitioned to IFRS 16 in accordance with the full retrospective approach on 01 January 2018 as detailed below. Comparatives for the 2018 financial year have been restated. Lease expenses will no longer be recorded in operating profits but have been replaced by depreciation and interest expenses.

The weighted average incremental borrowing rates applied was based on the US dollar London Inter-bank Offered Rate (LIBOR) or prime rates of interest adjusted for risk factors. All right of use assets will be depreciated on a straight-line basis over the term of each lease.

The consolidation of two trusts, Grindrod Investment Trust (GIT) and Grindrod Preference Share Investment Trust (GPSIT), were assessed as controlled by Grindrod Bank Limited in terms of IFRS 10: Consolidated Financial Statements due to Grindrod Bank's ability to appoint trustees, share in the residual value of the trusts and the fact that the trusts own the preference shares. The group's United Kingdom property portfolio was assessed as controlled by the group in terms of IFRS 10: Consolidated Financial Statements. The portfolio was previously recognised as an investment in associate, resulting in a classification error between investments in associates and other statement of financial position balances.

The impact on the Statement of Financial Position as at 01 January 2018 (date of initial application) for IFRS 16 and the consolidation of the trusts are as follows:

	Previously reported as at 31 December 2017 R000	Adoption of IFRS 16 R000	Consolidation R000	Classification R000	Adjusted balance at 01 January 2018 R000
Property, terminals, machinery, vehicles, equipment and right-of-use assets	1 478 003	1 045 851	-	-	2 523 854
Intangible assets	710 909	-	-	-	710 909
Investment in joint ventures and associates	3 320 450	(105 318)	-	-	3 215 132
Other investments	2 389 218	-	-	-	2 389 218
Preference shares to Bank customers – linked to participatory contributions	-		1 335 473		1 335 473
Loans and advances - non current	-	-	-	4 041 022	4 041 022
Deferred taxation	59 313	-	-	-	59 313
Total non-current assets	**7 957 893**	**940 533**	**1 335 473**	**4 041 022**	**14 274 921**
Loans and advances - current	7 149 198	-	-	(4 041 022)	3 108 176
Liquid assets and short-term negotiable assets	1 763 875	-	(33 491)	-	1 730 384
Trade and other receivables	2 466 331	-	(1 715)	-	2 464 616
Bank and cash	8 970 274	-	7 859	-	8 978 133
Non-current assets held for sale	6 641 399	1 803 984	-	-	8 445 383
Total assets	**34 948 970**	**2 744 517**	**1 308 126**	**-**	**39 001 613**
Shareholders' equity	(14 152 823)	197 588	-	-	13 955 235
Non-controlling interests	(44 659)	5 565	-	-	39 094
Total equity	**(14 197 482)**	**203 153**	**-**	**-**	**(13 994 329)**
Interest-bearing borrowings	(295 429)	(828 412)	-	-	(1 123 841)
Financial Services funding instruments	(720 137)	-	489 477	-	(230 660)
Deferred taxation	(244 655)	3 786	-		(240 869)
Deposits from Bank customers – non current	-			(78 297)	(78 297)
Participatory contributions	-	-	(1 891 459)		(1 891 459)
Other non-current liabilities	(66 199)	-	-	-	(66 199)
Total non-current liabilities	**(1 326 420)**	**(824 626)**	**(1 401 982)**	**(78 297)**	**(3 631 325)**
Deposits from Bank customers	(14 640 363)	-		78 297	(14 562 066)
Current interest-bearing borrowings	(349 881)	(234 408)	-	-	(584 289)
Financial Services funding instruments	(738 953)	-	100 000	-	(638 953)
Other liabilities	(1 300 360)	8 065	(6 144)	-	(1 298 439)
Non-current liabilities associated with assets held for sale	(2 395 511)	(1 896 701)	-	-	(4 292 212)
Total equity and liabilities	**(34 948 970)**	**(2 744 517)**	**(1 308 126)**	**-**	**(39 001 613)**

	Previously reported as at 31 December 2017 R000	Adoption of IFRS 16 R000	Consolidation R000	Classification R000	Adjusted balance at 01 January 2018 R000
Impact on 2018 cash flow statement					
Cash flow statement:					
Net cash flows from operating activities	(6 081 518)	573 592	(12 215)	-	(5 520 141)
Net cash flows from investing activities	(448 564)	-	547 765	-	99 201
Net cash flows from financing activities	197 558	(573 592)	(283 420)	-	(659 454)
Net increase / (decrease) in cash and cash equivalents	(6 332 524)	-	252 129	-	(6 080 395)

These condensed consolidated financial statements have been prepared under the supervision of XF Mbambo, CA (SA) and were approved by the board of directors on 03 March 2020, on the recommendation of the audit committee.

Accounting policies

The accounting policies adopted, and methods of computation used in the preparation of the reviewed provisional consolidated financial statements are in terms of IFRS and are consistent with those of the annual financial statements for the year ended 31 December 2018, except for the implementation of IFRS 16 Leases as detailed above. Non-trading items are items that are usually capital in nature or not of an operational nature and are guided by the normal operations of the company. In most cases non-trading items are those items excluded in accordance with the South African Institute of Chartered Accountants (SAICA) Circular 1/2019.

Review conclusion

These condensed consolidated financial statements for the year ended 31 December 2019 have been reviewed by Deloitte & Touche, who issued an unmodified review conclusion report thereon. The copies of the reviewer's report on the reviewed condensed consolidated financial statements are available for inspection at the company's registered office, together with the condensed consolidated financial statements identified in the reviewer's report.

Deloitte & Touche has not reviewed or audited future financial performance and expectations expressed by the directors included in the commentary in the condensed consolidated financial statements and accordingly do not issue a review conclusion or express an opinion thereon. The reviewer's report does not necessarily report on all of the information contained in the condensed consolidated financial statements. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the reviewer's engagement, they should obtain a copy of the reviewer's report together with the accompanying financial information from the company's registered office.

12. POST BALANCE SHEET EVENTS

There are no material post balance sheet events to report.

PROSPECTS

Thanks to the concerted efforts and hard work of the board, management and employees, it was a positive year for Grindrod's continuing operations. The entire team is focused on achieving the objectives contained in the revised business strategy over the next three years. It is a great privilege to lead a team of remarkable people focused on restoring shareholder value.

AG Waller	MJ Hankinson
Chief Executive Officer	Chairman
03 March 2020	03 March 2020

DECLARATION OF FINAL DIVIDEND

Ordinary dividend

Notice is hereby given that a final gross dividend of 14.2 cents has been declared out of income reserves for the year ended 31 December 2019 (2018: 14.6 cents final dividend declared). The final net dividend is 11.36 cents per share for ordinary shareholders who are not exempt from dividends tax.

At the date of this announcement, there were 762 553 314 issued ordinary shares.

Preference dividend

Notice is hereby given that a final gross dividend of 445.0 cents per cumulative, non-redeemable, non-participating and non-convertible preference share (2018: 446.0 cents) has been declared out of income reserves for the year ended 31 December 2019, payable to preference shareholders in accordance with the timetable below.

At the date of this announcement, there were 7 400 000 cumulative, non-redeemable, non-participating and non-convertible preference shares in issue. The final net preference dividend is 356.0 cents per share for preference shareholders who are not exempt from dividends tax.

With respect to the preference dividend, in terms of the dividends tax effective since 22 February 2017, the following additional information is disclosed:

The local dividends tax rate is 20%; and Grindrod Limited's tax reference number is 9435/490/71/0.

Preference and ordinary dividend timetable

Declaration and finalisation date	Wednesday, 04 March 2020
Last date to trade cum-dividend	Tuesday, 24 March 2020
Securities start trading ex-dividend	Wednesday, 25 March 2020
Record date	Friday, 27 March 2020
Payment Date	Monday, 30 March 2020

No dematerialisation or rematerialisation of shares will be allowed for the period Wednesday, 25 March 2020 to Friday, 27 March 2020, both days inclusive.

The dividend is declared in the currency of the Republic of South Africa.

By order of the Board

Mrs CI Lewis
Group Company Secretary
03 March 2020

CORPORATE INFORMATION

Directors

MJ Hankinson (chairman*), MR Faku*, GG Gelink*, WJ Grindrod, B Magara*, XF Mbambo (group financial director), DA Polkinghorne, NL Sowazi (lead independent non-executive director), PJ Uys*, W van Wyk (alternate)*, AG Waller (group chief executive officer) and Z Zatu*.

* Non-executive

Change in directorate and vote of thanks

Raymond Ndlovu resigned as alternate non-executive director to Pieter Uys on 01 January 2020 following his new role as CEO of CIVH Proprietary Limited, a Remgro Limited investee. Zola Malinga resigned as non-executive director on 01 January 2020 to focus solely on Grindrod Bank. The board thanks Raymond and Zola for their dedication, contribution and commitment to the Company.

Zimkhitha Zatu and Ben Magara were appointed as independent non-executive directors on 30 January 2020. Willem van Wyk was appointed as alternate independent non-executive director to Pieter Uys on 30 January 2020 following Raymond Ndlovu's resignation. The board takes pleasure in extending a warm welcome to Zimkhitha, Ben and Willem, and look forward to their valuable contribution.

Registered office

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South Africa

Transfer secretaries

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Auditors

Deloitte & Touche
Designated Audit Partner: Mark Holme CA (SA)

Sponsor

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Registration number: 1966/009846/06, Incorporated in the Republic of South Africa
Share code: GND and GNDP ISIN: ZAE000072328 and ZAE000071106
Statements contained in this announcement regarding the prospects of the group, have not been reviewed nor audited by the group's external auditors.

For more information and additional analyst information, please refer to www.grindrod.com.